DRAFT RED HERRING PROSPECTUS
Dated: September 29th, 2018
Read with Section 32 of the Companies Act, 2013
(The Draft Red Herring Prospectus will be
Updated upon filing with the ROC)
100% Book Built Issue

TEXACO SYNTHETICS LIMITED

Our Company was incorporated as "Texaco Synthetics Private Limited" at Ahmedabad, Gujarat as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 9th,1988 bearing Corporate Identification Number U17119GJ1988PTC011613 issued by Registrar of Companies, Ahmedabad. 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 May 5th, 2018 and name of our Company was changed to "Texaco Synthetics Limited" and a Fresh Certificate of Incorporation Consequent upon conversion from Private Company to Public Company dated May 23, 2018 was issued by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U17119GJ1988PLC011613. 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 other Corporate Matters"* beginning on pages **60** and **172** of this Draft Red Herring Prospectus.

Registered Office: C-209, 2nd floor, Block C, Sumel Business park-II, Behind Vanijya Bahawan ,Kankaria road, Ahmedabad Gujarat-380022

Tel. No.: +91-9376186571, +91-9879497991; **Fax No**.: Not Available

E – Mail: texacogroup@gmail.com Website: www.texacosynthetics.com

Contact Person: Apoorva Agarwal, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: MR. PRADEEPKUMAR SHREEKRISHNA AGRAWAL AND MRS. RUKMANI PRADEEPKUMAR AGARWAL

THE ISSUE

INITIAL PUBLIC OFFER OF 41,50,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") OF TEXACO SYNTHETICS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE), AGGREGATING RS. [●] LAKHS ("THE ISSUE"), OF WHICH 2,10,000 EQUITY SHARES OF FACE VALUE RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 39,40,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS IS HEREINAFTER REFERED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue 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. 292 of this Draft Red Herring Prospectus. A copy will be delivered for registration to the RoC as required under Section 26 & 32 of the Companies Act, 2013 respectively.

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 58 of this Draft Red Herring 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. [●]/- per Equity Share is [●] times of the Face Value. The Issue Price (as determined by our company in consultation with the Book Running Lead Managers as stated in chapter titled *"Basis for Issue Price"* beginning on page 116 of this Draft Red Herring 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 Draft Red Herring Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 20 of this Draft Red Herring Prospectus.**

COMPANY'S ABSOLUTE RESPONSIBILTY

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

LISTING

The Equity Shares of our Company offered through this Draft Red Herring 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 **[●]** from National Stock Exchange of India Limited. ("NSE") for using its name in the Offer document for listing of our shares on the National Stock Exchange of India Limited ("NSE").

BOOK RUNNING LEAD MANAGER 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 0141-2203996 **Fax:** +91 0141-2201259 **Website:** www.holaniconsultants.co.in **Email:** ipo@holaniconsultants.co.in **Investor Grievance Id:** complaints.redressal@holaniconsultants.co.in **Contact Person:** Mr.Bharat Mantri **SEBI Registration No.:** INM000012467	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai City Maharashtra-400083 India **Tel:** +91 022-49186200 **Fax:** +91 022-49186195 **Website**: www.linkintime.co.in **Email**: texaco.ipo@linkintime.co.in **Investor Grievance id:** texaco.ipo@linkintime.co.in **Contact Person**: Mr. Shanti Gopalkrishnan **SEBI Registration No**: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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The equity shares have not been and will not be registered under the U.S Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States 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 Draft Red Herring 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 July 16, 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. Gattani & 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 60 of this Draft Red Herring 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 Pradeepkumar Srikrishna Agrawal.
Chief Financial Officer (CFO)	The Chief Financial Officer of our Company, namely Mr. Alpeshkumar Jayantilal Shah
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Apoorva Agarwal
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. 197 of this Draft Red Herring Prospectus
ISIN	International Securities Identification Number, in our case being INE01JN01011
Key Management Personnel/KMP	Individuals described in the chapter titled "*Our Management*" on page no. 176 of this Draft Red Herring Prospectus.
"Texaco Synthetics Limited", "TSL", "Texaco Synthetics", "We" or "us" or "Our Company" or "The Company" or "Issuer" or "Issuer Company"	Texaco Synthetics Limited, a Public Limited Company incorporated under the Provisions of Companies Act, 1956.
Memorandum/ Memorandum of Association/ MOA	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on July 16, 2018 as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013.

Term(s)	Description
Peer Review Auditor	Independent auditor holding a valid Peer Review certificate issued by Institute of Chartered Accountants of India, in our case M/s. S.N. SHAH & ASSOCIATES, Chartered Accountants
"Promoter", "Promoters" or "our Promoters" or "Individual Promoters"	Promoters of our Company being Pradeepkumar Shreekrishna Agrawal and Rukmani Pradeepkumar Agrawal
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. 192 of this Draft Red Herring Prospectus.
Registered Office	The registered office of Our Company situated at C-209, 2nd Floor, Block-C, Sumel Business Park-II Behind Vanijya Bhavan, Kankaria Road, Ahmedabad Gujarat 380022 India.
Registrar of Companies/RoC	The Registrar of Companies, ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013
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 Draft Red Herring Prospectus. All the applicants should 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 Draft Red Herring 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.

Term(s)	Description
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 Axis 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 292 of this Draft Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/ Issue Period by a Bidder pursuant to submission of the Bid-cum-Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Draft Red Herring Prospectus and Bid-cum-Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid-cum-Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum-Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and in the regional newspaper, each with wide circulation and in case of any revision, the extended Bid/ Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and in the regional newspaper, each with wide circulation and in case of any revision, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations

Term(s)	Description
Bid/ Issue Period	The period between the Bid/ Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bid-cum-Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid/ Application pursuant to the terms of the DRHP/ RHP/ Prospectus and the Bid-cum-Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/ Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Issue is being made
Book Running Lead Manager/ or BRLM	The BRLM to the Issue to the issue in this case being Holani Consultants Private Limited, SEBI Registered Category I Merchant Banker.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
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 Centres	Centers at which the Designated Intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
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
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholder in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
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

Term(s)	Description
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
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated September 28th, 2018 issued in accordance with the SEBI, (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
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 Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Employees	Employees of an Issuer as defined under SEBI (ICDR) Regulations and including, in case of a new company, persons in the permanent and full-time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/ Applicant may refer to the Draft Red Herring Prospectus.
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 Draft Red Herring Prospectus constitutes an invitation to purchase the Equity Shares issued thereby and who

Term(s)	Description
	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.
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 [•] between our Company, Book Running Lead Manager (BRLM) 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 2,10,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●]/- for the Market Maker in this Issue
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
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 39,40,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] by our Company
Net Proceeds	Proceeds of 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 110 of this Draft Red Herring 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
Issue/ Issue size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	The initial public offer being a fresh issue of 41,50,000 Equity Shares of face value of Rs.10/- each for cash at a price of Rs. [●] each, aggregating Rs. [●] Lakhs

Term(s)	Description
Issue Agreement	The agreement dated [•] between our Company and the BRLM, 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 Draft Red Herring Prospectus being Rs. [•] per Equity Share of face value of Rs. 10/- each fully paid
Issue Proceeds/ Gross Proceeds	The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see *"Objects of the Issue" beginning* on page 110 of this Draft Red Herring Prospectus.
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, 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. Axis 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 [•] amongst our Company, BRLM, 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 Axis 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

Term(s)	Description
	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 Link Intime India Private Limited having registered office at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai City Maharashtra 400083 India
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)
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/Recognisedintermediaries 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.
Specified Locations	Bidding centres where the Syndicate shall accept Bid-cum-Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Syndicate Agreement	Agreement dated [•] entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid-cum-Application Forms by Syndicate and subsequent Addendum to Syndicate Agreement dated [•]
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [•]

Term(s)	Description
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
Underwriting Agreement	The agreement dated [•] 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
BTRA	The Bombay Textile Research Association
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

Term(s)	Description
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
NSE Nifty	Nifty is an index; market indicator of the position of stock that is listed in the NSE (National Stock Exchange)
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 Organisation
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

Term(s)	Description
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
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

Term(s)	Description
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 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 176 of this Draft Red Herring Prospectus
LPH	Litre Per Hour
Ltd.	Limited
MD	Managing Director
Mtr	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

Term(s)	Description
	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 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

Term(s)	Description
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange(s)	EMERGE Platform of NSE Limited
Sq.	Square
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 337 of this Draft Red Herring 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 200 of this Draft Red Herring 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 Draft Red Herring 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 120 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and

In the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 243 of this Draft Red Herring 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 Draft Red Herring 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 200 of this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1 of 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 Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding – off. All decimals have been rounded off to two decimal points.

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

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and elsewhere in this Draft Red Herring 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 200 of this Draft Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus is reliable, it has not been independently verified by the Book Running 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 Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD LOOKING STATEMENT

This Draft Red Herring 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 industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- 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 243 respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Draft Red Herring Prospectus. Neither we, our Directors, Book Running Lead manager, Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the 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 Draft Red Herring 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 146, 200 *and* 243 *respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making any 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 Draft Red Herring 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 Draft Red Herring Prospectus.

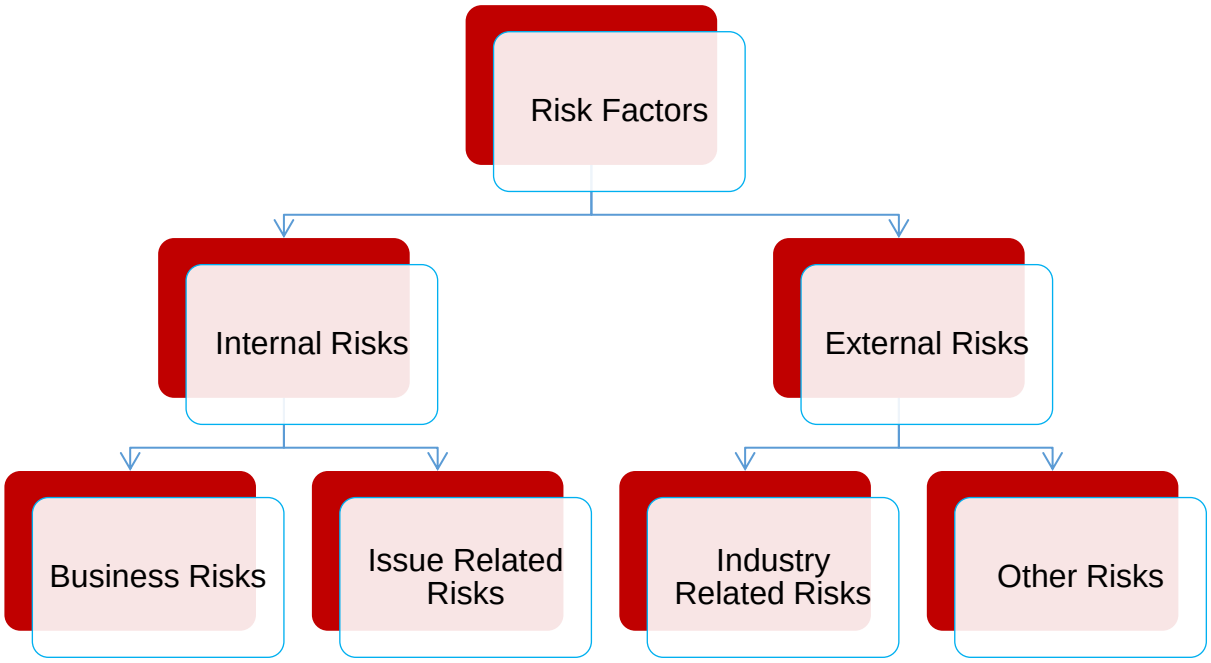
The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue 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

Business Specific/ Company specific Risk

1. ***There are outstanding litigations involving our Company, the Promoters and the Group Companies, which, if determined adversely, may affect their business and operations and our reputation.***

Our Company, Promoters, Directors other than Promoters and Group Companies are involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Company, Directors, Promoters or Group Companies may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and also adversely affect our reputation.

In the ordinary course of business, our Company and our Promotors are involved in certain legal proceedings, which are pending at varying levels of adjudication at different forums. The summary of outstanding matters set out below includes details of civil proceedings, criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Promoters and our Group Company.

According to the Materiality Policy, any outstanding litigation, other than criminal proceedings, statutory or regulatory actions and taxation matters, is considered material if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of Rs. 5 Lakhs or if an adverse outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation.

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labor Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881
Company						
By the Company	Nil	1	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	13	Nil	Nil	Nil
Aggregate Amount involved (Rs. in lakhs)	**0.00**	**Not Ascertainable**	**15.85**	**0.00**	**0.00**	**0.00**
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	1	Nil	Nil	Nil
Aggregate Amount involved (Rs. in lakhs)	**0.00**	**0.00**	**2.00**	**0.00**	**0.00**	**0.00**
Group Companies						
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Aggregate Amount involved (Rs. in lakhs)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Directors other than promoters						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Aggregate Amount involved (Rs. in lakhs)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Aggregate Amount involved (Rs. in lakhs)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Note: *The amounts may be subject to additional interest / other charges being levied by the concerned authorities which are unascertainable as on the date of this Draft Red Herring Prospectus.*

The detailed information on the outstanding litigations are set forth in chapter *"Outstanding Litigation and Material Developments"* on page 257 of this Draft Red Herring Prospectus.

We cannot assure you that any of the legal proceedings described above will be decided in favor of the Company, the Promoters and the Group Companies, respectively. Further, the amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities and include amounts claimed jointly and severally. Should any new developments arise, such as a change in Indian law or rulings by appellate courts or tribunals, additional provisions may need to be made by us, the Promoters, the Directors and the Group Companies in our respective financial statements, which may adversely affect our business, financial condition and reputation. We may incur significant expenses and management time in such legal proceedings. Decisions in any of the aforesaid proceedings adverse to our interests may have an adverse effect on our business, future financial performance and results of operations.

Further, our Company is not in possession of affirmed documents pertaining to litigation matters described in the chapter titled *"Outstanding Litigation and Material Developments"* beginning on page 257 of this Draft Red Herring Prospectus. Accordingly, reliance has been placed on court orders, documents and undertakings furnished by the Company to describe the facts of litigation in the aforesaid chapter.

2. ***We require a number of approvals, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of Texaco Synthetics Limited from Texaco Synthetics Private Limited, pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

   We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Also, we were a private limited company in the name of "Texaco Synthetics Private Limited" carrying business of manufacturing and export of Cotton, Polyester, Poly Viscose and Poly Cotton Fabrics. 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 "Texaco Synthetics Private Limited" to "Texaco Synthetics Limited" pursuant to Rule 29 of the Companies (Incorporation) Rules, 2014. We shall be taking necessary steps for transferring the approvals in new name of our company. In case we fail to transfer/obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business.

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

   We operate manufacturing facilities in Ahmedabad, Gujarat and our manufacturing facilities are subject to operating risks, such as unavailability of machinery, break-down, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Further, some of our machinery is imported from outside India. The service and repair centers for such imported machinery may not be available in India. In the event of a breakdown or failure of such machinery, replacement parts may not be available in India and such machinery may have to be sent for repairs or servicing to the country from where it was procured. This may lead to delay and disruption in our production process that could have an adverse impact on our sales, results of operations, business growth and prospects.

In addition, our customer in India and outside India rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Any disruption of operations of our manufacturing facilities could result in delayed delivery of our products or defects in the garments delivered to our customers, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. Our business and financial results may be adversely affected by any disruption of operations of our manufacturing facilities, on account of factors including any or all of the factors mentioned above.

4. ***Our Company if not able to manage our growth or to successfully implement our business plan could have an effect on our business, results of operations and financial condition.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on optimal utilization of resources and to develop relationships with customer and suppliers. For further details, see the section titled "Our Business – Our Strategies" on page 148 of this Draft Red Herring Prospectus. Our success in implementing our growth strategies may be affected by:

- Our ability to identify new markets to expand;
- Our ability to maintain the quality of our products;
- Changes in the Indian regulatory environment in field of Textiles

Our Company if is not able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could impact our results of operations. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have an effect on our business, financial condition and profitability.

5. ***Some of our corporate records including forms filed with the Registrar of Companies are not traceable. We cannot assure that these form filings will be available in the future and our company has made some non – compliances of certain provisions under Companies Act.***

Our company is unable to trace certain corporate and other documents in relation to our company including forms filed with Registrar of Companies prior to change in ROC filing due to change in methods of record keeping on account of technological advancement and computerization over the years. Certain forms and documents filed with ROC like Return of Allotment, Increase in Authorized Capital, Annual Returns, Balance sheets etc could not be traced by our Company as online filing of ROC documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence some of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) Portal. Our company had carried search for the physical copies of the untraceable forms at the office of ROC but some of the forms related to Allotment, Increase in Authorized Capital, Annual Returns etc. couldn't be found at the office of the ROC as well. Under the circumstances elaborated above, our company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the company are correct which may result in compliance related penalties in the future. However, as on date, no notice is received to the company from the Registrar of companies and there are no ongoing or pending proceedings.

6. ***Property on which our registered office and property where one of our manufacturing facility is located is not owned by us. In the event, we are unable to renew rent agreements for registered office or for the manufacturing facility, or if such agreements are terminated, we may suffer a disruption in our operations.***

   Our Company does not own the registered office located at C – 209, Sumel Business Park – 2, Behind Vanijya Bhawan, Kankaria Road, Ahmedabad – 380022, India, and has been taken by us on rent. Further, one of our manufacturing facility located at Plot No. 2002, GIDC, Phase – 2, Vill – Chhatral, Taluka – Kalol, Dist. Gandhinagar, Gujarat has also been taken on rent. The agreement is renewable on mutually agreed terms. In the event of the said agreement is not being renewed or in case we have to vacate the said premises then our business operations may be disturbed till the time we are able to locate to any new premises for undertaking our activities. For details on properties taken on lease/rent by us please refer to the heading titled "Land & Property" in chapter titled "*Our Business*" beginning on page 146 of this Draft Red Herring Prospectus.

7. ***Our top 10 customers contribute 63.45% 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 manufacturers and they use our product as a raw material to manufacture their end product. 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.

8. ***Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage/salaries 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.

9. ***We have experienced negative cash flows from operating activities in the past. Any such negative cash flows from operating activities in the future could affect our business, result of operations and prospects.***

Our Company had reported the following cash flows from operating activities in the previous years as per the restated financial statements:

Particulars	For the year ended				
	2018	2017	2016	2015	2014
Cash flow from operating activities	**414.35**	**336.88**	**(107.20)**	**7.22**	**113.70**

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 our Company is not able to\ generate sufficient cash flows, it may affect our business and financial operations. For further please refer chapter titled "Financial Statements as restated" beginning on Page 200 of this Draft Red Herring Prospectus.

10. ***Our company is in the process of identifying the MSME creditors and has not yet identified any as on the date of this Draft Red Herring prospectus. Failure to identify the MSME creditors may subject the company to penal provisions of the MSMED Act, 2006.***

With respect to the MSME creditors, our company is in the process of identifying the MSME creditors and accordingly, as of now, no data in this regard can be provided. Also, the same has been stated in the peer reviewed auditor's report as at March 31st, 2018. As per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 in case we are unable to identify the Micro and Small Enterprises (MSME) Creditors then a fine of minimum Rupees 10,000/- shall be leviable on the company under the said Act.

11. ***Our results of operations may be materially adversely affected by our failure to anticipate and respond to changes in technology and consumer preferences in a timely manner.***

Modernization and technology upgradation are 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 inability to maintain an optimal level of inventory in our factories and Godown may impact our operations and Business.***

We estimate our sales based on the forecast, demand and requirements of our Products. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a full range of products. We typically maintain inventory levels of raw material and finished goods that are sufficient for a few days of operation. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts, or natural conditions may impact the supply of raw material. Such disruption to supply would affect our business, profitability. Although availability of raw material from where we operate are easy and convenient as there are ample of suppliers. Further, if there will be situation of understock inventory, our ability to meet customer demand and our operating results may be affected. Any mismatch between our planning and actual Production and

demand could lead to potential excess inventory or out-of-stock situations, either of which could have an effect on our business, financial condition and results of operation.

13. ***Within the parameters as mentioned in the chapter titled 'Objects of this Issue' beginning on page 110 of this Draft Red Herring Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the 'Objects of the Issue' have not been appraised by any bank or financial institution.***

    We intend to use entire fresh Issue Proceeds towards working capital requirement and for general corporate purpose. We intend to deploy the Net Issue Proceeds in FY 2018-19and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled "Objects of the Issue" beginning on page 110 of this Draft Red Herring Prospectus.

    The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled 'Objects of the Issue' beginning on page 110 of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, the Company shall comply with Section 27 of the Companies Act, 2013 before varying the 'Object of the Issue'. The Audit Committee appointed by our Board will monitor the utilization of the proceeds of this Issue.

14. ***We may be unable to enforce our rights under some of our agreements with counterparties on account of insufficient stamping and non-registration or other reasons.***

    We enter into agreements with third parties, in relation to leasing of our offices, factories and godown from where we operate our business. The terms, tenure and the nature of the agreements may vary depending on, amongst other things, the subject matter of the agreement and the third party involved. Some of the agreements related to Unit II, Unit III and Godown executed by us are not registered or may not otherwise be enforceable. Inadequately stamped documents may be impounded by the appropriate authority. Such inadequately stamped or not registered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all. We cannot assure you that we would be able to enforce our rights under such agreements or in respect of such immovable properties, and any inability to do so, could impair our operations and affect our financial condition, cash flows and results of operation.

15. ***We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.***

    Our factories and offices have significant electricity requirements and any interruption in power supply to our factories and offices may disrupt our operations. Our business and financial results may be affected by any disruption of operations. We depend on third parties for all of our power requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may impact our business margins. Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of factories and offices and we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition and results of operations.

16. ***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.

17. ***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 certain Accounting Standards such as non/delayed filing of forms, non-compliance of section 159/166/210/220 and 58 of Companies Act, 1956, delayed filing of registration of Charge etc. Although no show cause notice have been issued against the Company till date in respect of above. In the event of any cognizance being taken by the concerned 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.

The company has received some show cause notices from the Roc, Gujarat and we have made the proper reply of the same, but all the notices and compliance thereof is not traceable by us, further we cannot guarantee that our Company will not be subject to any penalties for the said violations in future. Such non-compliances may have an adverse impact on our reputation, business and results of operations.

18. ***Increased competition for skilled employees and salary increases for our employees may reduce our profit margin.***

Due to sustained economic growth in India and increased competition for skilled employees in India over the last few years, wages of skilled employees are increasing at a fast rate. Accordingly, we may need to increase our levels of employee compensation rapidly to remain competitive in attracting the quality of employees that our business requires. Salary increases may reduce our profit margins and have a material and adverse effect on our results of operations.

19. ***There is no monitoring agency appointed 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. 50,000 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.

20. ***We have not entered into any long-term agreements with our suppliers for procuring our textile products and accordingly may face disruptions in supply from current suppliers.***

We are in the business of manufacturing of fabrics, both grey and fancy. We procure raw material from local traders, dealer and/ or manufacturers. Since, these orders are given according to specific requirements, no specific agreement/ MoU has been entered into between our Company and our suppliers and we typically transact on an invoice basis for each order. These suppliers provide us the raw material based on trust, service and the ready finance provided by us. In the absence of written agreements, our suppliers can withdraw the orders from us at any time which may leads to significant disruption in the supply of these traded goods from current sources, or, in the event of a disruption, that we would be able to locate alternative suppliers of the raw material of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, consistency, responsiveness and service, financial stability and other ethical practices. If we are unable to maintain our relationship with our current raw material suppliers it may prove difficult to obtain the same from other regulated players.

Any delay, interruption or increased cost in the supply of our products arising from a lack of long-term contracts could have an effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.

21. We depend on third parties for a major portion of our transportation needs. Any disruptions may affect our operations, business and financial condition.

We rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of raw material from our suppliers and for transportation of our finished product to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third-party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. We rarely enter into written documentation in relation to the transportation services we hire which poses various additional risks including our inability to claim insurance. Further, the cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events. Although we have not experienced any disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby affecting our operations and profitability.

22. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, assumptions relating to operational efficiencies, as well as assumptions in relation to the average density of garments manufactured by us. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus. For further information, see the section titled “Our Business” on page 146 of this Draft Red Herring Prospectus.

23. ***Accidents could result in the slowdown or stoppage of our operations and could also cause damage to life and property.***

We endeavour to meet necessary safety standards in relation to our operations at our factories and godown. However, certain accidents or mishaps may be unavoidable or may occur on account of negligence or human error in complying with the prescribed safety standards or for other reasons. Such accidents or mishaps may result in, amongst others, an action of tort being initiated against us.

Therefore, although we take steps to ensure safety, accidents, including human fatalities, may occur and there can be no assurance that our safety measures and the precautions undertaken will be completely effective or sufficient. Further, if we fail to maintain adequate insurance cover in relation to the foregoing, a claim filed by us with our insurer is rejected, a loss occurs, which does not fall under the insurance cover maintained by us, or our claim is subject to any deductible or delay in settlement, amongst other things, our exposure will increase. Any accident at our area of operations could also harm our reputation. Such accidents may have an impact on our business.

24. ***Our Promoters/Directors have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters/Directors and thereby, impact our business and operations.***

Mr. Pradeep Kumar Srikrishna Agrawal and Mrs. Rukmani Pradeepkumar Agrawal, our Promoter Directors, have personally guaranteed the repayment of loan facilities taken by us. As at March 31, 2018, outstanding amounts from credit facilities personally guaranteed was Rs 1,311.63Lacs. Any default or failure by us to repay its loans in a timely manner, or at all could trigger repayment obligations on the part of Mr. Pradeep Kumar Srikrishna Agrawal and Mrs. Rukmani Pradeepkumar Agrawal in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoter Directors of our Company, thereby having an effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their guarantees and collateral security, our lenders for such facilities may ask for alternate guarantees and collateral security, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring 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 could affect our financial condition and cash flows. For further details, please refer to chapter titled “Financial Indebtedness” beginning on page 253 of the Draft Red Herring Prospectus.

25. ***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.

26. ***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.

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

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see "*Capital Structure*" and "*Our Management*" on pages 71 and 176, respectively, of this Draft Red Herring Prospectus.

28. 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 favorable 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 198 of this Draft Red Herring Prospectus.

29. Our company has no insurance policies to cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our company may be subject to possible risk of loss.

Our Company has not obtained insurance coverage in respect of all risks. In absence of any coverage of insurance our company faces the risks of loss of profit due to product defect/liability risk, loss of profits, losses due to terrorism, etc. If we suffer a significant uninsured loss, our business, financial condition and results of operations may be materially and adversely affected.

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

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

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

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

32. ***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 69.96% 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.

33. ***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.

34. ***Marketing initiatives undertaken by us may turn out to be ineffective.***

There can be no assurance that marketing activities that we undertake, which may involve significant expenses, will be well received by our customers and consequently such marketing activities may not result in the targeted levels of product sales or demand for our product. This requires us to enhance our marketing strategies and experiment with new marketing methods to keep pace with industry developments and customer preferences. An inability to refine our marketing strategies or introduce targeted marketing campaigns in a cost-effective manner could reduce our market share, cause our net revenues to decline and negatively impact our profitability.

35. ***We have not independently verified certain data in this Draft Red Herring Prospectus.***

We have not independently verified data from the Industry and related data contained in this Draft Red Herring Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect 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, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

36. ***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. Typically, hardware cost for the same configuration goes down every year, our inability to pass equivalent fall in price as the fall in hardware cost can again impact our competitiveness. Also, pricing may be an important business strategy and we may reduce more than the fall in input cost impacting our business profitability.

37. Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labor, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

a. Environment (Protection) Act, 1986
b. Air (Prevention and Control of Pollution) Act,1981
c. Water (Prevention and Control of Pollution) Act,1974
d. Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Rajasthan.

The above-mentioned enactments govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non – compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

38. Our Shareholders and members of the promoter group have given personal guarantees in relation to certain debt facilities provided to our Company by our lender. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our management's ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations.

Some of the debt facilities provided to our Company by our lenders stipulate that the facility shall be secured by a personal guarantee of our promoters or members of our promoter group. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters/ Directors/ Key Managerial Personnel(s) ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations. Further, in an event our promoters or members of the promoter group withdraws or terminates his/ their guarantee(s) or security, the lenders for such facilities may ask for alternate guarantee(s) or securities or for repayment of amounts outstanding under such facilities or even terminate such facilities. We may not be successful in procuring guarantee(s) or collateral securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled *"Financial Indebtedness"* beginning on page 253 of this Draft Red Herring Prospectus.

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

As on March 31, 2018, our Company has unsecured loans amounting to Rs. 324.97 lakhs from related and other parties that are repayable on demand to the relevant lender. Further, these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of above-mentioned loans of our Company, please refer the chapter titled *"Financial Statements as Restated"* beginning on page 200 of this Draft Red Herring Prospectus.

40. *The loss of or shutdown of operations at facility may have a material adverse effect on our business, financial condition and results of operations.*

Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns at any or all of these facilities due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations may be affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

41. *Our revenues and profits are dependent on several factors. Any adverse change in these factors or in combination of these factors may affect our business operations and the financial condition and consequently, our ability to pay dividends.*

Our revenues and profits are dependent on several factors such as expansion in new areas, retaining key managerial personnel, complying with various regulatory requirements, receipt of subsidy from governments, managing costs and expenses, general market conditions, etc. Any adverse change in these factors or a combination of these factors may adversely affect our business operations and financial condition.

42. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.*

We maintain large amounts of inventory at our premises at all times. Although we have set up security measures, our operations may be subject to incidents of theft or damage to inventory. There can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

43. *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 and involves significant amount in trade receivables and inventories. Summary of our working capital position, based on the restated financials as at March 31st, 2018 is given below: -*(Rs. in Lakhs)*

Particulars	As at March 31st, 2018
Current Assets:	
Inventories	
Raw Material	639.51
Work in Progress	459.82
Finished Goods	48.87
Trade Receivables – Domestic	1,324.70
Short Term Loans & Advances and Other Current Assets	189.60
Cash and Cash Equivalents	7.48
Total (A)	**2,669.98**
Current Liabilities:	
Trade Payables	1,092.41
Advance payment from customers	6.89
Other Current Liabilities and Provisions	290.94
Total (B)	**1,390.24**
Net Working Capital (A) – (B)	**1,279.74**
Inventories as % of total current assets	*43.00 %*
Trade receivables as % of total current assets	*49.61 %*

Our Company intends to continue growing by expanding our geographical reach and obtaining sales orders. 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 funds, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled *"Objects of the Issue"* beginning on page 110 of this Draft Red Herring Prospectus.

44. *We face stiff competition in our business which may adversely affect our business operations and financial condition. Moreover, we have a limited product portfolio when compared to industry peers in the organized sector which may affect our ability to compete effectively.*

The market for our products is highly competitive. Players in this industry generally compete with each other on key attributes such as the quality of products, the quality of the after sales services and pricing. Some of our competitors may have greater financial, technical and other resources and greater market share and goodwill which may enable them to compete effectively. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

While we believe we are able to compete effectively with our product portfolio, our competitors' wider product range offers them the opportunity to cater to wider customer base and develop a greater brand recall. We aim to diversify our product portfolio in due course of time but are unable to assure you whether the same shall be as successful as our existing products. In the event we are unable to compete effectively with our existing product range and are unable to

successfully develop and market the new product range within a definite timeline or at all, our business and results of operations shall be adversely affected.

45. *We may, from time to time, look for opportunities to enter strategic alliances, acquire businesses or enter into joint venture arrangements. Any failure to manage the integration of the businesses or facilities post such acquisition or joint venture may cause our profitability to suffer.*

We may, from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances. Such acquisitions may not contribute to our profitability, and we may be required to incur or assume debt, or additional expenses beyond our forecasts or assume contingent liabilities, as part of any acquisition. Further, the acquisitions may give rise to unforeseen contingent risks relating to these businesses that may only become apparent after the merger or the acquisition is finalized. We may also face difficulty in assimilating and retaining the personnel, operations and assets of the acquired company. Further, we may not be able to accurately identify or forge an alliance with appropriate companies in line with our growth strategy. In the event that the alliance does not perform as estimated, or the inability on the part of our joint venture partner to meet the customer requirements may lead to a failure of such an arrangement which may adversely affect our business.

46. *We have indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.*

As of March 31, 2018, we have outstanding debt of 1,328.37 lakhs (excluding non-fund-based borrowing). Such level of indebtedness has important consequences to us, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- Affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialize, our business and results of operations may be adversely affected. For further information, see section titled "*Financial Indebtedness*" on page 253.

47. *We are subject to certain restrictive covenants in our financing arrangements which may limit our operational and financial flexibility, and our future results of operations and financial condition may be adversely affected if we fail to comply with these covenants.*

Some of our financing agreements set limits on us or require us to obtain lender consents before, among other things, undertaking certain projects, issuing new securities, changing our business, merging, consolidating, selling significant assets or making certain acquisitions or investments. For instance, as per our financing arrangements with our lenders we have to obtain their prior written consent before changing or altering our capital structure. In addition, these restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreement. For further information, see section titled "*Financial Indebtedness*" on page 253.

48. *Increases in interest rates may materially impact our results of operations.*

Substantially all of our secured debt carries interest at floating interest rates or at rates that are subject to adjustments at specified intervals. Further, any future indebtedness that we undertake may also carry interest at floating rates. We are exposed to interest rate risk in

respect of indebtedness for which we have not entered into any swap or interest rate hedging transactions, although we may decide to engage in such transactions in the future. However, such transactions may not be at commercially reasonable terms and such agreements may not protect us fully against such interest rate risk. We may further be unable to pass any increase in interest expense to our existing and/or future customers, which may have a material adverse effect on our business, financial condition, results of operations and cash flows.

49. Any infringement of third-party intellectual property rights or failure to protect our intellectual property rights may adversely affect our business.

Our Company undertakes regular updation and modification of our offerings to keep abreast with prevalent technology. Given the nature of our products, we cannot assure you that our products do not or will not inadvertently infringe valid third-party intellectual property rights, which may expose us to expensive legal proceedings. Our competitors and other companies or innovators may try to assert patent and other intellectual property rights against us.

Issue Specific Risks

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

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

51. 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.

52. 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 be based on numerous factors (For further information, please refer chapter titled "*Basis for Issue Price*" beginning on page 116 of this Draft Red Herring 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.

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

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in the Draft Red Herring 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.

54. 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

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

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

Other Risks

56. 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 Draft Red Herring 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.

57. 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. As per the the Finance Act, 2018, the exemption on long-term capital gains tax has been withdrawn with effect from 1 April 2018 and tax at the rate of 10% is levied on such long-term capital gains in excess of Rs. 1,00,000. 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.

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

As stated in the reports of the Auditor included in this Draft Prospectus under chapter "*Financial Statements as restated"* beginning on page 200, the financial statements included in this Draft Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS.

Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

59. 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 unfavorable 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. 153 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 unfavorable 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.

60. 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.

61. 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.

62. 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.

63. 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 Draft Red Herring Prospectus.

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which our company operates has been based on various government Laws 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 127 of the Draft Red Herring 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.

64. 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.

65. 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.

66. 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.

67. 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.

68. 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.

69. 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.

70. 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 41,50,000Equity Shares of face value of Rs. 10/- each of our Company for cash at a price of Rs. [•]/- per Equity Share including a premium of Rs. [•]/- per Equity Share ("Issue Price") aggregating upto Rs. [•] Lakhs, out of which [•] Equity Shares of face value of Rs. 10/- each will be reserved by for subscription by Market Maker to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Net Issue of [•] 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 [•] % and [•] %, respectively of the post Issue paid up equity share capital of the Company.

2. Investors may contact the Book Running Lead Manager (BRLM) or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager (BRLM) and the Company Secretary & Compliance Officer, please refer to the chapter titled "*General Information*" beginning on page 60 of this Draft Red Herring Prospectus.

3. The pre-issue net worth of our Company was Rs. 1,014.68 lakhs as at March 31, 2018 and Rs. 869.68lakhs as at March 31, 2017. The book value of each Equity Share was Rs. 10.50as at March 31, 2018 and Rs9.00as at March 31, 2017 as per the restated financial statements of our Company. For more information, please refer to section titled "*Financial Statements as Restated*" beginning on page 200 of this Draft Red Herring Prospectus.

4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (In Rs.)
Pradeepkumar Shrikrishna Agrawal	45,40,320	5.55
Rukmani Pradeepkumar Agrawal	13,51,468	7.25

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled *"Capital Structure"* beginning on page number 71 of this Draft Red Herring Prospectus.

5. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer Annexure "XXXI" "Related Party Transactions as restated" under chapter titled "Financial Statements as restated" beginning on page 200 of this Draft Red Herring 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 289 of this Draft Red Herring Prospectus.

7. Except as disclosed in the chapter titled "Capital Structure", "Our Promoter and Promoter Group", "Our Management" and "Related Party Transaction" beginning on pages 71, 192, 176 and 198 respectively, of this Draft Red Herring Prospectus, none of our Promoters, Directors, Group Companies or Key Management Personnel has any interest in our Company.

8. Except as disclosed in the chapter titled "Capital Structure" beginning on page 71 of this Draft Red Herring 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 116 of the Draft Red Herring 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 Draft Red Herring Prospectus with the Stock exchange.

12. Our Company was originally incorporated as "Texaco Synthetics Private Limited" under the provisions of the Companies Act 1956, vide Certificate of Incorporation dated December 09, 1988 bearing Corporate Identification Number U17119GJ1988PTC011613. Subsequently our Company was converted into a public limited company pursuant to Special Resolution passed by the shareholders at the Extraordinary General Meeting held on 05.05.2018 and the name of our Company was changed to "Texaco Synthetics Limited" and a Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company dated 23.05.2018 was issued by Registrar of Companies, Ahmedabad. The Corporate Identity Number of our Company is U17119GJ1988PLC011613. For details of incorporation, change of name and registered office of our Company, please refer to chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on page 60 and 172 respectively of this Draft Red Herring Prospectus.

13. As on date of this Draft Red Herring Prospectus, our company does not have any 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 Draft Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statements as restated" and related notes beginning on page 20 and 200 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

TEXTILE BUSINESS – INDUSTRY OVERVIEW

Textile manufacturing is a major Industry. It is based on the conversion of fibre into yarn, yarn into fabric. These are then dyed or printed, fabricated into clothes. Different types of fibres are used to produce yarn. Cotton remains the most important natural fibre followed by Flax, Jute, Hemp, Silk There are many variable processes available at the spinning and fabric-forming stages coupled with the complexities of the finishing and colouration processes to the production of a wide ranges of products. There remains a large industry that uses hand techniques to achieve the same results.

The global textile business & clothing business in 2017 was estimated to be worth about the USD 4395 billion and also, global trade in textiles & clothing stood at around the USD 360bn in the year 2017. According to the world trade organization forecast the global trade was estimated to expand by 3.3% in 2017 & by 4% in 2018.

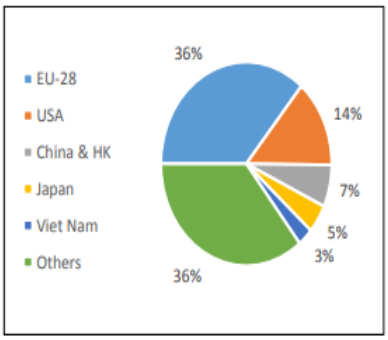
Along with the World, the textile business industry in India is the largest employer after agriculture and it contributes towards a significant portion of country's total exports. India has the 2nd largest manufacturing capacity in the world.

The success of the modern industry of world textiles is dependent largely upon continuing major investment in innovation and invention. After up – downs, a global textile business and apparel industry are flourishing at a high speed. The world is on a new corridor of the industrial revolution. Analysts are anticipating more expansion with latest technologies in textile machinery.

Major markets & supplier

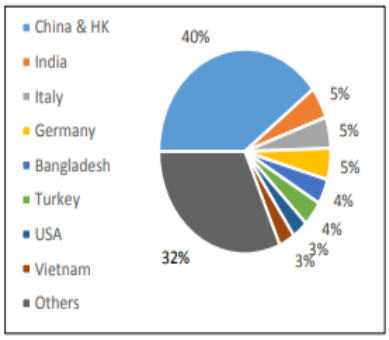
EU & USA are the largest markets for textile and apparel with a share of 36% and 14% respectively. On the supply side, China is the largest supplier of textile and apparel in the world with a dominating share of 40%. It is distantly followed by countries like India, Italy, and Germany etc. each with an approximate share of 5% in the global textile and apparel exports.

Figure 3: Major markets for textile and apparel (2014)



Source: UN Comtrade

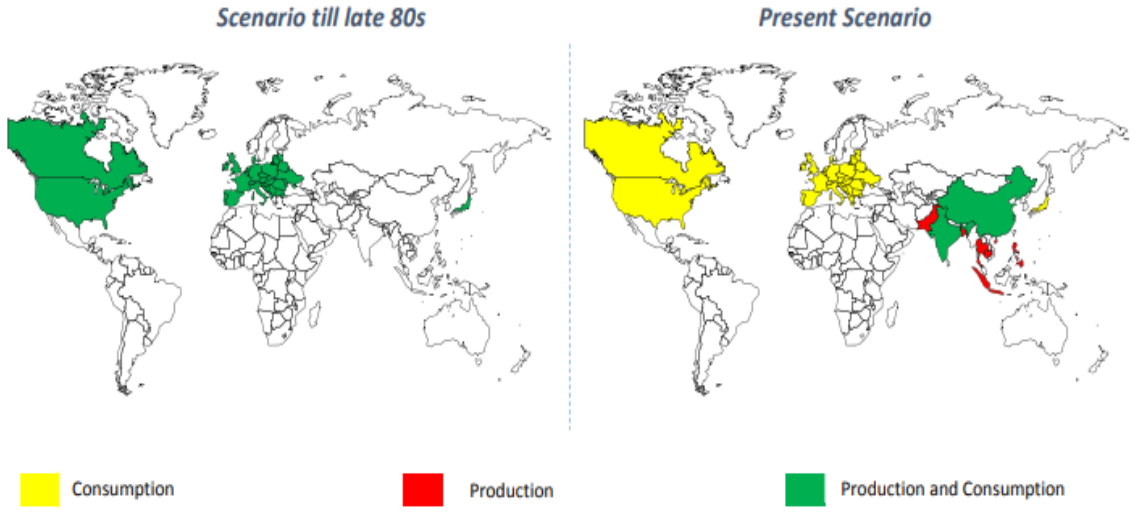
Figure 2: Major suppliers of textile and apparel (2014)



Source: UN Comtrade

Shift of manufacturing bases & emergence of new destinations

Textile industry has witnessed a major shift in the last three decades in terms of its production bases. Till the 1980s, production of textile and apparel was centered in USA and EU but over the period of time production of these commodities shifted majorly to Asian countries.



This shift was a result of attractive low-cost manufacturing advantages in these developing Asian countries. As the production of textile commodities was becoming unprofitable for the manufacturers in USA and Europe due to rising costs of manufacturing, they sought for alternative destinations for the manufacturing of textile products. Asian countries with availability of abundant and cheap manpower, vast natural resources and favourable economic policies were the most attractive destination for manufacturing of textile products. China has taken the maximum gain from this shift. After the liberalization of China's Industrial policy in 1980's, China experienced a massive boost in industrialization and as a result China became a hub of manufacturing. Over this period, China emerged as the biggest manufacturing base for textiles in the world and has remained the largest exporter of textiles and apparel in the world maintaining a dominant market share of around 40% since 2000s. Other Asian economies such as India, Bangladesh, Indonesia, Pakistan, Vietnam, Cambodia and Thailand also experienced an upsurge in their textile and apparel manufacturing during this period. Now, USA and Europe have become the largest consumption bases in the world while manufacturing is concentrated in Asian countries such as China & India (large consumption bases as well), Bangladesh, Vietnam, Sri Lanka, Pakistan etc.

(Source: http://ficci.in/spdocument/20817/3-FICCI-TAG-2016-Whitepaper.pdf)

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. 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.

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.

(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

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)*

INDIAN TEXTILES INDUSTRY

The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the capital-intensive mill sector. The mill sector with 3,400 textile mills having installed capacity of more than 50 million spindles and 8,42,000 rotors is the second largest in the World. Traditional sectors like handloom, handicrafts and small-scale power loom units are the biggest source of employment for millions of people in rural and semi urban areas.

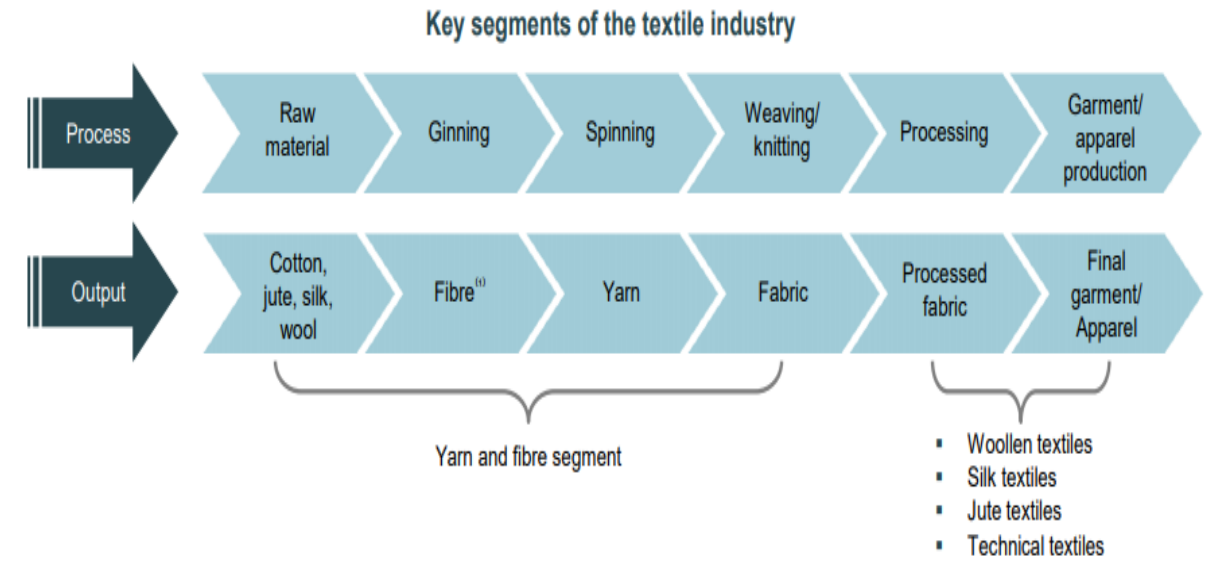
(Source: Annual Report 2017 – 18 issued by Ministry of Textiles, Government of India.)

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

India's textiles industry contributes 10 per cent to the manufacturing production of India. It contributes 2 per cent to the GDP of India and employs more than 45 million people. The sector contributes 13 per cent to the export earnings of India.

With production of 6,106 million kg, India was the largest producer of cotton in 2016-17.

India is the 2nd largest producer of Manmade Fibre and Filament, globally, with production of around 2,511 million kg in 2016-17.



Note: Figures are as per latest data available, ^ - as of 2016-17
Source: Textile Ministry, Make in India, [1] - Figures as of April-January 2016-17

Textile plays a major role in the Indian economy

- It contributes 14 per cent to industrial production and 4 per cent to GDP
- With over 45 million people, the industry is one of the largest source of employment generation in the country

The industry accounts for nearly 15 per cent of total exports. Exports of textiles from India reached USD 26.91 billion during April – December 2017.

The size of India's textile market as of July 2017 was around USD 150 billion, which is expected to touch USD 250 billion market by 2019, growing at a CAGR of 13.58 per cent between 2009-2019.

The central government is planning to finalise and launch the new textile policy in the next three months. The policy aims to achieve USD 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.

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

SUMMARY OF 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, 200 and 243 respectively of this Draft Red Herring Prospectus.

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

OVERVIEW

Our company was originally incorporated on December 9th, 1988 as a Private Limited Company under the name and style of Texaco Synthetics Private Limited under the provisions of the Companies Act, 1956 with the Registrar of Companies, Ahmedabad, Gujarat. Subsequently, our company was converted into the Public Limited Company on May 23rd, 2018 vide special resolution passed by our shareholders at the EGM held on May 5th, 2018 and the name of the company was converted to Texaco Synthetics Limited.

Texaco Synthetics Ltd is an **ISO 9001:2015** certified Company engaged in the business of Textile Manufacturing, Trading and Exports. Our Company is engaged in the manufacture and export of grey fabrics and finished fabrics for suiting and shirting. We have obtained a certificate of Importer Exporter Code (IEC) from Ministry of Commerce and Industry, Government of India vide IEC number 0899010555. Further, we have obtained a registration as a Manufacturer Exporter with The Synthetic and Rayon textiles export promotion council vide registration number SR/MFG/16117/2016 – 17 which is valid upto March 31, 2021. We are also registered with Powerloom development & export promotion council as Manufacturer exporter, Merchant exporter & Merchant cum Manufacturer exporter vide registration number PLMR/MFR/23161/2014 – 2015 which is valid upto March 31, 2019. Owing to the sustained export turnover in the past years we were awarded a Certificate of Recognition as One Star Export House (Status Holder No. 08/1/4025/20151210) from Directorate General of foreign trade, Government of India for a period of 5 years beginning from 2015 to 2020. Our company has been recognised as leading textile manufacturing company in the country by The Panchkuva Cloth Merchants' Association. The Association has selected top 10 textile manufacturers of the country and we were one of them.

Our Production facilities include latest and upgraded technology plant and machinery for the manufacture of fabric. Currently, we have deployed Airjet, Rapier and Projectile Looms in our production facilities which are globally used in the textile manufacturing industry. We have a employed an excellent support staff with the required technical knowledge and expertise who helps us in achieving higher levels of efficiency as regards our production.

We manufacture diverse varieties of fabrics ranging from Cotton, Cotton – Polyster, Cotton – Modal, Cotton – Tensil, Polyester Viscose and Terry Rayon Suitings. All these fabrics types are manufactured in Lycra and Non Lycra variants. Owing to the high demand of our quality products in the peak season and full utilisation of our manufacturing facilities, we purchase approximately 15% – 20% of the sales requirement from the third party vendors. The third party vendors manufacture the fabric as per the specifications provided by us. During the off season period we reduce the purchases from the third party vendors which enables us to operate at full capacity throughout the year. Our Company also undertakes corporate orders for Grey Fabrics and Finished Fabrics for export markets and as well as for corporate brands such as Arvind, etc. in the domestic markets. Finished Fabric requires further processing like dyeing and finishing which are outsourced to the third parties on job work basis after which it is sent to our Packing and Storage unit. We carry out the process of checking, grading and packing before final despatch of the finished fabric to our clients.

Our manufacturing units are at located at Chhatral, Taluka – Kalol District Gandhinagar in Gujarat and from where our manufactured goods are dispatched.

We have a dedicated in– house testing and quality control team which carries out rigorous testing and quality management procedures. We have a dedicated semi – automatic and

manual testing machines. Our Testing and QC team coupled with our testing equipment ensure the quality of raw material dispensed in the production process and also the grey fabric delivered to our clients. This helps in improving our procurement process thus reducing wastages, sales return and other related costs.

In the past 4 years, our revenues have increased from INR 3,495.33 lakhs in F.Y. 2014–15, INR 5,267.26 lakhs in F.Y. 2015–16, INR 4,701.08 lakhs in F.Y. 2016–17 and to INR 5,400.92 lakhs in F.Y. 2017–18, reflecting a CAGR of 15.61%. Our Net Profit after tax for the above – mentioned periods are INR 48.73 lakhs, INR 38.14 lakhs, INR 68.50 lakhs and INR 145.33 lakhs, respectively, showing a growth at a CAGR of 43.94%.

OUR STRENGHTS

1. Focus on Quality and Innovation

We believe that quality and innovation are essential in the growth of business. Our Management constantly strive to maintain and improve the quality of our products. Our focus on quality and innovation helps us to compete against our peers in the textile manufacturing industry. One of the main factor of our constant growth is that we manufacture fancy value added fabric and we do not face much competition from the other players in the textile manufacturing industry. Most of the textile manufacturers are engaged in the manufacture of common fabric which enabled us to capture the market for fancy value added fabric.

2. Our Experienced Management and Workforce

Our Directors and Key Managerial Persons have been engaged in the textile manufacturing industry for over 30 years and have a rich experience and goodwill in the market which provides us a competitive edge over the other players in the industry. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. We have a team of technical experts who ensure effective and efficient production process on our technologically updated power looms. Our diverse workforce is equipped with rich experience, technical competence and necessary qualifications. We strongly believe that the success of our organization lies in the efforts of our human resources and the direction provided by the management team.

3. Cost Leadership and time bound execution

Our Company promotes cost leadership and timely execution of client's orders. The timely fulfilment of the orders is a prerequisite in our industry and the cost leadership entails cost efficient production processes. Our management has carried out various steps for the purpose

which involves identification of quality yarn, harmonious relations with workforce and the use of latest and highly efficient production facilities which enhanced our ability to meet large and varied orders on a timely basis. Our Company has also sustained good relations with our vendors and consequently, we enjoy the benefit of timely supply of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfilment of client's orders. 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 labour

It has been over 30 years and our management has successfully maintained harmonious relations with our workforce. Our management has been able to match the goals and objectives of the company with the goals and expectations of the workforce. There has been no union of our employees. Further, we have not faced any strikes, lock – outs or any other labour protests in our organization since the inception of our business.

6. Strong Technical Capabilities

We use latest technology plant and machinery in our production facilities which is procured from major suppliers/ distributors in India. We have installed latest machineries like Air – jet weaving machines, Sulzer projectile machines and Picanol Rapier machines. They are capable of weaving fabrics in different patterns and designs at increased pace. These modern plant and machineries also helps us in maintaining high quality standards and thus retain various national and multi – national clients. Technology has helped us in rolling out new combination of designs and prints. We are using the latest technology which is used globally by various textile manufacturers.

OUR STRATEGIES

Our vision is to raise our market share in the existing markets and to penetrate new markets by providing high quality products. We intend to capitalize on the enhanced demand for our products in India and abroad. Our focus is on utilizing our core strengths for expanding our operations in existing as well as new markets. A brief description of the business strategies employed by us is as under:

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 clients. In the face of increased competition, we believe that it is critical that we maintain the advantages that our products offer over the products of our competitors. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent products as per the client's requirements.

2. Invest in infrastructure and technology

Our Company believes in making investments for continuously achieving higher levels of excellence in our products to cater to the diverse specifications of our clients. We have invested significantly in upgrading our manufacturing facilities with the latest and specialized infrastructure and modern technology. We seek to continue to work towards the upgradation and modernization of our infrastructure and technology in future as well for sustaining our growth in the subsequent periods as well.

3. Expanding our customer base

Our company has a limited portfolio of clients as on date and around 63.45% of our total revenue is contributed by top 10 clients only as at March 31, 2018. Currently the company has

a customer base in domestic as well as international markets and it will seek to expand its business operations further in both domestic and overseas markets through efficient marketing and supply of quality products.

4. Revenue Growth

Majority of our clients are large traders and with our existing installed capacity we are able to supply them with up to one fourth of their total requirement. With our expansion plans and increased capacity in the future we will be able to supply more to our existing clients.

5. 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 and technology development. We continue to invest in operational excellence throughout the organization. We ensure a strong quality commitment by our employees.

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 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 base and product quality

We believe high quality products with global standards are 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 units in Gujarat:

Registered Office: -

C – 209, 2nd Floor, Sumel Business Park – 2, Behind Vanijya Bhawan, Kankaria Road, Ahmedabad – 380022, India

Manufacturing Factory Unit

Unit I: 403, G.I.D.C., Phase – 1, Chhatral – 382729, Dist. Gandhinagar, Gujarat

Unit II: Plot No. 2002, G.I.D.C., Phase – 2, Vill. – Chhatral, Taluka – Kalol – 382729, Dist. Gandhinagar, Gujarat

For further details of ownership/ lease of the above locations, please refer to “Our Business – Properties” on page no. 161 of this Draft Red Herring Prospectus.

OUR PRODUCTS

We are engaged in the business of manufacture and trading of grey and finished fabrics. Our Company is equipped with state-of-the-art machinery to produce fabrics with the core capability to convert a wide range of yarn into grey fabric. We manufacture diverse varieties of fabrics ranging from Cotton, Cotton – Polyster, Cotton – Modal, Cotton – Tensil, Polyester Viscose and Terry Rayon Suitings. The sample pictures of our products are as under:-

The sale of grey fabric accounts for over 75% of our total revenues. We also process grey cloth further to produce finished fabric which is usually exported to outside countries. Another part of our revenue comes from certain job – work activities which are undertaken by us at our manufacturing units.

As a usual practice, our designer prepares designs specific to client's needs and requirements and a sample is prepared. The sample is offered to the clients and based on that our clients place sales orders with us. Our business model ensures that the fabric manufactured by us already has an end customer waiting for it.

We outsource the dyeing and finishing of grey fabric to the third parties on job work basis after which the fabric is sent to our Packing and Storage unit where we carry out the process of checking, grading and packing before final despatch of the finished fabric to our clients. The primary buyers of our products are the large traders/ wholesalers which enables us the benefit of operating in substantial volumes.

SUMMARY OF FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. In lakhs)

Particulars	Annexure	As at March 31,				
		2018	2017	2016	2015	2014
EQUITY AND LIABILITIES						
Shareholders' Funds						
a. Share Capital	V	483.21	483.21	483.21	483.21	386.5
b. Reserves & Surplus	VI	531.47	386.47	317.45	278.28	164.45
Non Current Liabilities						
a. Long Term Borrowings	VII	741.78	537.79	877.89	974.15	285.41
b. Deferred Tax Liabilities	VIII	100.46	82.16	68.09	39.98	30.33
c. Long Term Provisions	IX	9	6.29	4.54	4.46	5.77
Current Liabilities						
a. Short Term Borrowings	X	740.21	1,093.74	901.75	530.56	491.57
b. Trade Payables	XI	1,092.41	488.59	518.7	418.01	556.92
c. Other Current Liabilities	XII	187.2	223.93	163.37	97.69	67.03
d. Short Term Provisions	XIII	79.92	35.03	33.46	27.36	24.8
T O T A L		**3965.66**	**3,337.21**	**3,368.45**	**2,853.70**	**2,012.79**
ASSETS						
Non Current Assets						
a. Fixed Assets	XIV					
i. Tangible Assets		1,724.31	1,625.52	1,608.68	1,595.95	658.97
Less: Accumulated Depreciation		-538.61	-444.68	-353.12	-272.47	-233.21
ii. Intangible Assets (Net)		-	-	-	-	-
iii Capital Work in Progress		-	-	-	-	108.89
Net Block		**1,185.70**	**1,180.84**	**1,255.56**	**1,323.48**	**534.64**
b. Long Term Loans & Advances	XV	21.15	21.15	21.59	14.14	35.27
c. Other Non Current Assets	XVI	90.88	6.61	4.72	2	-
Current Assets						
a. Inventories	XVII	1,123.97	986.69	874.11	770.36	537.33
b. Trade Receivables	XVIII	1,324.70	892.46	983.16	580.52	809.73
c. Cash and Cash Equivalents	XIX	7.48	4.69	10.7	13.37	11.07
d. Short Term Loans & Advances	XX	188.39	186.48	193.11	135.21	81.51
e. Other Current Assets	XXI	23.39	58.3	25.5	14.63	3.23
T O T A L		**3,965.66**	**3,337.21**	**3,368.45**	**2,853.70**	**2,012.79**

STATEMENT OF PROFIT AND LOSS AS RESTATED

(Rs. In lakhs)

Particulars	Annexure	For the year ended March 31,				
		2018	2017	2016	2015	2014
INCOME						
Revenue from Operations	XXII	5,377.15	4,695.33	5,234.26	3,493.96	3,120.12
Other Income	XXIII	23.77	5.75	32.99	1.37	8.04
Total Income (A)		**5,400.92**	**4,701.08**	**5,267.26**	**3,495.33**	**3,128.16**
EXPENDITURE						
Cost of materials consumed	XXIV	2,878.17	2,122.14	2,298.99	1,144.86	1,473.67
Purchase of Trading Goods	XXV	1,323.71	1,585.24	2,115.64	1,936.29	1,043.36
Changes in inventories of Goods Traded	XXVI	-59.43	54.33	-48.55	-93.55	29.62
Employee benefit expenses	XXVII	207.86	179.77	177.9	145.44	113.35
Finance costs	XXVIII	156.11	170.59	167.93	69.66	118.27
Depreciation and Amortization expense	XXIX	106.77	104.22	103.32	38.97	68.01
Other Expenses	XXX	563	399.33	385.79	195.27	255.83
Total Expenses (B)		**5176.19**	**4,615.62**	**5,201.01**	**3,436.95**	**3,102.12**
Profit before exceptional items and tax (C)		**224.73**	**85.46**	**66.25**	**58.37**	**26.03**
Exceptional Items		-	-	-	-	-
Profit before tax (D)		**224.73**	**85.46**	**66.25**	**58.37**	**26.03**
Tax expense :						
(i) Current tax		61.1	16.29	12.63	11.42	21.69
(ii) MAT Credit		-	-13.39	-12.63	-11.42	-
(iii) Deferred tax		18.3	14.07	28.11	9.65	8.93
Total Tax Expense (E)		**79.4**	**16.97**	**28.11**	**9.65**	**30.62**
Profit for the year (D-E)		**145.33**	**68.5**	**38.14**	**48.73**	**-4.59**

STATEMENT OF CASH FLOW AS RESTATED

(Rs. In lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Cash flow from operating activities:					
Net Profit before tax as per Profit and Loss A/c	224.73	85.46	66.25	58.37	26.03
Adjusted for:					
Preliminary Expenses w/off	-	-	-	-	38.9
Fixed Asset Written off	-	-	-	-	-
Profit on sale of Fixed Assets	-4.11	-3.14	-28.91	-	-
Loss on sale of Fixed Assets	-	-	-	-	0.29
Depreciation & Amortization	106.77	104.22	103.32	38.97	68.01
Provision for Gratuity	2.7	1.76	0.07	-1.3	5.77
Interest & Finance Cost	156.11	170.59	167.93	69.66	118.27
Interest income	-1.61	-2.16	-4.08	-0.7	-0.57
Operating Profit Before Working Capital Changes	**484.59**	**356.73**	**304.57**	**165**	**256.7**
Adjusted for (Increase)/ Decrease:					
Trade Receivables	-432.23	90.7	-402.64	229.22	-493.67
Inventories	-137.28	-112.58	-103.75	-233.03	72.69
Long Term Loans and Advances	-	0.44	-7.45	21.13	-1.85
Short Term Loans and Advances	-1.91	6.63	-57.9	-53.7	-1.14
Trade payables	603.82	-30.11	100.69	-138.92	313.9
Provisions	15.36	-2.09	4.88	12.83	-5.48
Current Liabilities	-36.73	60.56	65.68	30.67	13.47
Other Current Assets	19.63	-19.4	1.76	0.02	-2.79
Other Non Current Assets	-84.27	-1.89	-2.72	-2	-29.88
Cash Generated from Operations Before Extra-Ordinary Items	**430.97**	**348.99**	**-96.88**	**31.22**	**121.95**
Add:- Extra-Ordinary Items	-	-	-	-	-
Cash Generated from Operations	**430.97**	**348.99**	**-96.88**	**31.22**	**121.95**
Direct Tax Paid	**-16.62**	**-12.11**	**-10.4**	**-24**	**-8.25**
Net Cash Flow from/ (used in) Operating Activities: (A)	**414.35**	**336.88**	**-107.27**	**7.22**	**113.7**
Cash Flow from Investing Activities:					
Purchase of Fixed Assets	-114.02	-32.07	-53.48	-828.09	-124.39
Sale of Fixed Asset/Reversal of Fixed Assets	6.5	5.71	47	-	2.41
Interest Income	1.61	2.16	4.08	0.7	0.57
Net Cash Flow from/ (used in) Investing Activities: (B)	**-105.91**	**-24.2**	**-2.4**	**-827.39**	**-121.4**

Cash Flow from Financing Activities:					
Proceeds from Share Capital	-	-	-	164.41	205.6
Increase/ (Decrease) Long Term Borrowing	203.99	-340.11	-96.25	688.74	-56.47
Increase/ (Decrease) in Short Term Borrowing	-353.53	192	371.19	38.99	-17.35
Interest & Financial Charges	-156.11	-170.59	-167.93	-69.66	-118.27
Net Cash Flow from/ (used in) Financing Activities (C)	**-305.64**	**-318.7**	**107.01**	**822.47**	**13.52**
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	**2.79**	**-6.01**	**-2.66**	**2.29**	**5.81**
Cash & Cash Equivalents as at Beginning of the Year	**4.69**	**10.7**	**13.37**	**11.07**	**5.26**
Cash & Cash Equivalents as at End of the Year	**7.48**	**4.69**	**10.7**	**13.37**	**11.07**

THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Public Issue of Equity Shares	Upto 41,50,000** equity shares of face value of Rs. 10/- each fully paid up of the Company for cash at price of Rs. [●]/- per equity share aggregating Rs.[●] lakhs
Of which:	
Market Maker Reservation Portion	Upto 2,10,000 equity shares of face value of Rs. 10/- each fully paid up of the Company for cash at price of Rs. [●]/- per equity share aggregating Rs. [●] lakhs
Net Issue to the Public*	Upto 39,40,000 equity shares of face value of Rs. 10/- each fully paid up of the Company for cash at price of Rs. [●]/- per equity share aggregating Rs. [●] lakhs
	Of which:
	Upto 19,70,000 equity shares of face value of Rs. 10/- each fully paid up of the Company for cash at price of Rs. [●]/- per equity share aggregating Rs. [●] lakhs will be available for allocation for allotment to Investors of up to Rs. 2 lakhs
	Upto 19,70,000 equity shares of face value of Rs. 10/- each fully paid up of the Company for cash at price of Rs. [●]/- per equity share aggregating Rs. [●] 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	96,64,200 equity shares of face value of Rs. 10/- each
Equity Shares outstanding after the Issue	Upto 1,38,14,200 Equity Shares of face value of Rs. 10/- each
Use of proceeds of this Issue	For further details please refer chapter titled ***"Objects of the Issue"*** beginning on page 110 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

Notes:

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on July 16th, 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 July 18th, 2018.

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

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

a) Minimum fifty percent to retail individual investors; and

b) Remaining to:

   i. Individual applicants other than retail individual investors; and

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

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

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

***Note: Number of shares may need to be adjusted for lot size upon determination of Issue Price.*

For further details please refer to Section titled *'Issue Information'* beginning on page 282 of this Draft Red Herring Prospectus.

GENERAL INFORMATION

Our Company was incorporated as "Texaco Synthetics Private Limited" at Ahmedabad, Gujrat as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 9th ,1988 bearing Corporate Identification Number U17119GJ1988PTC011613 issued by Registrar of Companies, Ahmedabad. 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 May 5th, 2018 and name of our Company was changed to "Texaco Synthetics Limited" and a Fresh Certificate of Incorporation Consequent upon conversion from Private Company to Public Company dated May 23,2018 was issued by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U17119GJ1988PLC011613.

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 172 of this Draft Red Herring Prospectus.

REGISTERED OFFICE

Texaco Synthetics Limited

C-209, 2nd floor, Block C,

Sumel Business park-II, Behind Vanijya Bahawan

Kankaria road, Ahmedabad

Ahmedabad Gujarat 380022

Tel: +91-9376186571, +91-9879497991

Fax: Not Available

Email: texacogroup@gmail.com

Website: http://www.texacosynthetics.com

Corporate Identification Number: U17119GJ1988PLC011613

REGISTRAR OF COMPANIES

Registrar of Companies, Ahmedabad

RoC Bhavan

Opp Rupal Park Society behind Ankur Bus stop

Ahmedabad, Gujrat, India, 380013

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.	Pradeepkumar Shreekrishna Agrawal	57	00053994	A-3/903 Bageshree Apartment Opp, Iskon BRTS bus stop, NR Ramdev nagar, Ahmedabad- 380015 GJ IN	Managing Director
2.	Rukmani Pradeepkumar Agrawal	49	02172173	A3-903, Bageshree, Opp. Fun Republic Satellite, Ahmedabad 380015 Gujarat	Director
3.	Sanjay Shandilya	58	05238783	C-1002 Regency Tower Vastrapur, Ahmedabad 380015 Gujarat	Independent Director
4.	Chinmay Pradeepkumar Agrawal	22	08111016	A-3-903, Bageshree Complex NR, Ramdevnagar Satellite Ahmedabad 380015 GJ IN	Whole time Director
5.	Mahasukh Shantilal Adani	71	08143954	688-1, Shukh-Shanti, Opp Santosha Park-2, Ambali Bopal Road, Bopal Ahmedabad 380058 Gujarat	Independent Director

For further details of our Directors, please refer to the chapter titled *"Our Management"* beginning on page 176 of this Draft Red Herring Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. APOORVA AGARWAL
Texaco Synthetics Limited
A4-604, Bageshree Appt, Opposite
Gulmohar Mall Ramdevnagar, Satellite,
Ahmedabad 380015 Gujarat
Tel: +91 9428046161
Fax: Not Available
Email: texacogroup@gmail.com

CHIEF FINANCIAL OFFICER

ALPESHKUMAR JAYANTILAL SHAH
Texaco Synthetics Limited
D-105, White House, Borisana Road
Highway, Kalol Gandhinagar
382721 Gujarat
Tel: +91 8128693209
Fax: Not Available
Email: texacogroup@gmail.com

CHIEF EXECUTIVE OFFICER

KULDIPKUMAR GANESHSHANKAR DUBEY

Texaco Synthetics Limited

A-406, Sanskar Residency, Behind ST work shop

Panchvati Kalol, Gandhinagar- 382721

Tel: +91 9898432942

Fax: Not available

Email: texacogroup@gmail.com

Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Offer and / or the Book Running Lead manager, 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 Offer, 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

GATTANI & ASSOCIATES
1003, Samudra Annexe, Near Hotel Classic Gold
Ellisbridge, Ahmedabad-380006
Tel: +91 26565824, 26464412
Fax: (079) 26464412
Email: gattaniassociates@yahoo.co.in
Contact Person: CA Amit Kabra
Firm Registration No: 103097W
Membership No: 047049

PEER REVIEWED AUDITOR

S.N. SHAH & ASSOCIATES
"Sapan House", 10/B Govt. Servant Co-op. Soc.,
Opp. Municipal Market, C.G. Road,
Ahmedabad- 380009
Tel: +91 79 40098280/26405038
Fax: - Not Available
E-mail: info@snshahassociates.com
Contact Person: CA Priyam Shah
Firm Registration No: 109782W
Membership No: 144892

S.N. Shah & Associates, Chartered Accountants holds a peer reviewed certificate dated June 06th, 2017 issued by the Institute of Chartered Accountants of India.

BOOK RUNNING LEAD MANAGER

Holani Consultants Private Limited
401-405 & 416-418, 4th Floor, Soni Paris Point
Jai Singh Highway, Banipark Jaipur-302016

Tel: +91-141-2203995/96
Fax: +91-141-2201259
Email: ipo@holaniconsultants.co.in
Website: www.holaniconsultants.co.in
Contact Person: Mr. Bharat Mantri
SEBI Registration No: INM000012467

REGISTRAR TO THE ISSUE

LINK INTIME INDIA PRIVATE LIMITED
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083
Maharashtra, India
Tel: +91 022-49186200
Fax: +91 022-49186195
Website: www.linkintime.co.in
Email: Texaco.ipo@linkintime.co.in
Investor Grievance id- Texaco.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

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)/ +91-98292-00420
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
Corporate Road Branch, Aashirwad Paras,
Corporate Road, Near Prahladnagar Garden,
Satellite, Ahemdabad- 380015
Tel: +91 079 29701515
Fax: +91 07929701516
E-mail: v_kumar@sbi.co.in, sbi.13925@sbi.co.in
Contact Person: Mr. Vikas Kumar
Website: www.sbi.co.in

PUBLIC ISSUE BANK/BANKER TO THE ISSUE AND REFUND BANKER

AXIS BANK LIMITED
0-15 Green House, House Marg,
C-Scheme, Jaipur-302001
Tel: +91 96507 85041
Fax: NA
E-mail: Hemant.bartwal@axisbank.com
Contact Person: Hemant Bartwal
Website: www.axisbank.com
SEBI Registration No: INBI00000017

REFUND BANKER TO THE ISSUE

AXIS BANK LIMITED
0-15 Green House, House Marg,
C-Scheme, Jaipur-302001
Tel: +91 96507 85041
Fax: NA
E-mail: Hemant.bartwal@axisbank.com
Contact Person: Hemant Bartwal
Website: www.axisbank.com
SEBI Registration No: INBI00000017

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 Centers. 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, as updated from time to time. In relation to ASBA Applications submitted to the Registered Brokers at the Broker Centers, the list of branches of the SCSBs at the Broker Centers 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 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 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 issue 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. 50,000 Lakhs. Since the Issue size is only of [●], 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

Since, **Holani Consultants Private Limited** is the sole Book Running Lead manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead managers is not applicable.

EXPERT OPINION

Except the report of the 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 Draft Red Herring Prospectus, our Company has not obtained any expert opinion.

BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all editions of a widely circulated Hindi Newspaper and a widely circulated Gujarati Newspaper, Gujarati being the regional language of Ahmedabad, where our registered office is situated at least five working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the BRLM in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being **Holani Consultants Private Limited**, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue and;
- The Designated Intermediaries

This Issue is being made through the 100% Book Building Process wherein 50% of the Issue shall be available for allocation to Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Investors. Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. The allocation in the net Issue to the public category shall be made as follows:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to

i. Individual applicants other than retail individual investors; and

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

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

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

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

For further details on the method and procedure for Bidding, please see section entitled *"Issue Procedure"* on page 292 of this Draft Red Herring Prospectus.

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

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

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

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

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled *"Issue Procedure"* on page 292 of this Draft Red Herring Prospectus);

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

3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.

4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.

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

BID/ ISSUE PROGRAMME

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

Event	Indicative Date
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to Demat Accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. 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.

Bids 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 Bids and any revision to the 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 Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non-Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non-Retail Bidders may revise their Bids 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 Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs/ DPs/ Stock Brokers, as the case may be, for rectified data.

DEBENTURE TRUSTEE

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

UNDERWRITER

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] 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 (Rs. in Lakhs)	% of the Total Issue size Underwritten
Holani Consultants Private Limited 401-405 & 416-418, 4th Floor, Soni Paris Point Jai Singh Highway, Banipark Jaipur-302016	41,50,000	[●]	100%

Tel: +91 0141-220-3995/96 **Fax: +**91 0141-220-1259 **Email:** ipo@holaniconsultants.co.in **Contact Person:** Mr. Ramavtar Holani **SEBI Registration Number**: INM000012467			
Total	41,50,000	[●]	**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 Book Running Lead Manager have entered into a Market Making agreement dated [●], with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfill 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 fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% 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 offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
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 2,10,000 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, NSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, **Maverick Share Brokers Private 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 Emerge Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE 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 Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
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 Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

   In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that 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. Emerge Platform of 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 crore to Rs. 50 crore	20%	19%
Rs. 50 to Rs. 80 crore	15%	14%
Above Rs. 80 crore	12%	11%

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

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of Draft Red Herring 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**		
	150,00,000 Equity Shares of face value of Rs. 10/- each	1,500.00	
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	96,64,200 Equity Shares of face value of Rs. 10/- each	966.42	
C.	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Issue 41,50,000 Equity Shares of face value Rs.10 each at a price of Rs. [•]/- per Equity Share	415.00	[•]
	Consisting of:		
	Fresh Issue of 41,50,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [•]/- per Equity Share aggregating up to Rs. [•]	415.00	[•]
	Reservation for Market Maker – 2,10,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [•]/- per Equity Share	21.00	[•]
	Net Issue to the Public – 39,40,000 Equity Shares of face value of Rs. 10 each at a price of Rs. [•] per Equity Share	394.00	[•]
	Of the Net Issue to the Public		
	Allocation to Retail Individual Investors- 19,70,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [•] per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2,00,000	197.00	[•]
	Allocation to Other than Retail Individual Investors- 19,70,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [•] per Equity Share shall be available for allocation for Investors applying for a value above Rs. 2,00,000	197.00	[•]
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	1,38,14,200 Equity Shares of face value of Rs. 10/- each	1,381.42	
E.	**Securities Premium Account**		
	Before the Issue		[•]
	After the Issue		[•]

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. 10,00,000/- consisting of 100,000 Equity shares of Rs. 10 each.
2.	In the Year 1993-1994	EGM	The authorized share capital of Rs. 10,00,000/- consisting of 100,000 Equity Shares of Rs.10/- each was increased to Rs.25,00,000/- consisting of 2,50,000Equity shares of Rs.10/- each.
4	July 8, 1996	EGM	The authorized share capital of Rs. 25,00,000/- consisting of 2,50,000 Equity Shares of Rs.10/- each was increased to Rs.35,00,000/- consisting of 3,50,000 Equity shares of Rs.10/- each.
5	January 20, 2003	EGM	The authorized share capital of. Rs.35,00,000/- consisting of 3,50,000 Equity Shares of Rs.10/- each was increased to Rs.80,00,000/- consisting of 8,00,000 Equity shares of Rs.10/- each.
6	February 28,2008	EGM	The authorized share capital of Rs. 80,00,000/- consisting of 8,00,000 Equity Shares of Rs.10/- each was increased to Rs.1,00,00,000/- consisting of 10,00,000 Equity shares of Rs.10/- each.
7	March 30, 2009	EGM	The authorized share capital of Rs.1,00,00,000/- consisting of 10,00,000 Equity Shares of Rs.10/- each was increased to Rs.1,05,00,000/- consisting of 10,50,000 Equity shares of Rs.10/- each.
8	February 15, 2011	EGM	The authorized share capital of Rs.1,05,00,000/- consisting of 10,50,000 Equity Shares of Rs.10/- each was increased to Rs.1,50,00,000/- consisting of 15,00,000 Equity shares of Rs.10/- each.
9	December 19, 2011	EGM	The authorized share capital of Rs.1,50,00,000/- consisting of 15,00,000Equity Shares of Rs.10/- each was increased to Rs.1,70,00,000/- consisting of 17,00,000 Equity shares of Rs.10/- each.
10	February 22, 2012	EGM	The authorized share capital of Rs.1,70,00,000/- consisting of 17,00,000 Equity Shares of Rs.10/- each was increased to Rs.2,20,00,000/- consisting of 22,00,000 Equity shares of Rs.10/- each.
11	March 18, 2013	EGM	The authorized share capital of Rs.2,20,00,000/- consisting of 22,00,000 Equity Shares of Rs.10/- each was increased to Rs.3,00,00,000/- consisting of 30,00,000 Equity shares of Rs.10/- each.
12	March 10, 2014	EGM	The authorized share capital of Rs.3,00,00,000/- consisting of 30,00,000 Equity Shares of Rs.10/- each was increased to Rs.5,00,00,000/- consisting of 50,00,000 Equity shares of Rs.10/- each.
13	April 18,2018	EGM	The authorized share capital of Rs.5,00,00,000/- consisting of 50,00,000 Equity shares of Rs.10/- each was increased to Rs. 15,00,00,000/- consisting of 1,50,00,000 Equity shares of Rs.10/- each.

b. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on 16th July,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 18th July,2018.

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 (December 09, 1988)	300	10	10	Cash	Subscription to MOA (1)	300	3,000
June 01, 1991	3,700	10	10	Cash	Further Allotment (2)	4,000	40,000
August 24, 1991	13,200	10	10	Cash	Further Allotment (3)	17,200	1,72,000
December 15, 1993	82,800	10	10	Cash	Further Allotment (4)	100,000	10,00,000
January 25, 1994	50,000	10	10	Cash	Further Allotment (5)	1,50,000	15,00,000
October 11, 1995	10,000	10	10	Cash	Further Allotment (6)	1,60,000	16,00,000
December 31, 2000	1,40,000	10	10	Cash	Further Allotment (7)	300,000	30,00,000
January 21, 2003	4,14,000	10	10	NA	Bonus issue of 138 equity shares of Rs. 10/- each for every 100 equity shares held of Rs. 10/- each (08)	7,14,000	71,40,000
January 21, 2003	86,000	10	10	Cash	Further Allotment (09)	800,000	80,00,000
March 5, 2008	60,000	10	10	Cash	Further Allotment (10)	8,60,000	86,00,000
April 30, 2008	90,000	10	10	Cash	Further Allotment (11)	9,50,000	95,00,000
April 10, 2009	1,00,000	10	10	Cash	Further Allotment (12)	10,50,000	1,05,00,000
March 2, 2011	2,95,000	10	10	Cash	Further Allotment (13)	13,45,000	1,34,50,000

December 10, 2011	60,000	10	10	Cash	Further Allotment (14)	14,05,000	1,40,50,000
January 13, 2012	1,40,500	10	10	NA	Bonus issue of 1 equity share of Rs. 10/- each for every 10 equity shares held of Rs. 10/- each (15)	15,45,500	1,54,55,000
January 19, 2012	1,54,500	10	10	Cash	Further Allotment (16)	17,00,000	1,70,00,000
March 5, 2012	2,00,000	10	10	Cash	Further Allotment (17)	19,00,000	1,90,00,000
March 19, 2013	2,85,000	10	10	NA	Bonus issue of 3 equity share of Rs. 10/- each for every twenty-equity share held of Rs.10/- each (18)	21,85,000	2,18,50,000
March 1, 2014	7,40,000	10	17	Cash	Further Allotment (19)	29,25,000	2,92,50,000
March 25, 2014	9,40,000	10	17	Cash	Further Allotment (20)	38,65,000	3,86,50,000
May 14, 2014	8,25,000	10	17	Cash	Further Allotment (21)	46,90,000	4,69,00,000
June 6, 2014	1,42,100	10	17	Cash	Right Issue (22)	48,32,100	4,83,21,000
August 9, 2018	48,32,100	10	10	NA	Bonus issue of 1 equity share of Rs. 10/- each for every one equity share held of Rs. 10/- each (23)	96,64,200	9,66,42,000

1. Initial Subscribers to Memorandum of Association subscribed 300 Equity Shares of face value of Rs. 10/- each fully paid at par on December 09, 1988, as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	100
2	Shrikrishna Chaturbhuj Agrawal	100
3	Chandrakala Shrikrishna Agrawal	100
	Total	**300**

2. Further Issue of 3,700 Equity Shares of face value of Rs. 10/- each fully paid at par on June 01, 1991, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	900
2	Shrikrishna Chaturbhuj Agrawal	900
3	Chandrakala Shrikrishna Agrawal	900
4	Shashikumar Sitaram Hisaria	500
5	Sangita Rakesh Hisaria	500
	Total	**3,700**

3. Further Issue of 13,200 Equity Shares of face value of Rs. 10/- each fully paid at par on August 24, 1991, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	8,800
2	Shrikrishna Chaturbhuj Agrawal	2,400
3	Chandrakala Shrikrishna Agrawal	2,000
	Total	**13,200**

4. Further Issue of 82,800 Equity Shares of face value of Rs. 10/- each fully paid at par on December 15, 1993, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	53,400
2	Shrikrishna Chaturbhuj Agrawal	29,400
	Total	**82,800**

5. Further Issue of 50,000 Equity Shares of face value of Rs. 10/- each fully paid at par on January 25, 1994, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	50,000
	Total	**50,000**

6. Further Issue of 10,000 Equity Shares of face value of Rs. 10/- each fully paid at par on October 11, 1995, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	7,000
2	Shrikrishna Chaturbhuj Agrawal	3,000
	Total	**10,000**

7. Further Issue of 1,40,000 Equity Shares of face value of Rs. 10/- each fully paid at par on December 31,2000, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	63,000
2	Shrikrishna Chaturbhuj Agrawal	42,300
3	Chandrakala Shrikrishna Agrawal	20,000
4	Pradeepkumar Shrikrishna Agrawal HUF	11,000
5	Rukmani Pradeepkumar Agrawal	3,700
	Total	**1,40,000**

8. Further Issue by way of Bonus Issue of 4,14,000 Equity Shares of face value of Rs. 10/- each fully paid at par on January 21,2003, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	2,54,196
2	Shrikrishna Chaturbhuj Agrawal	1,07,778
3	Chandrakala Shrikrishna Agrawal	31,740
4	Pradeepkumar Shrikrishna Agrawal HUF	15,180
5	Rukmani Pradeepkumar Agrawal	5,106
	Total	**4,14,000**

9. Further Issue of 86,000Equity Shares of face value of Rs. 10/- each fully paid at par on January 21,2003, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	86,000
	Total	**86,000**

10. Further Issue of 60,000 Equity Shares of face value of Rs. 10/- each fully paid at par on March 5, 2008, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Ashok Gupta	60,000
	Total	**60,000**

11. Further Issue of 90,000 Equity Shares of face value of Rs. 10/- each fully paid at par on April 30, 2008, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Ashok Gupta	90,000
	Total	**90,000**

12. Further Issue of 100,000 Equity Shares of face value of Rs. 10/- each fully paid at par on April 10, 2009, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Shrikrishna Chaturbhuj Agrawal HUF	56,600
2	Chandrakala Shrikrishna Agrawal	34,000
3	Pradeepkumar Shrikrishna Agrawal	9,400
	Total	**100,000**

13. Further Issue of 2,95,000 Equity Shares of face value of Rs. 10/- each fully paid at par on March 2, 2011, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal HUF	2,35,000
2	Pradeepkumar Shrikrishna Agrawal	15,000
3	Rukmani Pradeepkumar Agrawal	45,000
	Total	**2,95,000**

14. Further Issue of 60,000 Equity Shares of face value of Rs. 10/- each fully paid at par on December 10, 2011, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal HUF	60,000
	Total	**60,000**

15. Further Issue by way of Bonus Issue of1,40,500Equity Shares of face value of Rs. 10/- each fully paid at par on January 13, 2012, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	54,890
2	Rukmani Pradeepkumar Agrawal	13,180
3	Chandrakala Shrikrishna Agrawal	13,874
4	Pradeepkumar Shrikrishna Agrawal HUF	32,118
5	Shrikrishna Chaturbhuj Agrawal HUF	16,438
6	Manisha Agrawal	10,000
	Total	**1,40,500**

16. Further Issue of 1,54,500 Equity Shares of face value of Rs. 10/- each fully paid at par on January 19, 2012, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal HUF	1,54,500
	Total	**1,54,500**

17. Further Issue of 200,000 Equity Shares of face value of Rs. 10/- each fully paid at par on March 5, 2012, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	2,00,000
	Total	**2,00,000**

18. Further Issue by way of Bonus Issue of2,85,000 Equity Shares of face value of Rs. 10/- each fully paid at par on March 19, 2013, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	1,43,460
2	Rukmani Pradeepkumar Agrawal	21,748
3	Pradeepkumar Shrikrishna Agrawal HUF	76,170
4	Shrikrishna Chaturbhuj Agrawal HUF	27,122
5	Manisha Agrawal	16,500
	Total	**2,85,000**

19. Further Issue of 7,40,000 Equity Shares of face value of Rs. 10/- each fully paid at premium of Rs. 7/- each on March 1, 2014, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	6,14,000
2	Rukmani Pradeepkumar Agrawal	40,000
3	Pradeepkumar Shrikrishna Agrawal HUF	9,000
4	Shrikrishna Chaturbhuj Agrawal HUF	18,000
5	Manisha Agrawal	41,000
6	Chinmay Pradeepkumar Agrawal	18,000
	Total	**7,40,000**

20. Further Issue of 9,40,000 Equity Shares of face value of Rs. 10/- each fully paid at premium of Rs.7/- each on March 25, 2014, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	1,79,000
2	Rukmani Pradeepkumar Agrawal	1,49,000

Sr. No	Name of Person	No. of Shares Allotted
3	Pradeepkumar Shrikrishna Agrawal HUF	2,60,000
4	Shrikrishna Chaturbhuj Agrawal HUF	1,78,000
5	Chinmay Pradeepkumar Agrawal	1,74,000
	Total	**9,40,000**

21. Further Issue of 8,25,000 Equity Shares of face value of Rs. 10/- each fully paid at premium of Rs.7/- each on May 13, 2014, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	4,06,000
2	Rukmani Pradeepkumar Agrawal	1,95,000
3	Pradeepkumar Shrikrishna Agrawal HUF	2,20,000
4	Manisha Agrawal	4000
	Total	**8,25,000**

22. Right Issue of 1,42,100 Equity Shares of face value of Rs. 10/- each fully paid at premium of Rs.7/- each on June 6, 2014, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	1,42,100
	Total	**1,42,100**

23. Further Issue by way of Bonus Issue of 48,32,100 Equity Shares of face value of Rs. 10/- each fully paid at par on August 09, 2018, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1	Pradeepkumar Shrikrishna Agrawal	22,70,160
2	Rukmani Pradeepkumar Agrawal	6,75,734
3	Pradeepkumar Shrikrishna Agrawal HUF	10,72,968
4	Shrikrishna Chaturbhuj Agrawal HUF	4,03,938
5	Manisha Agrawal	1,71,500
6	Chinmay Pradeepkumar Agrawal	2,37,500
7	Rituraj Radheshyam Gupta	100
8	Madhu Rituraj Gupta	100
9	Rituraj Radheshyam Gupta HUF	100
	Total	**48,32,100**

2. No equity shares have been issued by our company for consideration other than cash.
3. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
4. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
5. We have not issued any shares at price below issue price within last one year from the date of this Draft Red Herring Prospectus.

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

i) Build-up of Promoters' shareholdings

As on the date of this Draft Red Herring Prospectus, our Promoters Pradeepkumar Shrikrishna Agrawal and Rukmani Pradeepkumar Agrawal holds 46.98% and 13.98% Equity Shares respectively of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

a) Pradeepkumar Shrikrishna Agrawal

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	Pledge
09-12-1988	100	10	10	Subscription to MOA	0.00%	0.00%	3 Years	No
01-06-1991	900	10	10	Further Allotment	0.01%	0.01%	3 Years	No
24-08-1991	8,800	10	10	Further Allotment	0.09%	0.06%	3 Years	No
15-12-1993	53,400	10	10	Further Allotment	0.55%	0.39%	3 Years	No
25-01-1994	50,000	10	10	Further Allotment	0.52%	0.36%	3 Years	No
11-10-1995	7,000	10	10	Further Allotment	0.07%	0.05%	3 Years	No
31-12-2000	63,000	10	10	Further Allotment	0.65%	0.46%	3 Years	No
15.06.2001	(100)	10	10	Transfer to PradeepKumar Shrikrishna Agrawal & Rukmani Pradeepkumar Agrawal	0.00%	0.00%	Not Applicable	No
15-06-2001	(900)	10	10	Transfer to PradeepKumarShrikrishna Agrawal & Rukmani Pradeepkumar Agrawal	-0.01%	-0.01%	Not Applicable	No
15-06-2001	(8,800)	10	10	Transfer to PradeepKumar Shrikrishna Agrawal & Rukmani Pradeepkumar Agrawal	-0.09%	-0.06%	Not Applicable	No
15-06-2001	(53,400)	10	10	Transfer to PradeepKumar Shrikrishna Agrawal & Rukmani Pradeepkumar Agrawal	-0.55%	-0.39%	Not Applicable	No

15-06-2001	(50,000)	10	10	Transfer to PradeepKumar Shrikrishna Agrawal & Rukmani Pradeepkumar Agrawal	-0.52%	-0.36%	Not Applicable	No
15-06-2001	(7,000)	10	10	Transfer to PradeepKumar Shrikrishna Agrawal & Rukmani Pradeepkumar Agrawal	-0.07%	-0.05%	Not Applicable	No
15-06-2001	(63,000)	10	10	Transfer to PradeepKumar Shrikrishna Agrawal & Rukmani Pradeepkumar Agrawal	-0.65%	-0.46%	Not Applicable	No
15-06-2001	100	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.00%	0.00%	3 Years	No
10-12-2002	2,54,196	10	NA	Bonus Issue	2.63%	1.84%	3 Years	No
21-01-2003	86,000	10	10	Further Allotment	0.89%	0.62%	3 Years	No
10-04-2009	9,400	10	10	Further Allotment	0.10%	0.07%	3 Years	No
09-09-2010	3,000	10	10	Transmission	0.03%	0.02%	3 Years	No
09-09-2010	1,35,740	10	10	Transmission	1.40%	0.98%	3 Years	No
02-03-2011	15,000	10	10	Further Allotment	0.16%	0.11%	3 Years	No
01-11-2011	100	10	10	Transfer from Satish Kumar Sukhwani	0.00%	0.00%	3 Years	No
30-12-2011	13,874	10	10	Transmission	0.14%	0.10%	3 Years	No
13-01-2012	54,890	10	NA	Bonus Issue	0.57%	0.40%	3 Years	No
05-03-2012	2,00,000	10	10	Further Allotment	2.07%	1.45%	3 Years	No
19-03-2013	1,43,460	10	NA	Bonus Issue	1.48%	1.04%	3 Years	No
01-03-2014	6,14,000	10	17	Further Allotment	6.35%	4.44%	3 Years	No
25-03-2014	1,79,000	10	17	Further Allotment	1.85%	1.30%	3 Years	No
13-05-2014	4,06,000	10	17	Further Allotment	4.20%	2.94%	3 Years	No
06-06-2014	1,42,100	10	17	Further Allotment	1.47%	1.03%	3 Years	No
09-11-2015	(50,200)	10	30	Transfer to Fast Glow Distributors Private Limited	-0.52%	-0.36%	Not Applicable	No

09-11-2015	(1,11,600)	10	30	Transfer to Ankitkaran Properties Private Limited	-1.15%	-0.81%	Not Applicable	No
09-11-2015	(12,100)	10	30	Transfer to Shree Anantnath Construction	-0.13%	-0.09%	Not Applicable	No
09-11-2015	(300)	10	30	Transfer to Kamyani Infrastructure Limited	0.00%	-0.00%	Not Applicable	No
30-03-2018	300	10	16	Transfer from Goodtime Vyapar Private Limited	0.00%	0.00%	1 Year	No
30-03-2018	50,000	10	16	Transfer from Goodtime Vyapar Private Limited	0.52%	0.36%	1 Year	No
30-03-2018	10,900	10	16	Transfer from Goodtime Vyapar Private Limited	0.11%	0.08%	1 Year	No
30-03-2018	29,100	10	16	Transfer from Angel Gems & jewellery Private Limited	0.30%	0.21%	1 Year	No
30-03-2018	7,000	10	16	Transfer from Angel Gems & jewellery Private Limited	0.07%	0.05%	1 Year	No
30-03-2018	26,600	10	16	Transfer from Angel Gems & jewellery Private Limited	0.28%	0.19%	1 Year	No
30-03-2018	50,200	10	16	Transfer from Angel Gems & jewellery Private Limited	0.52%	0.36%	1 Year	No
30-03-2018	12,100	10	16	Transfer from Angel Gems & jewellery Private Limited	0.13%	0.09%	1 Year	No
30-03-2018	300	10	16	Transfer from Angel Gems & jewellery Private Limited	0.00%	0.00%	1 Year	No
30-03-2018	1,000	10	16	Transfer from Goodtime Vyapar Private Limited	0.01%	0.01%	1 Year	No
09-08-2018	22,70,160	10	10	Bonus Issue	23.49%	16.43%	1 Year	No
Total	**45,40,320**				**46.98%**	**32.87%**		

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

b) Rukmani Pradeepkumar Agrawal

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	Pledge
31-12-2000	3,700	10	10	Further allotment	0.04%	0.03%	3 Years	No
15-06-2001	100	10	10	Transmission	0.00%	0.00%	3 Years	No
15-06-2001	(100)	10	10	Transfer to Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.00%	-0.00%	Not Applicable	No
15-06-2001	900	10	10	Transmission	0.01%	0.01%	3 Years	No
15-06-2001	2,400	10	10	Transmission	0.02%	0.02%	3 Years	No
15-06-2001	29,400	10	10	Transmission	0.30%	0.21%	3 Years	No
15-06-2001	3,000	10	10	Transmission	0.03%	0.02%	3 Years	No
15-06-2001	42,300	10	10	Transmission	0.44%	0.31%	3 Years	No
15-06-2001	(900)	10	10	Transfer to Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	-0.01%	-0.01%	Not Applicable	No
15-06-2001	(2,400)	10	10	Transfer to Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	-0.02%	-0.02%	Not Applicable	No
15-06-2001	(29,400)	10	10	Transfer to Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	-0.30%	-0.21%	Not Applicable	No
15-06-2001	(3,000)	10	10	Transfer to Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	-0.03%	-0.02%	Not Applicable	No

15-06-2001	(42,300)	10	10	Transfer to Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	-0.44%	-0.31%	Not Applicable	No
15-06-2001	900	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.01%	0.01%	3 Years	No
15-06-2001	(3,700)	10	10	Transfer to Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	-0.04%	-0.03%	Not Applicable	No
15-06-2001	3,700	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.04%	0.03%	3 Years	No
15-06-2001	1,200	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.01%	0.01%	3 Years	No
15-06-2001	1,200	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.01%	0.01%	3 Years	No
15-06-2001	10,000	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.10%	0.07%	3 Years	No
15-06-2001	10,000	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.10%	0.07%	3 Years	No
15-06-2001	9,400	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.10%	0.07%	3 Years	No
15-06-2001	3,000	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.03%	0.02%	3 Years	No

15-06-2001	42,300	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.44%	0.31%	3 Years	No
21-01-2003	5,106	10	NA	Bonus Issue	0.05%	0.04%	3 Years	No
02-03-2011	45,000	10	10	Further Allotment	0.47%	0.33%	1 Year	No
13-01-2012	13,180	10	NA	Bonus Issue	0.14%	0.10%	1 Year	No
19-03-2013	21,748	10	NA	Bonus Issue	0.23%	0.16%	1 Year	No
01-03-2014	40,000	10	17	Further Allotment	0.41%	0.29%	1 Year	No
25-03-2014	1,49,000	10	17	Further Allotment	1.54%	1.08%	3 Years	No
13-05-2014	1,95,000	10	17	Further Allotment	2.02%	1.41%	1 Year	No
30-03-2018	3,400	10	16	Transfer from Goodtime Vyapar Private Limited	0.04%	0.02%	1 Year	No
30-03-2018	10,000	10	16	Transfer from Goodtime Vyapar Private Limited	0.10%	0.07%	3 Years	No
30-03-2018	1,11,600	10	16	Transfer from Goodtime Vyapar Private Limited	1.15%	0.81%	1 Year	No
09.08.2018	6,75,734	10	NA	Bonus Issue	6.99%	4.89%	1 Year	No
Total	**13,51,468**				**13.98%**	**9.78%**		

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

ii) 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 20.03% 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
Pradeepkumar Shrikrishna Agrawal						
09-12-1988	100	10	10	Subscription to MOA	0.00%	3 Years
01-06-1991	900	10	10	Further Allotment	0.01%	3 Years
24-08-1991	8,800	10	10	Further Allotment	0.06%	3 Years
15-12-1993	53,400	10	10	Further Allotment	0.39%	3 Years
25-01-1994	50,000	10	10	Further Allotment	0.36%	3 Years
11-10-1995	7,000	10	10	Further Allotment	0.05%	3 Years
31-12-2000	63,000	10	10	Further Allotment	0.46%	3 Years
15-06-2001	100	10	10	Transferred from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.00%	3 Years
10-12-2002	2,54,196	10	NA	Bonus Issue	1.84%	3 Years
21-01-2003	86,000	10	10	Further Allotment	0.62%	3 Years
10-04-2009	9,400	10	10	Further Allotment	0.07%	3 Years
09-09-2010	3,000	10	10	Transmission	0.02%	3 Years
09-09-2010	1,35,740	10	10	Transferred from Chandrakal S. Agrawal	0.98%	3 Years
02-03-2011	15,000	10	10	Further Allotment	0.11%	3 Years

01-11-2011	100	10	10	Transferred from Satish kumarsukhwani	0.00%	3 Years
30-12-2011	13,874	10	10	Transferred from Chandrakal S. Agrawal	0.10%	3 Years
13-01-2012	54,890	10	NA	Bonus Issue	0.40%	3 Years
05-03-2012	2,00,000	10	10	Further Allotment	1.45%	3 Years
19-03-2013	1,43,460	10	NA	Bonus Issue	1.04%	3 Years
01-03-2014	6,14,000	10	17	Further Allotment	4.44%	3 Years
25-03-2014	1,79,000	10	17	Further Allotment	1.30%	3 Years
13-05-2014	4,06,000	10	17	Further Allotment	2.94%	3 Years
06-06-2014	1,42,100	10	17	Further Allotment	1.03%	3 Years
Total (A)	**24,40,060**				**17.66%**	
Rukmani Pradeepkumar Agrawal						
31-12-2000	3,700	10	10	Further allotment	0.03%	3 Years
15-06-2001	100	10	10	Transmission	0.00%	3 Years
15-06-2001	900	10	10	Transmission	0.01%	3 Years
15-06-2001	2,400	10	10	Transmission	0.02%	3 Years
15-06-2001	29,400	10	10	Transmission	0.21%	3 Years
15-06-2001	3,000	10	10	Transmission	0.02%	3 Years
15-06-2001	42,300	10	10	Transmission	0.31%	3 Years
15-06-2001	900	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.01%	3 Years
15-06-2001	3,700	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.03%	3 Years
15-06-2001	1,200	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.01%	3 Years
15-06-2001	1,200	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.01%	3 Years
15-06-2001	10,000	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.07%	3 Years

15-06-2001	10,000	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.07%	3 Years
15-06-2001	9,400	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.07%	3 Years
15-06-2001	3,000	10	10	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.02%	3 Years
15-06-2001	42,300	10	NA	Transfer from Rukmani Pradeepkumar Agrawal & Pradeepkumar Shrikrishna Agrawal	0.31%	3 Years
21-01-2003	5,106	10	NA	Bonus Issue	0.04%	3 Years
25-03-2014	1,49,000	10	17	Further Allotment	1.08%	3 Years
30-03-2018	10,000	10	16	Transferred from Goodtime Vyapar Private Limited	0.07%	3 Years
Total (B)	**3,27,606**				**2.37%**	
Total (A+B)	**27,67,666**				**20.03%**	

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 Issued for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Draft Red Herring 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 Draft Red Herring 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 Issued 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 Issued 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 20.03% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

7. 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
30-03-2018	Pradeepkumar Shrikrishna Agrawal	Promoter	1,87,500	10	16	Transfer
30-03-2018	Rukmani Pradeepkumar Agrawal	Promoter	1,25,000	10	16	Transfer
30-03-2018	Chinmay Pradeepkumar Agrawal	Promoter Group	45,500	10	16	Transfer
09-08-2018	Pradeepkumar Shrikrishna Agrawal	Promoter	22,70,160	10	NA	Bonus Issue
09-08-2018	Rukmani Pradeepkumar Agrawal	Promoter	6,75,734	10	NA	Bonus Issue
09-08-2018	Pradeepkumar Shrikrishna Agrawal HUF	Promoter Group	10,72,968	10	NA	Bonus Issue
09-08-2018	Shrikrishna Chaturbhuj Agrawal HUF	Promoter Group	4,03,938	10	NA	Bonus Issue
09-08-2018	Chinmay Pradeepkumar Agrawal	Promoter Group	2,37,500	10	NA	Bonus Issue

09-08-2018	Manisha Agrawal	Promoter Group	1,71,500	10	NA	Bonus Issue
09-08-2018	RiturajRadheyshyam Gupta	Promoter Group	100	10	NA	Bonus Issue
09-08-2018	RiturajRadheyshyam Gupta HUF	Promoter Group	100	10	NA	Bonus Issue
09-08-2018	Madhu Rituraj Gupta	Promoter Group	100	10	NA	Bonus Issue

3. 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 Draft Red Herring 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	9	96,64,200	-	-	96,64,200	100	96,64,200	100	-	100	-	-	-	-	[•]
B	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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
C	Non-Promoter Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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
	Employee Trusts															
	Total	**9**	**96,64,200**	**-**	**-**	**96,64,200**	**100**	**96,64,200**	**100**	**-**	**100**	**-**	**-**	**-**	**-**	**[•]**

*As on the date of this Draft Red Herring 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.

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+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
1	Indian																
A	Individuals/Hindu undivided Family		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Pradeepkumar Shrikrishna Agrawal		1	4540320	-	-	4540320	46.98 %	4540320	46.98	-	46.98	-	-	-	-	[•]

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+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)	
	Rukmani Pradeepkumar Agrawal		1	13,51,468	-	-	13,51,468	13.98 %	13,51,468	13.98	-	13.98	-	-	-	-	[•]
	Pradeepkumar Shrikrishna Agrawal HUF		1	21,45,936	-	-	21,45,936	22.21 %	21,45,936	22.21	-	22.21	-	-	-	-	[•]
	ShrikrishnaChaturbuj Agrawal HUF		1	8,07,876	-	-	8,07,876	8.36%	8,07,876	8.36	-	8.36	-	-	-	-	[•]
	Manisha Agrawal		1	3,43,000	-	-	3,43,000	3.55 %	3,43,000	3.55	-	3.55	-	-	-	-	[•]

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+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)	
	Chinmay Pradeepkumar Agrawal		1	4,75,000	-	-	4,75,000	4.92 %	4,75,000	4.92	-	4.92	-	-	-	-	[•]
	RiturajRadheshyam Gupta		1	200	-	-	200	0.00 %	200	0.00	-	0.00	-	-	-	-	[•]
	Madhu RiturajGupta		1	200	-	-	200	0.00 %	200	0.00	-	0.00	-	-	-	-	[•]
	RiturajRadheshyam Gupta HUF		1	200	-	-	200	0.00 %	200	0.00	-	0.00	-	-	-	-	[•]

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+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)	
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	--	-	-	-	-	-	-	-	-
(d)	Any Other (Venture Capital)	-	-	-	-	-	-	--	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	-	9	96,64,200	-	-	96,64,200	100%	96,64,200	100	-	100	-	-	-	-	[•]

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+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)	
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	[•]
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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+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)	
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\	Total Shareholding of Promoter and Promoter Group		9	96,64,200	-	-	96,64,200	100%	96,64,200	100	-	100	-	-	-	-	[•]

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+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)	
	(A)= (A)(1)+(A)(2)																

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	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-					
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Public (B)= (B)(1)+(B)(2)+ (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	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
	(Share based Employee Benefit) Regulations, 2014)																		
	Subtotal (C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Promoter Non-Public Shareholding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	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
	(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.

4. 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**				
	Pradeepkumar Shrikrishna Agrawal	45,40,320	46.98%	45,40,320	32.87%
	Rukmani Pradeepkumar Agrawal	13,51,468	13.98%	13,51,468	9.78%
	Sub Total (A)	**58,91,788**	**60.96%**	**58,91,788**	**42.65%**
B)	**Promoter Group**				
	Pradeepkumar Shrikrishna Agrawal HUF	21,45,936	22.21%	21,45,936	15.53%
	ShrikrishnaChaturbuj Agrawal HUF	8,07,876	8.36%	8,07,876	5.85%
	Manisha Agrawal	3,43,000	3.55%	3,43,000	2.48%
	Chinmay Pradeepkumar Agrawal	4,75,000	4.92%	4,75,000	3.44%
	Rituraj Radheyshyam Gupta	200	0.00%	200	0.00%
	Madhu Rituraj Gupta	200	0.00%	200	0.00%
	Rituraj Radheyshyam Gupta HUF	200	0.00%	200	0.00%
	Sub-total (B)	37,72,412	39.04%	37,72,412	27.31%
	Total (A+B)	**96,64,200**	**100.00%**	**96,64,200**	**69.96%**

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.)
Pradeepkumar Shrikrishna Agrawal	45,40,320	5.55
Rukmani Pradeepkumar Agrawal	13,51,468	7.25
Total	**58,91,788**	

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

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Pradeepkumar Shrikrishna Agrawal	45,40,320	46.98
2.	Pradeepkumar Shrikrishna Agrawal HUF	21,45,936	22.21
3.	Rukmani Pradeepkumar Agrawal	13,51,468	13.98

4.	ShrikrishnaChaturbuj Agrawal HUF	8,07,876	8.36
5.	Chinmay Pradeepkumar Agrawal	4,75,000	4.92
6.	Manisha Agrawal	3,43,000	3.55
7.	Rituraj Radheyshyam Gupta	200	0.00
8.	Madhu Rituraj Gupta	200	0.00
9.	Rituraj Radheyshyam Gupta HUF	200	0.00
	Total	**96,64,200**	**100**

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

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Pradeepkumar Shrikrishna Agrawal	45,40,320	46.98
2.	Pradeepkumar Shrikrishna Agrawal HUF	21,45,936	22.21
3.	Rukmani Pradeepkumar Agrawal	13,51,468	13.98
4.	ShrikrishnaChaturbuj Agrawal HUF	8,07,876	8.36
5.	Chinmay Pradeepkumar Agrawal	4,75,000	4.92
6.	Manisha Agrawal	3,43,000	3.55
7.	Rituraj Radheyshyam Gupta	200	0.00
8.	Madhu Rituraj Gupta	200	0.00
9.	Rituraj Radheyshyam Gupta HUF	200	0.00
	Total	**96,64,200**	**100**

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

Particulars of the top ten Equity shareholders two years prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Total Paid-Up Capital
1	Pradeepkumar Shrikrishna Agrawal	20,82,760	43.10%
2	Pradeepkumar Shrikrishna Agrawal HUF	10,72,968	22.21%
3	Rukmani Pradeepkumar Agrawal	5,50,734	11.40%
4	ShrikrishnaChaturbuj Agrawal HUF	4,03,938	8.36%
5	Chinmay Pradeepkumar Agrawal	1,92,000	3.97%
6	Manisha Agrawal	1,71,500	3.55%
7	Fastglow Distributors Private Limited	1,49,300	3.09%
8	Ankitkaran Properties Private Limited	1,11,600	2.30%
9	Kamayani Infrastructure Limited	85,000	1.76%
10	Shree Anantnath Constructions	12,100	0.25%
	Total	**48,31,900**	**99.99%**

Our Company had only 12 Equity shareholders two years prior to the date of this Draft Red Herring 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 Draft Red Herring Prospectus.

Except for the Fresh Issue and Bonus 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 Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

Neither the Book Running Lead manager viz. **M/s Holani Consultants Private Limited**, nor their associates hold any Equity Shares of our Company as on the date of the Draft Red Herring 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 Book Running 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 Issue 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 Draft Red Herring 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 Draft Red Herring Prospectus.

Our Company, our Promoters, our Directors and the Book Running Lead manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being issued 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 Draft Red Herring 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 Draft Red Herring 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 Issued 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 Draft Red Herring 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 Draft Red Herring 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 200 of the Draft Red Herring 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 176 of the Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The issue comprises of fresh issue of 41,50,000 equity shares of our company having face value of Rs. 10/- each at a premium of Rs. [●]/- aggregating to Rs. [●].

OBJECTS OF THE FRESH ISSUE

Our company proposes to utilize the Net Proceeds from the issue towards the funding of the following objects and to achieve benefits of listing on the EMERGE platform of NSE:

- Working Capital Requirements
- General Corporate Purposes

The fund requirement and deployment are based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

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

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

DETAILS OF THE ISSUE PROCEEDS

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

Particulars	Amount (Rs. In Lakhs) *
Gross Proceeds from the Issue	[●]
(Less): Issue Related Expenses	[●]
Net Proceeds from the Issue*	[●]

**To be finalised on the determination of Issue price and updated in the Prospectus prior filing with RoC.*

As at [●] our company has incurred Rs. [●] **(**Rupees [●] only**)** towards Issue Expenses out of internal accruals vide certificate issued by our Statutory Auditor dated [●].

UTILIZATION OF NET PROCEEDS FROM THE ISSUE

S.No.	Purpose	Amount to be financed from Net Proceeds of the Issue (Rs. in Lakhs)	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	Working Capital Requirements	350.00	[●]*%	[●]*%
2.	General Corporate Purposes	[●]*	[●]*%	[●]*%
	Total	[●]*	[●]*%	[●]*%

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

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue, existing debt and Internal Accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

In view of the nature of the textile industry 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 utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be 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 utilising 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 Objects:

1. Working Capital

We finance our working capital requirements from bank funding, internal accruals and other sources. As on date all the Working Capital requirements have been funded through internal accruals and other sources. For further information, see — *Financial Indebtedness* on page 253 of this Draft Red Herring Prospectus.

As on March 31, 2017 and March 31, 2018 our Company's net working capital consisted of **Rs. 1,342.90 Lakhs** and **Rs. 1,279.74 Lakhs** respectively based on the restated financial statements. The Provisional net working capital as on March 31, 2019 is expected to be **Rs. 1,911.09 Lakhs**.

The total net working capital requirement for the year ending as at March 31, 2019 is estimated to be **Rs. 1,161.09 Lakhs** which will be met through the Net Proceeds to the extent of **Rs. 350.00 Lakhs** and the balance portion will be met through internal accruals/ owned funds.

Basis of estimation of working capital requirement:

The details of our Company's working capital requirement are based on the restated financial statements as at March 31, 2017 and March 31, 2018 and Projected Financial Statements as at March 31, 2019 respectively as set out in the table below:

(Amount in Rs. Lakhs)

Particulars	As at March 31		
	2019 (Estimated)	2018 (Actual)	2017 (Actual)
Current Assets:			
Inventories			
Raw Material	725.00	639.51	561.65
Work in Progress	660.00	459.82	329.61
Finished Goods	75.00	48.87	95.42
Trade Receivables – Domestic	1,430.00	1,324.70	892.46
Short Term Loans & Advances and Other Current Assets	83.89	189.60	207.33
Cash and Cash Equivalents	12.97	7.48	4.69
Total (A)	**2,986.86**	**2,669.98**	**2,091.16**
Current Liabilities:			

Trade Payables	795.00	1,092.41	488.59
Advance payment from customers	10.00	6.89	53.90
Other Current Liabilities and Provisions	270.77	290.94	205.77
Total (B)	**1,075.77**	**1,390.24**	**748.26**
Net Working Capital (A) – (B)	**1,911.09**	**1,279.74**	**1,342.90**
Internal Accruals	**811.09**	**539.53**	**434.16**
Net Proceeds	**350.00**	**0.00**	**0.00**
Bank Funding	**750.00**	**740.21**	**908.74**

Assumptions of Working Capital Requirements:

Assumptions for Holding Levels of Current Assets and Current Liabilities are as under:

(In Months)

Particulars	Holding Level as of March 31, 2017	Holding Level as of March 31, 2018	Projected Holding Level as of March 31, 2019
Current Assets:-			
Trade Receivables – Domestic	2.28	2.96	2.91
Inventories:-			
Raw Material	1.82	1.83	1.82
Work in Progress	0.93	1.16	1.49
Finished Goods	0.27	0.12	0.17
Current Liabilities:-			
Trade Payables	1.58	3.12	2.00

Our Company proposes to utilize **Rs. 350.00 Lakhs** of Net Issue Proceeds for meeting the estimated working capital requirements of the company.

Justification for "Holding Period" Levels:-

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

Current Assets	Justification
Inventories:	
Raw Material	The Raw Materials Holding period is expected to remain same in line with the current holding levels. Our management believes that approximately two months inventory of raw material is optimum for the company. Decreasing the levels would lead to shortage in supply of raw materials which may affect our production adversely and increasing the holding levels beyond existing mark would lead to additional carrying costs on the company.
Work in progress	Work in Progress goods Holding period is expected to increase from the current holding levels. Our management believes that one month and half months is optimum given the current increase in demand of our products.
Finished goods	The Finished Goods Holding period is expected to decrease marginally from the current levels owing to high demand of our products in the market. Our Management believes that because of the rising demand our finished goods turnover will be higher and consequently the holding level will fall. With increase in WIP holding level on one hand and rising demand on the other end the finished goods holding level is expected to fall.

Trade Receivables – Domestic	The Receivables Holding period is expected to increase marginally as the management of the company believes that a holding level of 3 months would be appropriate for our business. Our management believes that we can give better credit terms to our customers and a higher level of Turnover can be achieved which will further increase the Gross Margin and Net Margin Levels.
Current Liabilities	**Justification**
Trade Payables	The Payables Holding Level is in line with the Preceding years. However, the Company seeks to implement and adhere to a stricter credit policy which shall help the company in securing favourable and competitive pricing and payment terms with existing and potential vendors. It will also help the company in maintaining sound business relationship with existing vendors.

Pursuant to the certificate dated **[●]**, **[●]**, Chartered Accountants, have compiled the working capital estimates from the Restated Financial Statements of the company and the working capital projections as approved by the Board through a resolution dated **[●]**.

2. General Corporate Purpose

Our Company proposes to deploy the balance Net Proceeds aggregating to Rs.[●] Lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Issue Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts.

ISSUE RELATED EXPENSES

The expenses for this Issue include Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fees and Listing Fees. The total expenses for this Issue are estimated to be approximately Rs. **[●]** Lakhs. All the Issue related expenses shall be met out of the proceeds of the Issue and the break – up of the same is as follows:

ParticularsOf Expenses	Expenses (Rs. in Lakhs)	% of Total Issue Expenses)	% of Gross Issue Proceeds
Payment to Merchant banker including expenses towards printing, advertising, and payments to other intermediaries such as Registrars, Bankers, Brokers, SCSB's, RTA's, CDP's etc.	**[●]***	**[●]***	**[●]***
ROC Charges and Other Regulatory Fees	**[●]***	**[●]***	**[●]***
Marketing and Other Expenses	**[●]***	**[●]***	**[●]***
Total	**[●]***	**[●]***	**[●]***

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

As at [●], our Company has incurred Rs. [●] towards Issue expenses out of internal accruals vide certificate issued by our Statutory Auditor dated [●].

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 Applications wherein shares are allotted.

Note:- Allotment Amount is the product of the Number of Equity Shares Allotted and the Issue Price.

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 goods and service tax), per valid ASBA Form, subject to total ASBA Processing Fees being maximum of Rs. 1 lakh (plus applicable goods and service tax), 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. 1 lakh (plus applicable goods and service tax), 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. 1 lakh (plus applicable goods and service tax).

Registered Brokers will be entitled to a commission of Rs. 25 (plus applicable goods and service tax), per every valid ASBA Form, subject to total commission being maximum of Rs. 1 lakh (plus applicable goods and service tax), 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. 1 lakh (plus applicable goods and service tax), 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. 1 lakh (plus applicable goods and service tax).

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

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

Our company proposes to deploy the Net Proceeds in the aforesaid objects in accordance with the schedule of implementation and deployment of funds set forth in the table below:-

(Amount in Rs. Lakhs)

Purpose	Net Proceeds of the Issue	Amount incurred till date	Estimated Deployment in FY 2018–19
Working Capital Requirements	350.00	0.00	350.00
General Corporate Purposes*	**[●]**	0.00	**[●]**
Total	**[●]**	**0.00**	**[●]**

**To be finalized on the determination of the Issue price and thereafter to be updated in the Prospectus prior to filing with the Registrar of Companies (ROC).*

To the extent our company is unable to utilize any portion of the Net Proceeds of the issue towards the above stated objects as per the schedule of implementation and deployment of funds, our company shall deploy the unutilized portion of the Net Proceeds of the issue towards the said objects in the subsequent financial years.

BRIDGE FINANCING

As on date of this Draft Red Herring Prospectus we have not entered into any bridge financing arrangements that are proposed to be repaid from the Net Issue Proceeds.

APPRAISAL BY APPRAISING AGENCY

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

INTERIM USE OF FUNDS

Our management, in accordance with the policies established by our Board of Directors, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, our Company will temporarily invest the Net Issue Proceeds in deposits with schedule 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 Issue as described above, it shall not use the funds from the Net Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs. 50,000 Lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds from the Issue.

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.

VARIATION IN OBJECTS

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

BASIS FOR ISSUE PRICE

The Issue Price of Rs. [●] per Equity Share shall be determined by the Company, in consultation with the Book Running Lead Manager (BRLM) on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors.

The face value of the Equity Shares of our Company is Rs.10/- each and the Issue Price is [●] times of the face value at the lower end (Floor price) of the Price Band and [●] times the face value at the higher end (Cap price) of the Price Band.

QUALITATIVE FACTORS

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

- Highly experienced management and operational team with industry expertise.
- Focus on quality and constant innovation.
- Wide variety of the products.
- Existing relationship with the clients and suppliers.
- Cost Leadership and time bound execution of the orders.
- Well established manufacturing facilities with latest technology plant and equipment.

For further details, refer chapter titled "Our Business" beginning on page 146 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

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

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

Year Ended	Basic EPS (Rs.)		Diluted EPS (Rs.)	
	EPS for par value of ₹10 per share (in ₹)	Weight	EPS for par value of ₹10 per share (in ₹)	Weight
March 31, 2016	0.39	1	0.39	1
March 31, 2017	0.71	2	0.71	2
March 31, 2018	1.50	3	1.50	3
Weighted Average	**1.05**		**1.05**	

Note:

- *EPS Calculations have been done in accordance with Accounting Standard 20 – "Earning per Share" issued by the Institute of Chartered Accountants of India. The face value of each equity share is Rs. 10/-.*
- *Formula Used for Calculation of EPS is as under:*

$$\text{Basic Earnings Per Share (₹)}: \frac{\text{Restated Profit/ (Loss) after tax for the year attributable to Equity Shareholders)}}{\text{Restated weighted average number of equity shares outstanding during the year}}$$

Diluted Earnings Per Share (₹): $\frac{\text{Restated Profit/ (Loss) after tax for the year attributable to Equity Shareholders)}}{\text{Restated weighted average number of dilutive equity shares outstanding during the year}}$

2. **Price to Earnings (P/E) ratio in relation to Price Band of Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each fully paid up.**

Particulars	P/E Ratio based on the Basic EPS	
	At Cap Price	At Floor Price
P/E ratio based on basic EPS for F.Y. 2017–18	[●]	[●]
P/E ratio based on weighted average EPS	[●]	[●]
***Industry P/E Ratio**		
Highest (Price – Rs. 58.40 – Arrow Textiles Ltd)	69.52	
Lowest (Price – Rs. 9.93 – Khator Fibre & Fabrics Ltd)	6.58	
Average	38.05	

**Industry comprises of the Arrow Textiles Limited and Khator Fibre & Fabrics Limited*

The Basic EPS of Arrow Textiles Limited (NSE) and Khator Fibre & Fabrics Limited (BSE) as at March 31, 2018 is 0.84 and 1.51 respectively. The Highest and Lowest price is taken as at September 11th, 2018.

**Source-https://www.moneycontrol.com/financials/arrowtextiles/profit-lossVI/AT20#AT20 and https://www.nseindia.com/live_market/dynaContent/live_watch/get_quote/GetQuote.jsp?symbol=ARROWTEX&illiquid=0&smeFlag=0&itpFlag=0*

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	4.76 %	1
March 31, 2017	7.88 %	2
March 31, 2018	14.32 %	3
Weighted Average	**10.58 %**	

- *Formula Used for Calculation of RONW is as under:*

Return on Net Worth (%): $\frac{\text{Restated Profit / (Loss) after tax for the year attributable to Equity Shareholders)}}{\text{Restated Net Worth as at the end of the year}}$

4. ***Minimum Return on Total Net Worth post issue needed to maintain Pre – Issue EPS for the year ended March 31, 2018***

Particulars	At Floor Price	At Cap Price
To maintain pre – issue basic EPS	[●]	[●]
To maintain pre – issue diluted EPS	[●]	[●]

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 on March 31, 2018	21.00
Net Assets Value per Equity Share after the Issue	[●]
Issue Price per Equity Share*	[●]

** The Issue price per equity share shall be determined on conclusion of the Book Building Process.*

- *Formula Used for Calculation of NAV is as under:*

Net Asset Value (NAV)per Equity Share:

$$\frac{\text{Restated Net worth as at the end of the year}}{\text{Restated Number of equity shares outstanding at the end of the year}}$$

6. *Comparison with Other Listed Companies:*

Name of the Company	CMP*	Basic/ Diluted EPS	P/E ratio on basic/ diluted EPS	RoNW %	NAV per share	Face value per share	Total Revenue (in Lacs)
Texaco Synthetics Limited	[●]	1.50	[●]	14.32	21.00	10.00	5,400.92
PEER GROUP**							
Arrow Textiles Ltd	30.50	0.84	36.31	4.54	18.58	10.00	4,087.00
Khator Fibre & Fabrics Ltd	17.70	1.51	11.72	4.43	34.98	10.00	6,898.40

**Issue price of our Company is considered as the CMP of the Company*

***Source: https://www.moneycontrol.com/financials/arrowtextiles/profit-lossVI/AT20#AT20*

https://www.bseindia.com/stock-share-price/stockreach_peergroup.aspx?scripcode=521127&expandable=9

NOTES:

- Considering the nature of the business of the company the peers are not strictly comparable and the same have been included for broad comparison.
- The figures of Texaco Synthetics Limited are based on the restated financial statements for the year ended on March 31, 2018.
- The figures of the peer group are based on standalone audited results for the respective year ended on March 31, 2018.
- Current Market Price (CMP) is the closing price of the respective script as on September 11th, 2018.
- The issue price of Rs. [●] per equity share shall be determined by the company in consultation with the BRLM on the basis of assessment of market demand from investors for the equity shares by way of book building and shall be justified based on the above accounting ratios.

For further details refer to the section titled *"Risk Factors"* beginning on page 20 and the restated financials of the Company including profitability and return ratios, as set out in the section titled *"Financial Statements as restated"* beginning on page 200 of this Draft Red Herring Prospectus for a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To
The Board of Directors,
Texaco Synthetics Limited
C-209, 2nd Floor, Sumel Business Park-II,
B/H Vanijya Bhavan,
Kankaria Road,
Ahmedabad, Gujarat – 380022

Dear Sir,

Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws

We hereby confirm that the enclosed annexure, prepared by the Management of Texaco Synthetics Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

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

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met. The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. The same shall be subject to notes to this annexure.

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

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

For S. N. Shah & Associates
Chartered Accountants
Firm Registration No.:109782W

CA Priyam Shah
Partner
Membership No. 144892
Place: Ahmedabad
Date: 20th August, 2018

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO TEXACO SYNTHETICS LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2017-18.

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

I. Special Specific Tax Benefits Of The Company

There are no special specific tax benefits available to the Company.

II. General tax benefits

1. In accordance with section 10(34), dividend income (referred to in section 115-O) earned by the company shall be exempt from tax.

2. In accordance with section 32(1), the Company can claim depreciation on specified tangible assets (being Building, Plant and Machinery, Furniture, Computer and Vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchise or any other business or commercial rights of similar nature) acquired on and after 1st April, 1998) owned by it and used for the purpose of its business.

3. If the Company invest in the equity shares of another Company or in the unit of an equity oriented fund, as per the provisions of Section 10(38), any income arising from the transfer of long term capital assets being an equity share in the Company or units of mutual fund shall not be included in the total income if the transaction is chargeable to securities transaction tax. However, when the Company is liable to tax on book profits under section 115JB of the Act, the said income is required to be included in book profits and taken into account in computing the Minimum Alternative Tax payable under section 115JB.

4. Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrators of the specified undertaking or income received in respect of units from the specified Company is exempted from tax in the hands of the Company, under section 10(35) of I.T. Act.

5. In accordance with section 112, the tax on capital gains or transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

- 20 percent (plus applicable surcharge and —Education Cess) of the capital gains as computed after indexation of the cost; or

- 10 percent (plus applicable surcharge and —Education Cess) of the capital gains as computed without indexation of the cost.

6. In accordance with Section 111A capital gains arising from the transfer of short term asset being an equity shares of the Company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be:-

(i) The amount of income tax calculated on such terms capital gains at the rate of 15 percent (plus applicable surcharge and —Education Cess).

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

8. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th

of the amount so paid for that previous year, and the balance in four equal instalments for each of the succeeding previous years subject to conditions specified in that section.

9. In accordance with section 35, the Company is eligible for deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section. As per section 35(2AA) a deduction of 200% shall be allowed as a deduction of the sum paid by the Company, to a National Laboratory or a University or an Indian Institute of Technology or a specified person as specified in this section with a specific direction that the sum shall be used for scientific research undertaken under a programme approved in this behalf by the specified authority subject to condition specified in that section.

10. Under Section 71 of the IT Act, business loss suffered by the company during the year is allowed to be set off against income from any other head. Under Section 72 of the IT Act, the company is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were incurred and set off such losses against income chargeable under the head ―Profits and gains from business or profession‖ in such assessment year. However, only such losses which have been determined in pursuance of a return filed in accordance with Sec 139(1) of the IT Act shall be carried forward and set off under section 72 of the IT Act.

11. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after April 1, 2006 will be available as credit for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provision of section 115JAA of the ACT.

12. As per the provision of section 80G of the Act, the deduction will be available in the respect of donations to various charitable institutions and funds covered under that section, subject to fulfilment of the conditions specified therein.

13. Under section 36(1) (xv) of the Act, the Securities Transaction Tax paid by the Company in respect of the transactions, the income whereof is chargeable as Business Income will be allowable as deduction against such income.

GENERAL BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE INCOME TAX ACT, 1961

A. Resident

1. In accordance with section 10(34), divided income declared, distributed or paid by the company (referred to in section 115-O) on or April 1, 2003 will be exempt from tax in the hands of the shareholders. Any income by way of dividend in excess of Rs. 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm at the rate of ten percent. The taxation of dividend income in excess of ten lakh rupees shall be on gross basis.

2. In accordance with section 10(38), any income arising from the transfer of a long-term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.

3. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long-term capital assets will be the lower of

a) 20 percent (plus applicable surcharge and ―Education Cess) of the capital gains as compute after indexation of the cost; or

b) 10 percent (plus applicable surcharge and ―Education Cess) of the capital gains as computed without indexation.

4. In accordance with section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the

tax payable on the total income shall be the aggregate of (i) the amount of income tax calculated on such short term capital gain at the rate of 15 percent (plus application surcharge and ―Education Cess‖) and (ii) the amount of income tax payable on the balance amount of the total income as if such balance amount were the total income.

5. In accordance with section 54EC, long term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long term specified asset. The long term specified asset notified for the purpose of investment means notified bonds of Rural Electrification Corporation Ltd. (REC) and National Highway Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs.50 Lacs. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized,

within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house with in three years.

6. Under section 36(1) (xv) of the act. The securities Transaction Tax paid by the assessee in respect of the transactions, the income where of is chargeable as business Income, will be allowable as deduction against such income.

B. Non –Residents

a. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in 115 – o) will be exempt from tax.

b. In accordance with section 10 (38), any income arising from the transfer of a long-term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.

c. In accordance with section 48, capital gains arising out of transfer of a capital asset being in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment their after and sale of shares or debentures of an Indian Company including the company.

d. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long-term capital assets will be at the rate of 20% (plus applicable surcharge and Education cess).

e. In accordance with section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be aggregate of (i) the amount of income – tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and Education cess) and (ii) the amount of income – tax payable on the balance amount of the total income as if such balance amount were the total income.

f. In accordance with section 54EC, long term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long- term specified asset. The long- term specified asset notified for the purpose of investment is notified bonds of Rural Electrification Corporation Ltd (REC) and Nation Highways Authority of India (NHAI).

Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs. 50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

g. In accordance with section 54F, long- term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, with in a period of one year before, or two year after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years.

h. Under section 36 (1) (xv) of the act, the amount of securities transaction tax paid by an assess in respect of taxable securities transactions offered to tax as —profits and gains of business or profession —shall be allowable as a deduction against such business income.

i. Under the provisions of section 195 of the Income Tax act, any income (not being an income chargeable under the head Salaries), payable to non – residents, is subject to withholding tax as per the prescribed rate in force, subject to the tax treaty. Accordingly, income tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.

j. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the act, the provisions of the act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-Resident.

C. Non–Resident Indians

Further, a Non- Resident Indian has the option to be governed by the provisions of chapter xii-A of the Income – tax Act, According to which:

1. In accordance with section 115E, where income includes income from investment or income from long-term capital gains or transfer of assets other than specified asset of the company, Investment Income shall be taxable at the rate of 20% (plus applicable surcharge and Education Cess) and income by way of long term capital gains in respect of assets other than a specified asset, shall be chargeable at 10% plus applicable surcharge and —Education Cess)

2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long – term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer in any specified asset or any saving certificates referred to in clause 4B of section10 of income tax act, 1961, subject to the conditions specified in that section.

3. In accordance with section 115G, it is not necessary for a Non – Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or/and income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of chapter xvii – B of the Income Tax Act.

4. In accordance with section 115-I, where a Non Resident Indian opts not to be governed by the provisions of chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to other provisions of the Income Tax act.

5. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of

income for that year under section 139 of the Act to the effect that the provisions of Chapter XIIA shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

D. Foreign Institutional Investors (FIIs)

1. In accordance with section 10(34) , dividend income declared ,distributed or paid by the Company (referred to in section 115-O) on or after April 1,2003 will be exempt from tax in the hands of Foreign Institutional Investor (FIIs).

2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long-term capital asset being an equity share in a Company or a unit of an equity-oriented fund, where such transaction is chargeable to securities transaction tax will be exempt.

3. As per provisions of section 115AD of the Act, income (other than income by way of dividends referred to Section 115 –O) received in respect of securities (other units referred to section 115 AB) is taxable at the rate of 20% (plus applicable surcharge and education cess).

4. As per provisions of section 115AD of the Act read with section 111 A of the Act, short term capital gains arising from the sale of Equity shares of the company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).

5. As per section 115 AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates:

(a) Long term Capital Gains 10 %

(b) Short term capital gains (other than referred to in section 111A) 30%*(plus applicable surcharge and education cess)

6. In case of long-term capital gains (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

7. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

8. Under section 54 EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the company would be exempt from tax if such capital gains in invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:

I. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988;

II. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gains is on reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be allowed as a deduction from the income tax under section 80C of the Act.

E. Mutual Funds

In accordance with section 10(23D), any income of subject to the provisions of Chapter XII-E

i. A mutual fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;

ii. Such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India subject to such conditions as the Central government may, by notification in the Official Gazette, specify in this behalf will be exempt for income tax.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2016 and will be available only to the sole/ first named holder in case the shares are held by joint holders.

2. In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.

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

4. The above statement of possible direct and indirect taxes benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Securities and Exchange Board of India, Mumbai.

For S. N. Shah & Associates

Chartered Accountants

Firm Registration No.:109782W

CA Priyam Shah

Partner

Membership No. 144892

Place: Ahmedabad

Date: 20th August, 2018

OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statements as restted" and related notes beginning on page 20 and 200 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

TEXTILE BUSINESS – INDUSTRY OVERVIEW

Textile manufacturing is a major Industry. It is based on the conversion of fibre into yarn, yarn into fabric. These are then dyed or printed, fabricated into clothes. Different types of fibres are used to produce yarn. Cotton remains the most important natural fibre followed by Flax, Jute, Hemp, Silk There are many variable processes available at the spinning and fabric-forming stages coupled with the complexities of the finishing and colouration processes to the production of a wide ranges of products. There remains a large industry that uses hand techniques to achieve the same results.

The global textile business & clothing business in 2017 was estimated to be worth about the USD 4395 billion and also, global trade in textiles & clothing stood at around the USD 360bn in the year 2017. According to the world trade organization forecast the global trade was estimated to expand by 3.3% in 2017 & by 4% in 2018.

Along with the World, the textile business industry in India is the largest employer after agriculture and it contributes towards a significant portion of country's total exports. India has the 2nd largest manufacturing capacity in the world.

The success of the modern industry of world textiles is dependent largely upon continuing major investment in innovation and invention. After up – downs, a global textile business and apparel industry are flourishing at a high speed. The world is on a new corridor of the industrial revolution. Analysts are anticipating more expansion with latest technologies in textile machinery.

GLOBAL TEXTILE AND APPAREL BUSINESS OVERVIEW:

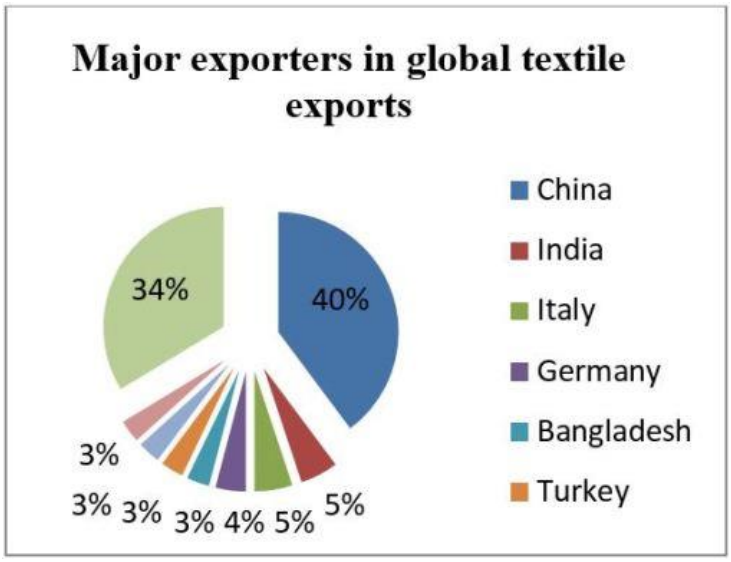
- The Textile & Apparel trade was worth USD 773 billion, in 2013, and is expected to grow at a CAGR of 5% over the next decade. The growth of the apparel trade is expected to out space that of the fabric trade.
- China dominates global Textile and Apparel exports with 40% share of made ups, 37% of apparel, and 39% of fabric. India, Bangladesh, Vietnam, Turkey, Pakistan etc. are the other major Textile and Apparel exporters.
- The top five Textile & Garment importing nations are US, China, Germany, and Turkey. China is the single largest exporter with 39 percent share while India stood at a distant second place with 5 percent share.
- The global fabric trade was worth USD 137 billion in 2013 while the global apparel trade was worth USD 428 billion. It is expected that the rate of growth of the trade in knit fabric and apparel will be higher than that for the woven counterparts.
- Asia is the leader in terms of the installed capacity of textile machinery, 86% of short – staple spindles, 45% long staple spindles, 55% rotor spinning machines, 73% of shuttle fewer looms & 85% of shuttle looms are installed in Asia alone. China, India, Pakistan, Indonesia & Thailand are among the leaders in terms of this installed capacity.

- The US, EU–27 countries and Japan remain the key apparel importers. However, the apparel imports of emerging countries like Russia, China and India have registered some momentum in recent times.

LEADING EXPORTERS IN GLOBAL TEXTILE:

China is a consistent leading exporter in the global textile market whereas India, Italy, Germany, Bangladesh are other leading countries. China's 2013 export textile business was worth of USD 274 bn whereas India places USD 40 bn exports. If we compare Indian and Chinese exports by relating their 2012 export then we can surely see the difference change.

Indian exports increased by 21% compared to 2012 exports whereas China export trading grows with 11%. Indian and Chinese apparel markets shown robust growth, despite global uncertainties and slackened demand. From 2009 to 2013, the Chinese market registered a CAGR of 13% whereas the Indian market registered a growth of 10%.



FUTURE PROJECTIONS IN THE TEXTILE BUSINESS:

- The growth of apparel market is stagnating in the traditional consuming hubs of EU, USA, and Japan.
- Countries like China, India, Russia & Brazil are emerging as apparel retail markets and will form significant alternate markets to US, EU – 27, Japan.
- India had 46 US$ bn apparel market size in 2013 which is estimated to grow for 200 US$ with 12% of CAGR in between 2013 – 2025. India is upcoming with a fastest growing market.
- In 2013, Surpassing Italy and Germany, India exported textile & apparel garments goods worth $40 billion with a share of about 5 percent of global textile & garment trade.
- China market will continue to lead all over the global market with 540 US$ bn in 2025. China has led 165 billion US$ market which is growing at CAGR of 10%.
- In years China and India will only have huge growing markets.
- EU–27, USA, Japan have 2% CAGR which shows the steady growth of Developed countries. As the Per the Capita spend on apparel is more in these countries, Markets needs importing of apparels so it makes more chances for growing apparel markets for trading.

(Source: https://www.textilemates.com/textile-business-global-market-present-future/)

TEXTILE INDUSTRY FACTS AND FIGURES:

Asia – Pacific leads in the global textile yarn market followed by North America, with polyester and cotton being the widely used textile yarn products, says a report, which sees changing consumption pattern, rising population, disposable income and the rise in demand for clothing and home furnishing products in the Asia-Pacific as the major growth factors.

Increasing investment from multinational manufacturers in the United States and Canada will propel the growth of the North American market, whereas the market in Latin America and the Middle East are flourishing due to the developing apparel industry and high levels of product development, says the report by US-based Zion Market Research.

Rapid urbanization and the shift in consumer preference towards affordable and comfortable clothing have raised the demand for high-value fabrics such as viscose, silk, and hemp.

Blended varieties of fibres are also witnessing immense growth owing to significant features of both artificial and natural yarn thus opening up new growth opportunities.

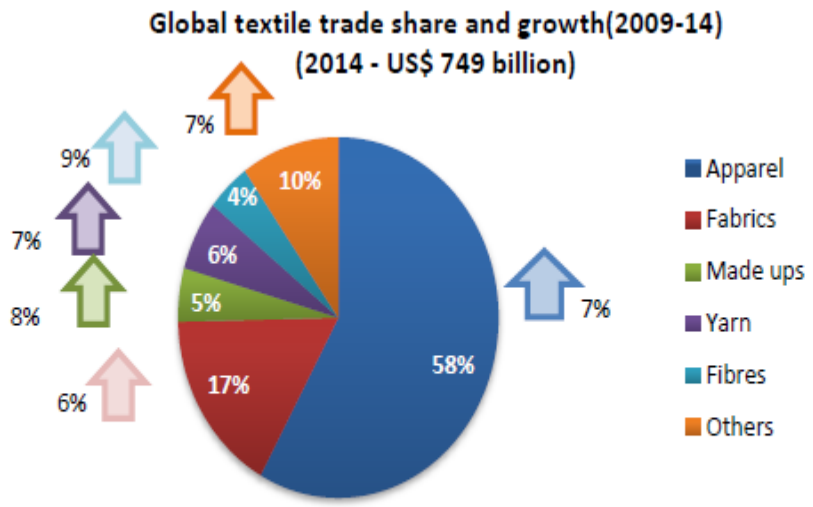
However, instability in the production of plant and animal source yarn and the strict regulation imposed on the trade of textile yarn products are barriers, a company press release says citing the report.

(Source:http://in.fashionnetwork.com/news/Asia-Pacific-leads-in-global-textile-yarn-market-report,896608.html#.WtRSjYhubIU)

Global textile trade stood at USD 701 billion in 2013-14 which has witnessed a CAGR of 6.8% from 2009 to 2014. The growth of global textile trade over a span of 10 years has been indicated in the following exhibit. While the trade has witnessed a consistent growth during 2004-2008, there was a dip witnessed during 2009, due to global economic crisis. Since then the trade has recovered completely, however the trade volumes have been volatile owing to economic conditions.

Source: DGFT, UN ComTrade, IMaCS analysis

The sector wise split of world trade with sector wise growth has been show in the Exhibit below.



Source: DGFT, UN ComTrade, IMaCS analysis

It can be observed from the Exhibit above that apparel which account for the largest share of world trade at 58% is growing at 7% followed by fabrics and made ups which put together has a total share of 21% of world trade. During 2009-14, the trade of fibres and made ups has witnessed the highest growth at 9% and 8% respectively.

Europe which accounts for 41% of the total trade is the largest market for textile imports followed by US and Canada which together account for 15% of the total trade. The region wise imports across the major sectors of textile for 2014 have been indicated in the following Exhibit.

Exhibit 12: Region-wise# textile trade

Sl. No.	Sector	Total imports 2013-14 (in US$ bn)	Europe	US & Canada	Eastern Asia	West Asia & Middle East	Australia & New Zealand	Other regions
1	Apparel	435	49%	18%	11%	6%	2%	14%
2	Fabrics	124	27%	5%	12%	7%	0%	49%
3	Made ups	36	41%	26%	7%	6%	2%	18%
4	Fibre	33	22%	3%	32%	7%	0%	36%
5	Yarn	47	31%	5%	25%	5%	1%	33%
6	Others	74	43%	17%	10%	6%	2%	23%
	All	749	41%	15%	13%	6%	1%	24%

Source: IMaCS analysis, UN Comtrade, # Share in world trade is based on imports reported by countries across the world

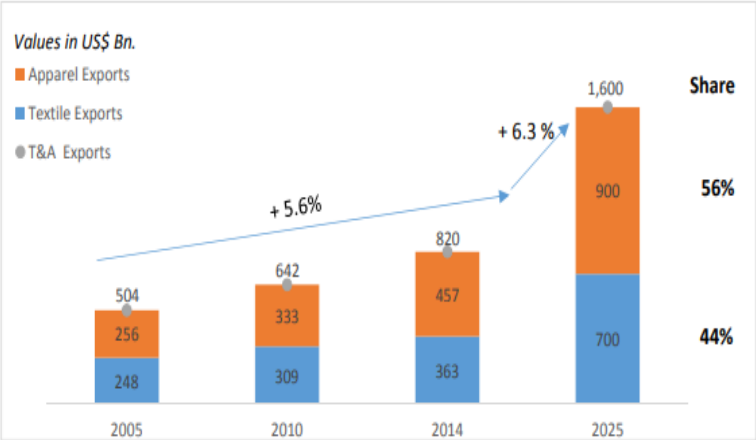
Apparel is the key driver for global textile trade accounting for 58% of total trade. High volume of apparel and made up imports by Europe, US and Canada (combined 40% of total trade), has made them the preferred destinations for apparel and made up exports. Eastern Asia is the largest importer of fibres and yarn mainly due to high imports as raw material from the key producing Nations- China, Taiwan and Korea.

In 2014, apparel products had the highest share in total textiles exports of India. Almost all of the products categories exported, had more than 10% (5-year CAGR) growth in 2014, except some of the apparel products. Some products grew at between 20% and 111%.

(Source: Study on enhancing export competitiveness in Textile sector – Ministry of Textiles)

Global trade of textile and apparel

The global textile and apparel trade stood at USD 820 bn. in 2014 growing at a CAGR of 5.6 % over the last decade. Apparel categories had a larger share of 56% while textiles categories had the remaining share of 44% in the overall trade.



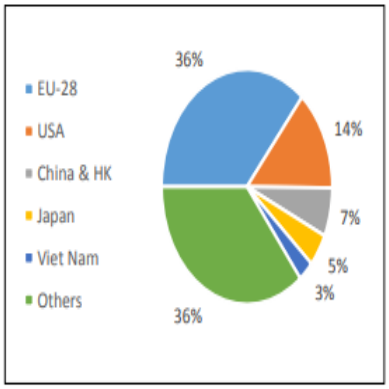
Source: UN Comtrade

The global textile and apparel trade is expected to reach at a level of USD 1,600 bn. in 2025 growing by a CAGR of 6.3% over the next decade.

Major markets & supplier

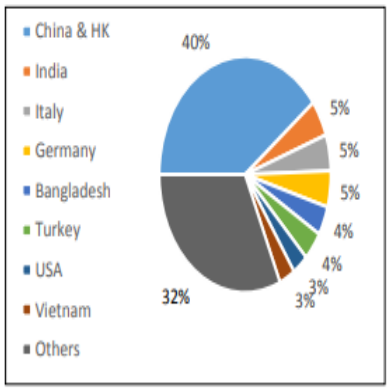
EU & USA are the largest markets for textile and apparel with a share of 36% and 14% respectively. On the supply side, China is the largest supplier of textile and apparel in the world with a dominating share of 40%. It is distantly followed by countries like India, Italy, and Germany etc. each with an approximate share of 5% in the global textile and apparel exports.

Figure 3: Major markets for textile and apparel (2014)



Source: UN Comtrade

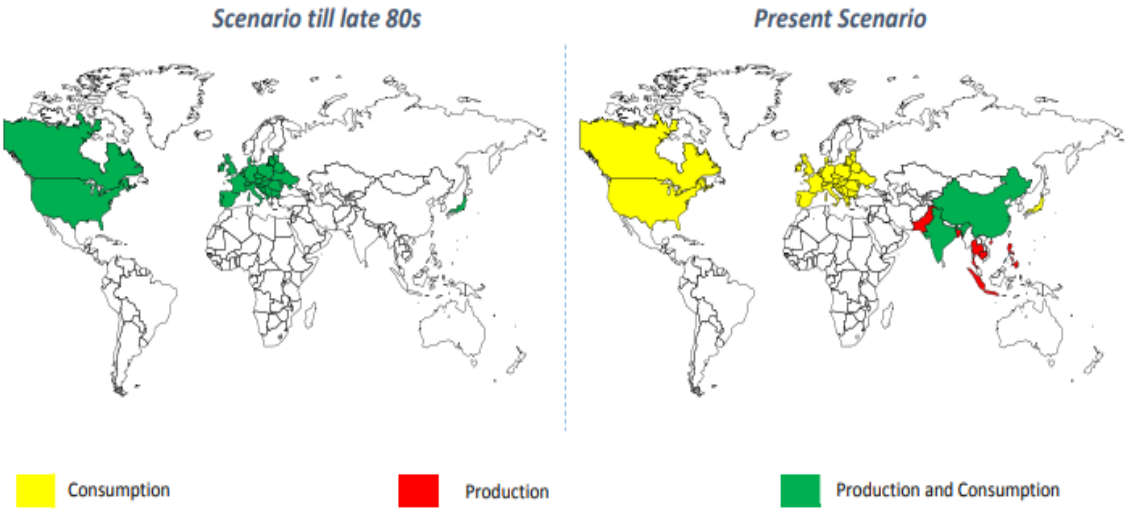
Figure 2: Major suppliers of textile and apparel (2014)



Source: UN Comtrade

Shift of manufacturing bases & emergence of new destinations

Textile industry has witnessed a major shift in the last three decades in terms of its production bases. Till the 1980s, production of textile and apparel was centered in USA and EU but over the period of time production of these commodities shifted majorly to Asian countries.



This shift was a result of attractive low cost manufacturing advantages in these developing Asian countries. As the production of textile commodities was becoming unprofitable for the manufacturers in USA and Europe due to rising costs of manufacturing, they sought for alternative destinations for the manufacturing of textile products. Asian countries with availability of abundant and cheap manpower, vast natural resources and favourable economic policies were the most attractive destination for manufacturing of textile products. China has taken the maximum gain from this shift. After the liberalization of China's Industrial policy in 1980's, China experienced a massive boost in industrialization and as a result China became a hub of manufacturing. Over this period, China emerged as the biggest manufacturing base for textiles in the world and has remained the largest exporter of textiles and apparel in the world maintaining a dominant market share of around 40% since 2000s. Other Asian economies such as India, Bangladesh, Indonesia, Pakistan, Vietnam, Cambodia and Thailand also experienced an upsurge in their textile and apparel manufacturing during this period. Now, USA and Europe have become the largest consumption bases in the world while manufacturing is concentrated in Asian countries such as China & India (large consumption bases as well), Bangladesh, Vietnam, Sri Lanka, Pakistan etc.

(Source: http://ficci.in/spdocument/20817/3-FICCI-TAG-2016-Whitepaper.pdf)

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**

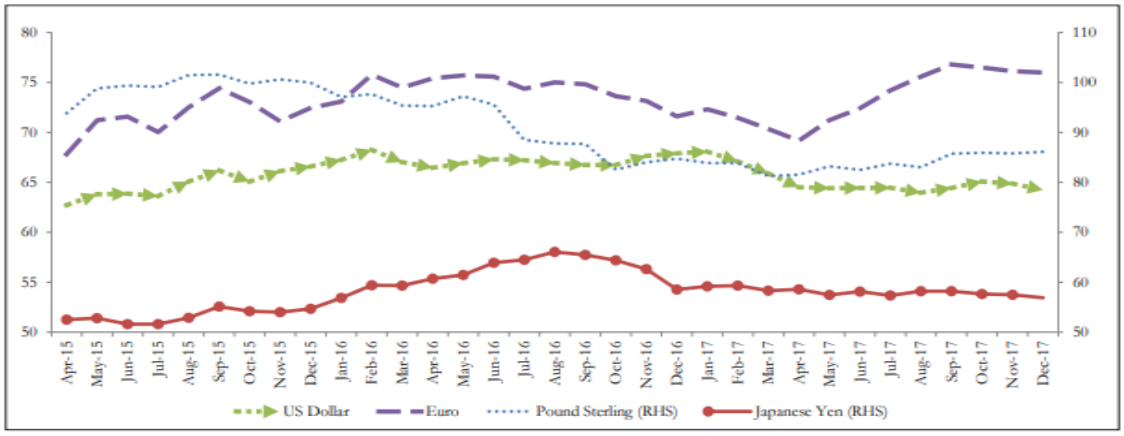
Export growth in 2016-17 was fairly broad based with positive growth in major categories except textiles & allied products, and leather & leather manufactures. In 2017-18 (April - November) among the major sectors, there was good export growth in engineering goods and Petroleum crude and products; moderate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

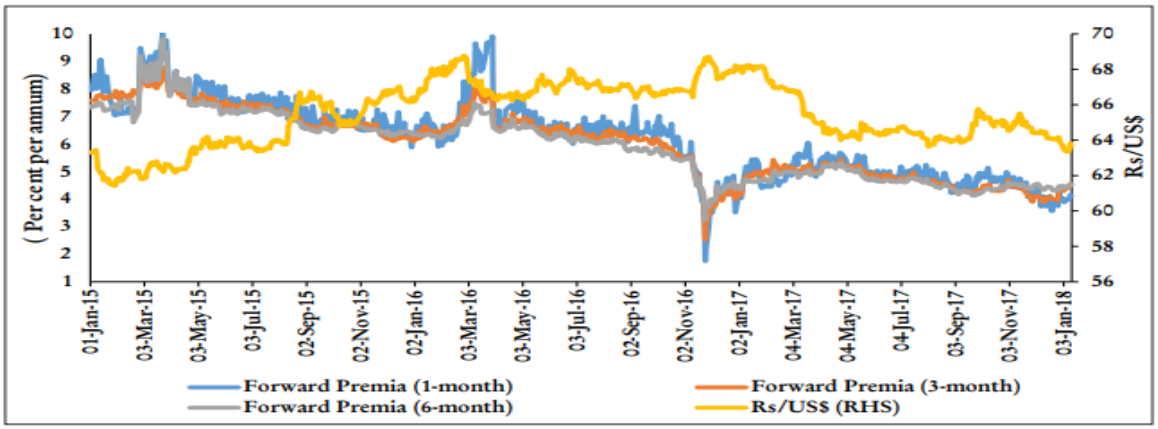
Figure 8: Movement of Rupee against US Dollar, Euro, Pound Sterling and Japanese Yen



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.

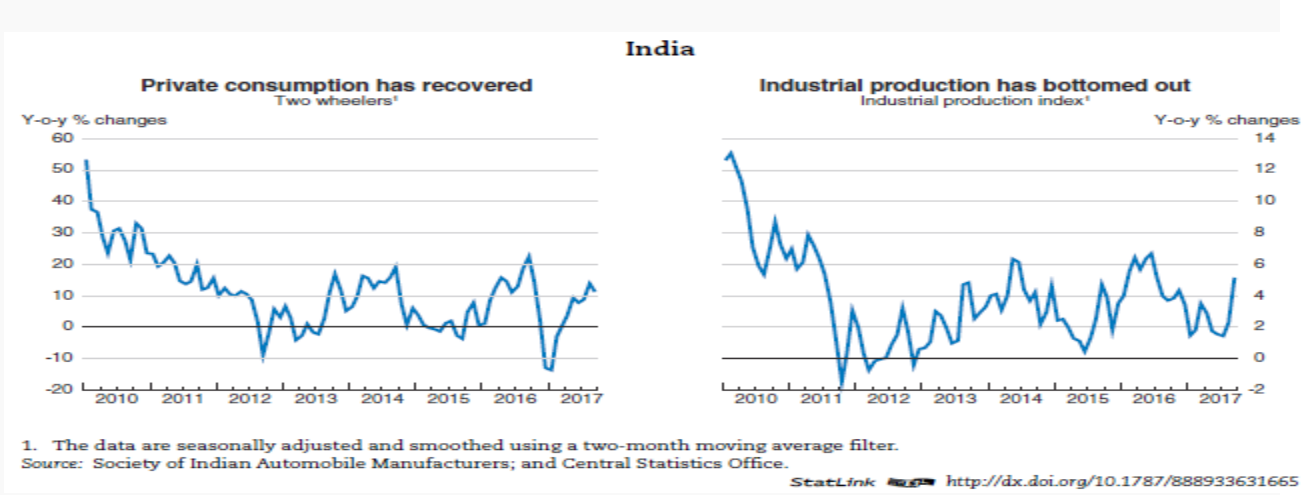
(Source: *https://www.crisil.com/en/home/our-analysis/reports/2018/02/crisils-india-outlook-2018-the-fours-of-growth.html)*

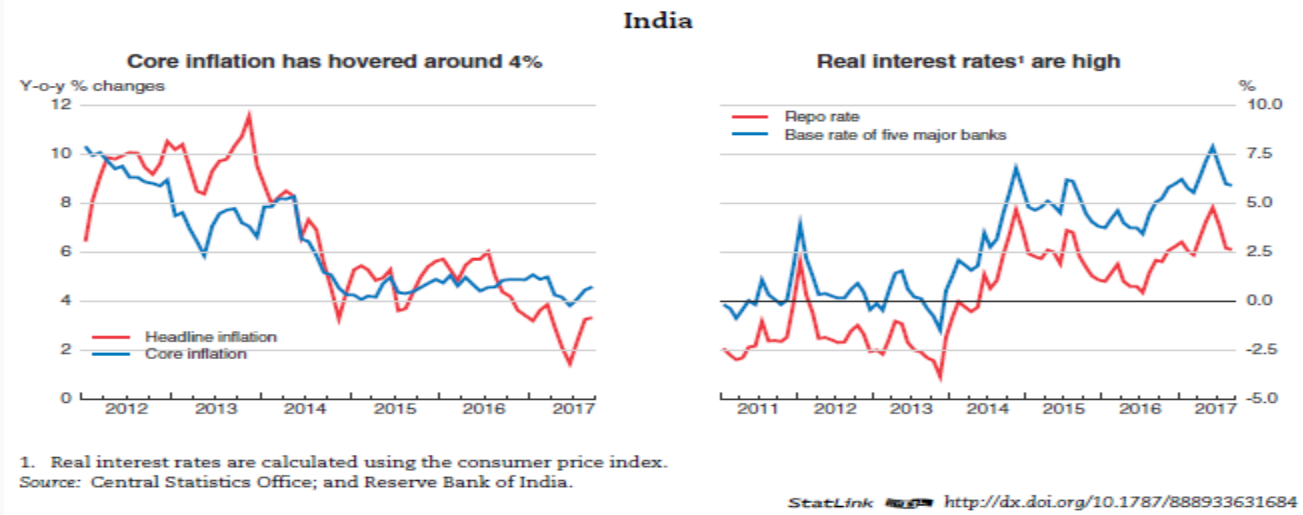
OUTLOOK FOR GROWTH

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 TEXTILES INDUSTRY

The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the capital-intensive mill sector. The mill sector with 3,400 textile mills having installed capacity of more than 50 million spindles and 8,42,000 rotors is the second largest in the World. Traditional sectors like handloom, handicrafts and small-scale power loom units are the biggest source of employment for millions of people in rural and semi urban areas.

(Source: Annual Report 2017 – 18 issued by Ministry of Textiles, Government of India.)

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 45 million people directly and 20 million people indirectly. India's overall textile exports during FY 2015-16 stood at USD 40 billion.

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

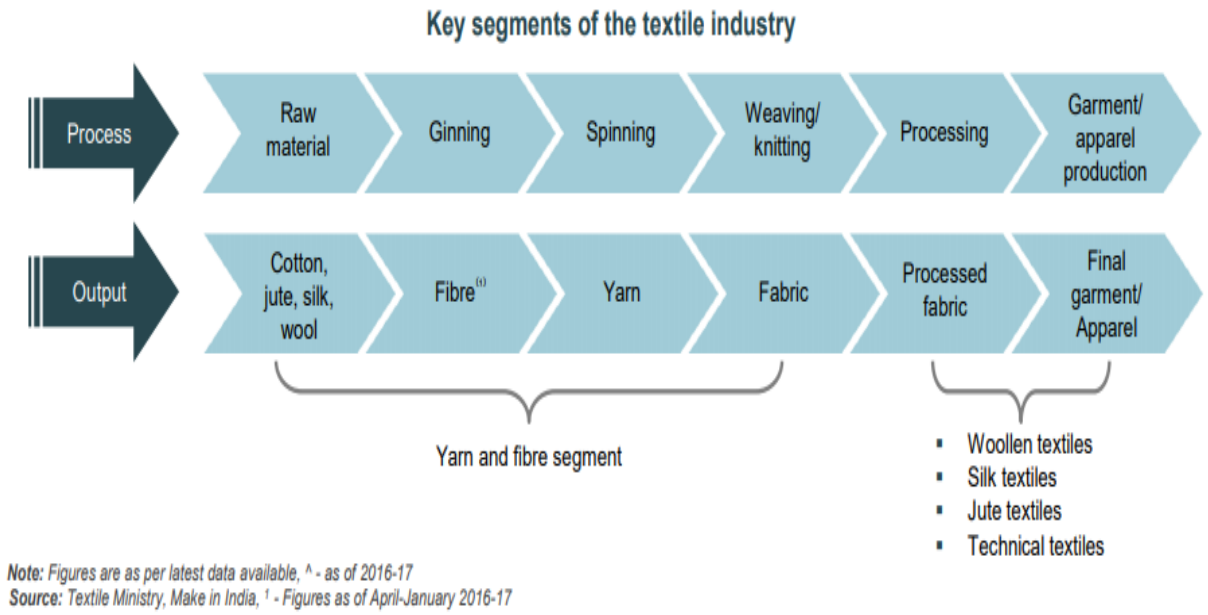
(Source: https://www.ibef.org/industry/textiles.aspx)

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

India's textiles industry contributes 10 per cent to the manufacturing production of India. It contributes 2% to the GDP of India and employs more than 45 million people. The sector contributes 13% to the export earnings of India.

With production of 6,106 million kg, India was the largest producer of cotton in 2016-17.

India is the 2nd largest producer of Manmade Fibre and Filament, globally, with production of around 2,511 million kg in 2016-17.



Textile plays a major role in the Indian economy

- It contributes 14 per cent to industrial production and 4 per cent to GDP
- With over 45 million people, the industry is one of the largest source of employment generation in the country

The industry accounts for nearly 15 per cent of total exports. Exports of textiles from India reached USD 26.91 billion during April – December 2017.

The size of India's textile market as of July 2017 was around USD 150 billion, which is expected to touch USD 250 billion market by 2019, growing at a CAGR of 13.58 per cent between 2009-2019.

The central government is planning to finalise and launch the new textile policy in the next three months. The policy aims to achieve USD 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.

Exporters gaining from strong global demand

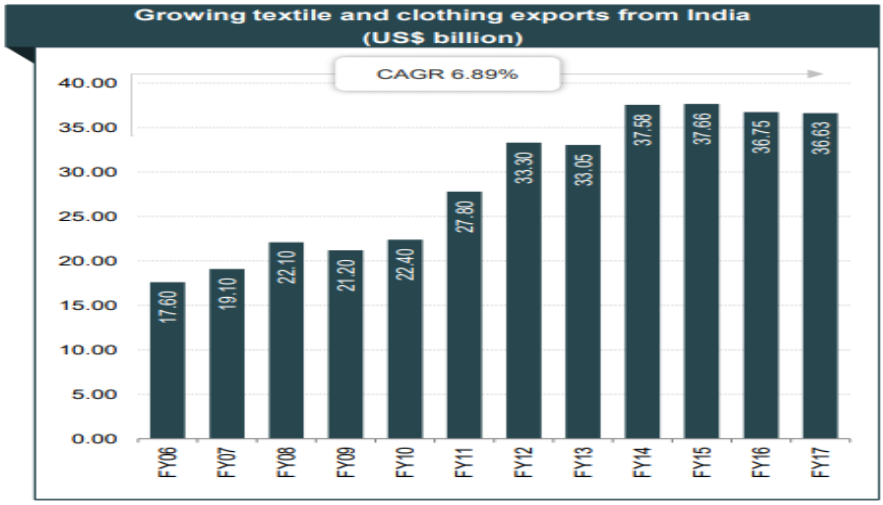
Capacity built over years has led to low cost of production per unit in India's textile industry; this has lent a strong competitive advantage to the country's textile exporters relative to key global peers

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

The strong performance of textile exports is reflected in the value of exports from the sector over the years. Textile exports witnessed a growth (CAGR) of 6.89 per cent over the period of FY06 to FY17

In the coming decades, Africa and Latin America could very well turn out to be key markets for Indian textiles

In April 2017, the government unveiled Textiles India 2017, its 1st ever global B2B handicrafts and textile event, in Delhi. The event showcased approx. 1000 stalls and saw about 1,600 buyers from more than 100 countries. Around 1,300 exhibitors and 2,000 delegates had registered for the event and total participation, including domestic buyers, artisans and visitors, crossed 6,000. During the second day of the event, the Ministry of Textiles signed 65 MoUs.



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

Operating profit margins of home textiles exporters is seen falling ~300 basis points (bps) from this fiscal following pressure on export realizations stemming from a shift in the dynamics of US retail, and a reduction in incentives after the implementation of the Goods and Services Tax (GST).

This fiscal, the landscape is undergoing a sea-change. Many brick & mortal retailers in the US have pruned inventories and downsized stores to offset profitability pressures caused by the e-tail boom. In order to cushion the consequent fall in utilization levels, Indian exporters have been enhancing their share of the business with US e-retailers, but at lower realizations.

Domestic home textile firms have had a good run since fiscal 2012, with India's share of US imports of cotton bed sheets and terry towels increasing from 34% to about 40% in fiscal 2017 because of cost competitiveness compared with peers in China and Pakistan.

US accounts for a third of global home textiles market worth ~$16 billion. Almost 47% of India's home textile exports of $5.3 billion last fiscal was to the US.

Additionally, competitiveness continues to be impacted in Europe – an equally large consumer of home textiles as the US – with levies up to 10% duty on Indian products compared with free access to Bangladesh and Pakistan firms. Suppliers from Pakistan also benefit from better export incentives provided by their government.

Domestic home textile firms, on the other hand, have been hit by the lowering of Duty Drawback Rate and Rebate of State Levies to ~2% from 7.5% and 3.9%, respectively, following the implementation of GST in July 2017. However, recently, partial relief was provided whereby incentives under the Merchandise Exports from India Scheme (MEIS) was increased from 2% to 4%.

Our study of 63 firms (including 59 rated by CRISIL), which account for ~70% of India's home textiles exports, indicates that despite relief under MEIS this fiscal, average export incentives as a percentage of revenues will be lower by at least 200 bps," said Anuj Sethi, Senior Director, CRISIL Ratings.

That, along with pricing pressure, is expected to crunch EBITDA (earnings before interest, tax, depreciation and amortization), or operating margins to 16% starting fiscal 2018 from ~19% last fiscal.

However, demand for Indian home textiles will continue to grow at ~8% seen in the recent past, helped by exports to traditional markets and better penetration in non-traditional markets such as Asia, Australia, South America and Canada.

"Given the still healthy demand, CRISIL expects the 63 firms to spend as much as Rs 3,700 crore to expand capacities in fiscals 2018 and 2019. That would be significant considering that Rs 4,600 crore has already been spent in the previous two fiscals," said Rajeswari Karthigeyan, Associate Director, CRISIL Ratings.

Debt being raised for capacity expansion (net of repayments) and lower EBITDA margins are expected to result in aggregate debt to EBITDA ratio increasing to ~3 times in the near term from ~2.5 times in fiscal 2017. Nevertheless, credit profiles of CRISIL rated firms are not expected to be materially affected.

(*Source:https://www.crisil.com/en/home/newsroom/press-releases/2018/02/home-textiles-exporters-stare-at-300-bps-fall-in-profitability.html*)

Inward shipments of cotton yarn, man-made yarn and fabric have gone up dramatically post GST from July, textile industry body CITI said on Monday.

In a statement, the Confederation of Indian Textile Industry (CITI) said it has requested commerce and textile ministries to raise import duty on man-made fibre (MMF) yarn, cotton fabric and MMF fabrics by 15 percent to ring-fence local yarn, fabric and garment producers from the threats of cheaper import, especially from FTA nations such as Bangladesh and Sri Lanka.

According to data shared by CITI, the import rose during July, August and October, but September figures were not available.

India's MMF yarn import hit $14.97 million in July as opposed to $8.92 million in the same month last year.

Cotton fabric import showed the same trend, up at $12.81 million in July against $8.84 million last year. MMF fabric import stood at $8.27 million compared to USD 6.36 million in July 2016. Similar conditions prevailed in August.

The overall import of textile yarn fabric and made-up articles stood at USD 153.9 million in October as against $ 137.31 million in the previous year.

"The government recognising the problem and threat of imports flooding the market has recently increased import duty on MMF Fabric from 10 percent to 20 percent. However, the import duty on MMF yarn and cotton fabric have been kept at the old rates," CITI Chairman Sanjay Kumar Jain said.

Jain held that the current scenario is impacting domestic yarn and fabric producers and garment manufacturers.

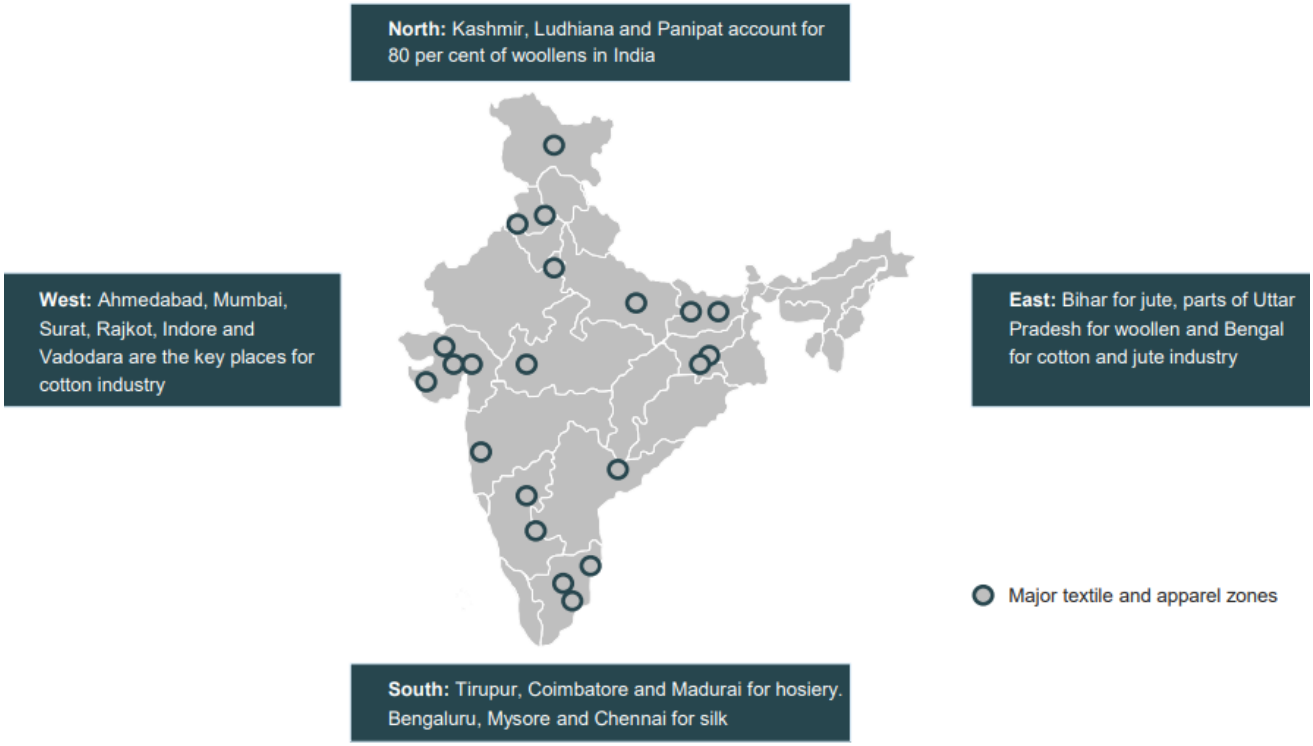
He felt that there is a greater need to apply safeguard guidelines such as Rules of Origin, Yarn Forward and Fabric Forward Rules on countries such as Bangladesh and Sri Lanka that have FTAs with India to stop routing of cheaper fabrics made in China through these nations.

Post rollout of the Goods and Services Tax (GST), there has been a spike in import of MMF yarn, cotton fabric and MMF fabric in July and August 2017, Jain stated. Prior to GST, import of textile products had been attracting basic Customs duty (BCD) plus countervailing duty (CVD) and special additional duty (SAD). Post-GST, CVD and SAD were withdrawn and IGST was introduced.

He pointed out that MMF yarn, cotton fabric and MMF fabric are largely affected by cheaper imports from China, Indonesia, Thailand and North Korea where fabric industry is subsidised substantially to increase their share in the world trade.

(Source: https://www.news18.com/news/business/sharp-rise-in-imports-of-mmf-yarn-cotton-fabric-post-gst-says-textile-body-1594893.html)

KEY TEXTILES AND APPAREL ZONES IN INDIA



Note: *2011-12 As Per Latest Available Information*

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

CHALLENGES FACED BY THE INDIAN TEXTILE INDUSTRY

The Indian textiles and apparels industry plays a crucial role in contributing to employment generation, industrial output and export earnings. However, in its race towards becoming the second largest producer of textiles and apparels in the world, it has faced several challenges and continues to battle them to not only retain its position in the global map but also to improve it.

Some of the major challenges faced by the industry in India that could potentially come in the way of its contribution to the Government's 'Make in India' programme, including:

- Paucity of domestic producers of shuttle-less looms and spindles greatly affects the industry with the waiting time per order being as much as 2 to 3 years. Obsolete machinery leads to low efficiency and poor quality products. Lack of investment and research in the area of textile machinery, is forcing imports to compete with other textile producing countries.

- Stiff competition from mechanised mills, changing consumer preferences and the pursuit of less demanding means of livelihood have threatened the vibrancy of the handloom industry. Traditional hand woven products are in danger of becoming obsolete and weaving skills face threat of dilution. The lack of credit facilities extended to the handloom sector adds to its woes.
- Textile mills face acute power shortage. Frequent electricity cuts and load shedding lead to loss of man hours and low production in the mills. Textile SMEs are severely affected by power shortage and are forced to use manual machines, which produce lower quality products and are more costly to maintain.
- Manufacturers of original products, face enormous losses due to counterfeit products which are often sold at prices, usually 40% to 45% lower than original value. Anti-counterfeiting measures in India are not effectively implemented, further aggravating the problem.
- Labour related issues such as threat to safety and health of workers, poor working environment, and exploitation of children, strict labour laws and skills gap pose a major challenge to the industry.
- India has differential tax treatments for cotton and man-made fibres, thus creating needless distortions within the industry. While excise duty on natural fibres like cotton, wool and flax is nil, manmade fibre, filament and yarn attract duty as high as 12.5%.
- The Indian textiles industry faces acute shortage of raw materials in the form of cotton and raw silk. Fluctuating prices and uncertainties in the availability of raw materials leads to low production and sickness of mills.
- The manufacturing activities of the textiles and apparels industry greatly impact the environment in the form of air and water emissions. Alternative process solutions that are eco-friendly and cost effective are therefore necessary, to meet increasing demands of the ever-growing and competitive market, in a sustainable manner.

(Source: The Textile & Apparels Industry Report October, 2015 - The Associated Chambers of Commerce and Industry of India –www.assocham.org)

GOVERNMENT INITIATIVES FOR TEXTILES SECTOR

POWER LOOM SECTOR INITIATIVES:

The decentralised power loom sector is one of the most important segments of the textile industry in terms of fabric production and employment generation. This sector contributes 57% of total cloth production in the country and more than 60% of fabric meant for export is also sourced from the power loom sector. The textile industry is heavily dependent on the power loom sector to meet their fabric requirement. The Government has approved the following schemes for the development of decentralized power loom sector:

Group insurance scheme / Converged Group insurance scheme for power loom workers

- The basic objective of the scheme is to provide insurance cover to the power loom workers in the case of natural death, accidental death, as well as partial and permanent disability due to the accident.
- In addition to insurance benefits the weaver/worker enrolled under this scheme will also be entitled for an educational grant of INR 600/- per child per half year for 2 children for a maximum period of 4 years (IX to XII standard).

Corpus for yarn bank

- To provide interest free corpus fund to Special Purpose Vehicle / Consortium to enable them to purchase the yarn at the wholesale rate and give the yarn at reasonable price to the small weavers in the decentralized power loom sector.

Pradhan Mantri credit scheme for power loom weavers

- The scheme was formulated to provide adequate and timely financial assistance towards the term loans and working capital requirements of the power loom weavers.

- The two components of the scheme are Prime Minister Mudra Yojana and Stand Up India scheme.

Scheme of Tex Venture Capital Fund

- Tex fund is a dedicated fund with a corpus of INR 35 Crores for investing primarily in companies engaged in manufacturing and service activities in the power loom industry.
- Investments in the equities will help to boost the net worth of the companies. The investments from the fund are also expected to improve company's internal systems and procedures, management capability and corporate governance.

(Source: Annual Report 2017 – 18 issued by Ministry of Textiles, Government of India.)

National Textile Policy - 2000

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

FDI

- Foreign direct investment (FDI) of up to 100 per cent is allowed in the textile sector through the automatic route

SAATHI Scheme

- The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the powerloom sector of India.

Scheme for Capacity Building in Textiles Sector (SCBTS)

- The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore (USD 202.9 million) from 2017-18 to 2019-20.
- The scheme is aimed at providing a demand driven and placement-oriented skilling programme to create jobs in the organised textile sector and to promote skilling and skill up-gradation in the traditional sectors

Textile Incentives

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

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

EXPORT PROMOTION SCHEMES:

In order to increase India's competitiveness in exports market, the union cabinet approved reforms to boost employment generation and exports in the apparel and made ups sector in June 2016 respectively. The objectives of the Special Package are employment generation and promotion of exports. The components of the Special Package under implementation are as follows:-

Amended Technology Upgradation Fund Scheme (A-TUFS)

- To boost employment generation in the textile sector, the Government provides an additional 10% capital investment subsidy (CIS) for garmenting and make ups units which have availed 15% CIS benefit under ATUFS based on the achievement of projected production and employment after a period of 3 years. Since implementation, the scheme has generated 66,033 number of additional employment and has received 688 applications till October 31, 2017 involving subsidy of INR 354.06 Crores.
- The Textile weaving segment of the textile industry is eligible for 10% capital investment subsidy on eligible machinery subject to a maximum subsidy of INR 20 Crores per individual entity.

Pradhan Mantri Paridhan Rozgar Protsahan Yojana (PMPRPY)

- It is a part of labour reforms initiatives of the Government of India under which the Government shall bear the entire 12% of the employer's contribution of the Employers Provident Fund Scheme for new employees of garment and made ups sectors for first 3 years of their employment as a special incentive.
- Ministry of textiles shall provide additional 3.67% of the employer's contribution over the next 3 years. More than 600 establishments and more than 1.5 Lakhs workers have been benefitted from the scheme upto January 02, 2018.

Rebate on state levies scheme for enhanced duty drawback on exports of apparel and made ups

- The scheme provides for remission of State Levies on export of garments through the mechanism of rebate.
- Drawback at all Industry rate is being given for domestic duty paid inputs even when fabrics are imported under Advance Authorization Scheme.

Interest Rate Subvention

- Credit interest rate subvention for pre and post shipment was restored in 2015 for 3 years. The objective of this step is to provide financial assistance to the exporters against interest rates on loans from banks for the purposes like purchase of raw materials, their processing and converting into finished goods and packaging them.
- The rate of interest equalization is 3% per annum on pre shipment rupee export credit and post shipment rupee export credit.

Market Access Initiative (MAI)

- The objective of scheme is to promote India's exports on a sustained basis. Under this scheme financial assistance is provided for the specified activities including Marketing Products abroad, capacity building, project development, developing foreign trade facilitation web portal, etc.

Merchandise Exports for India Scheme

- The scheme was introduced under Foreign Trade Policy 2015-2020 to offset infrastructural inefficiencies and associated costs involved in export of goods / products which are produced / manufactured in India.

The percentage of rewards varies from product to product and are in the range of 2-5% for most items.

(Source: Annual Report 2017 – 18 issued by Ministry of Textiles, Government of India)

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, 200 and 243 respectively of this Draft Red Herring Prospectus.

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

OVERVIEW

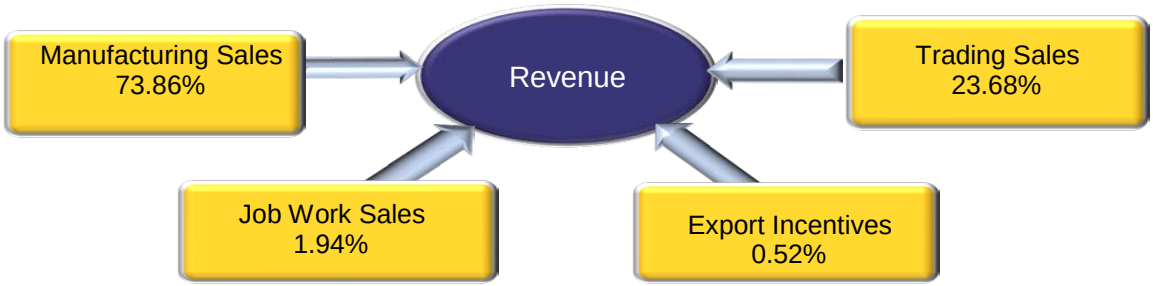
Our company was originally incorporated on December 9th, 1988 as a Private Limited Company under the name and style of Texaco Synthetics Private Limited under the provisions of the Companies Act, 1956 with the Registrar of Companies, Ahmedabad, Gujarat. Subsequently, our company was converted into the Public Limited Company on May 23rd, 2018 vide special resolution passed by our shareholders at the EGM held on May 5th, 2018 and the name of the company was converted to Texaco Synthetics Limited.

Texaco Synthetics Ltd is an **ISO 9001:2015** certified Company engaged in the business of Textile Manufacturing, Trading and Exports. Our Company is engaged in the manufacture and export of grey fabrics and finished fabrics for suiting and shirting. We have obtained a certificate of Importer Exporter Code (IEC) from Ministry of Commerce and Industry, Government of India vide IEC number 0899010555. Further, we have obtained a registration as a Manufacturer Exporter with The Synthetic and Rayon textiles export promotion council vide registration number SR/MFG/16117/2016 – 17 which is valid upto March 31, 2021. We are also registered with Powerloom development & export promotion council as Manufacturer exporter, Merchant exporter & Merchant cum Manufacturer exporter vide registration number PLMR/MFR/23161/2014 – 2015 which is valid upto March 31, 2019. Owing to the sustained export turnover in the past years we were awarded a Certificate of Recognition as One Star Export House (Status Holder No. 08/1/4025/20151210) from Directorate General of foreign trade, Government of India for a period of 5 years beginning from 2015 to 2020. Our company has been recognised as leading textile manufacturing company in the country by The Panchkuva Cloth Merchants' Association. The Association has selected top 10 textile manufacturers of the country and we were one of them.

Our Production facilities include latest and upgraded technology plant and machinery for the manufacture of fabric. Currently, we have deployed Airjet, Rapier and Projectile Looms in our production facilities which are globally used in the textile manufacturing industry. We have a employed an excellent support staff with the required technical knowledge and expertise who helps us in achieving higher levels of efficiency as regards our production.

We manufacture diverse varieties of fabrics ranging from Cotton, Cotton – Polyster, Cotton – Modal, Cotton – Tensil, Polyester Viscose and Terry Rayon Suitings. All these fabrics types are manufactured in Lycra and Non Lycra variants. Owing to the high demand of our quality products in the peak season and full utilisation of our manufacturing facilities, we purchase approximately 15% – 20% of the sales requirement from the third party vendors. The third party vendors manufacture the fabric as per the specifications provided by us. During the off season period we reduce the purchases from the third party vendors which enables us to operate at full capacity throughout the year. Our Company also undertakes corporate orders for Grey Fabrics and Finished Fabrics for export markets and as well as for corporate brands such as Arvind, etc. in the domestic markets. Finished Fabric requires further processing like dyeing and finishing which are outsourced to the third parties on job work basis after which it is sent to our Packing and Storage unit. We carry out the process of checking, grading and packing before final despatch of the finished fabric to our clients.

The following diagram depicts the breakup of percentage – wise revenue for the year ending March 31st, 2018 based on the manufacturing, trading and job work revenue.



Our manufacturing units are at located at Chhatral, Taluka – Kalol District Gandhinagar in Gujarat and from where our manufactured goods are dispatched.

We have a dedicated in – house testing and quality control team which carries out rigorous testing and quality management procedures. We have a dedicated semi – automatic and manual testing machines. Our Testing and QC team coupled with our testing equipment ensure the quality of raw material dispensed in the production process and also the grey fabric delivered to our clients. This helps in improving our procurement process thus reducing wastages, sales returns and other related costs.

In the past 4 years, our revenues have increased from INR 3,495.33 lakhs in F.Y. 2014–15, INR 5,267.26 lakhs in F.Y. 2015–16, INR 4,701.08 lakhs in F.Y. 2016–17 and to INR 5,400.92 lakhs in F.Y. 2017–18, reflecting a CAGR of 15.61%. Our Net Profit after tax for the above – mentioned periods are INR 48.73 lakhs, INR 38.14 lakhs, INR 68.50 lakhs and INR 145.33 lakhs, respectively, showing a growth at a CAGR of 43.94%.

OUR STRENGHTS

1. Focus on Quality and Innovation

We believe that quality and innovation are essential in the growth of business. Our Management constantly strive to maintain and improve the quality of our products. Our focus on quality and innovation helps us to compete against our peers in the textile manufacturing industry. One of the main factor of our constant growth is that we manufacture fancy value added fabric and we do not face much competition from the other players in the textile manufacturing industry. Most of the textile manufacturers are engaged in the manufacture of common fabric which enabled us to capture the market for fancy value-added fabric.

2. Our Experienced Management and Workforce

Our Directors and Key Managerial Persons have been engaged in the textile manufacturing industry for over 30 years and have a rich experience and goodwill in the market which provides us a competitive edge over the other players in the industry. It is through the constant efforts and experience of our management team that we have been able to build a sustainable business model. We have a team of technical experts who ensure effective and efficient production process on our technologically updated power looms. Our diverse workforce is equipped with rich experience, technical competence and necessary qualifications. We strongly believe that the success of our organization lies in the efforts of our human resources and the direction provided by the management team.

3. Cost Leadership and time bound execution

Our Company promotes cost leadership and timely execution of client's orders. The timely fulfilment of the orders is a prerequisite in our industry and the cost leadership entails cost efficient production processes. Our management has carried out various steps for the purpose which involves identification of quality yarn, harmonious relations with workforce and the use of latest and highly efficient production facilities which enhanced our ability to meet large and varied orders on a timely basis. Our Company has also sustained good relations with our vendors and consequently, we enjoy the benefit of timely supply of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfilment of client's orders. 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 labour

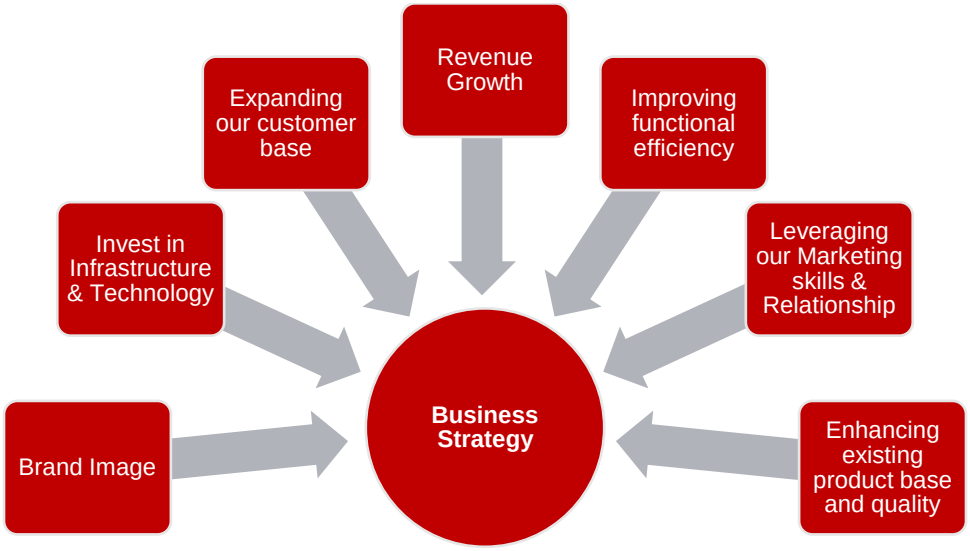
It has been over 30 years and our management has successfully maintained harmonious relations with our workforce. Our management has been able to match the goals and objectives of the company with the goals and expectations of the workforce. There has been no union of our employees. Further, we have not faced any strikes, lock – outs or any other labour protests in our organization since the inception of our business.

6. Strong Technical Capabilities

We use latest technology plant and machinery in our production facilities which is procured from major suppliers/ distributors in India. We have installed latest machineries like Air – jet weaving machines, Sulzer projectile machines and Picanol Rapier machines. They are capable of weaving fabrics in different patterns and designs at increased pace. These modern plant and machineries also helps us in maintaining high quality standards and thus retain various national and multi – national clients. Technology has helped us in rolling out new combination of designs and prints. We are using the latest technology which is used globally by various textile manufacturers.

OUR STRATEGIES

Our vision is to raise our market share in the existing markets and to penetrate new markets by providing high quality products. We intend to capitalize on the enhanced demand for our products in India and abroad. Our focus is on utilizing our core strengths for expanding our operations in existing as well as new markets. A brief description of the business strategies employed by us is as under:



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 clients. In the face of increased competition, we believe that it is critical that we maintain the advantages that our products offer over the products of our competitors. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent products as per the client's requirements.

2. Invest in infrastructure and technology

Our Company believes in making investments for continuously achieving higher levels of excellence in our products to cater to the diverse specifications of our clients. We have invested significantly in upgrading our manufacturing facilities with the latest and specialized infrastructure and modern technology. We seek to continue to work towards the upgradation and modernization of our infrastructure and technology in future as well for sustaining our growth in the subsequent periods as well.

3. Expanding our customer base

Our company has a limited portfolio of clients as on date and around 63.45% of our total revenue is contributed by top 10 clients only as at March 31, 2018. Currently the company has a customer base in domestic as well as international markets and it will seek to expand its business operations further in both domestic and overseas markets through efficient marketing and supply of quality products.

4. Revenue Growth

Majority of our clients are large traders and with our existing installed capacity we are able to supply them with upto one fourth of their total requirement. With our expansion plans and increased capacity in the future we will be able to supply more to our existing clients.

5. 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 and technology development. We continue to invest in operational excellence throughout the organization. We ensure a strong quality commitment by our employees.

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 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 base and product quality

We believe high quality products with global standards are 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 units in Gujarat:

Registered Office:-

C – 209, 2nd Floor, Sumel Business Park – 2, Behind Vanijya Bhawan, Kankaria Road, Ahmedabad – 380022, India

Manufacturing Factory Unit

Unit I: 403, G.I.D.C., Phase – 1, Chhatral – 382729, Dist. Gandhinagar, Gujarat

Unit II: Plot No. 2002, G.I.D.C., Phase – 2, Vill. – Chhatral, Taluka – Kalol – 382729, Dist. Gandhinagar, Gujarat

For further details of ownership/ lease of the above locations, please refer to “Our Business – Properties” on page no. 161 of this Draft Red Herring Prospectus.

EXISTING MANUFACTURING FACILITY

Our manufacturing facility includes plant and machinery for weaving of Grey fabric, Sectional warping, winding, sizing, drawing, testing and Quality Control/ Inspection. We have invested in the latest technology and upgraded our machinery which has aided us in manufacturing best quality output for our clients.

Plant and Machinery

The existing Plant and Machinery at our Manufacturing Units are:

Name of Machine	Quantity	Manufacturer
Looms Rapier Picanol Optimax R6 Model with electronic dobby, 6 colours weft Fully automatic	12	Picanol, Belgium
Looms Rapier Picanol Gammax R6 Model with electronic dobby, 6 colours weft Fully automatic	4	Picanol, Belgium
Looms Airjet Toyota Japan Model: 810, 4 colour weft Fully Automatic	15	Toyota, Japan
Sectional Warping Machine with crill	1	Rabatex
Sectional Warping Machine with crill	1	Rabatex

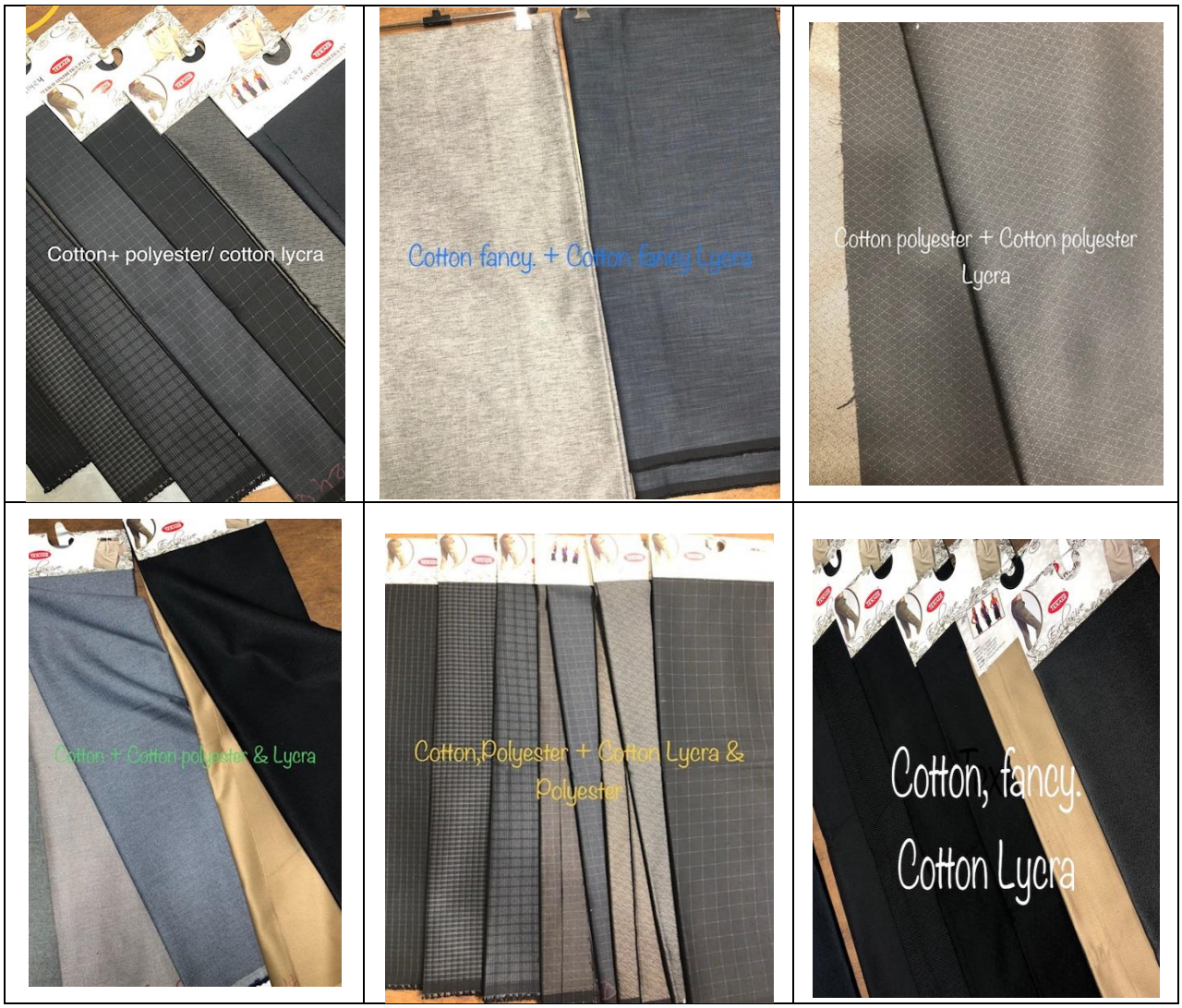
Screw Compressor, Type series: CSD 4 Model: CSD 105 SFC Electrical connection: 400 V/ 3/ 50 Hz	1	Kaeser, Germany
Screw Compressor, Type series: CSD 4 Model: CSD 105 Electrical connection: 400 V/ 3/ 50 Hz	2	Kaeser, Germany
Refrigeration dryer TF 280 400/3/50 Model: TF 280 Electrical connection: 400V/3/50 Hz	1	Kaeser, Germany
Filter FFG-221 Rp21/2 Country of Origin: Germany	1	Kaeser, Germany
Humidification Plant with return air system Capacity of: 80000 CFM	2	R.R. Engineers
Cloth Inspection cum Rolling Machine	1	Dharmashil
Cloth Inspection cum Rolling Machine	1	New Bhagwati
Stretch Wrapping Machine	1	Dharmashil
Transformers with OLTC (capacity: 750 KVA)	1	Kokila Electricals
Accessories like warp beam, Cloth Roll, Healds, Drop Pin, Heald Frame, Reed		

Apart from the list specified above, we have also take plant and machinery on lease, the details of which are as under:

Name of Machine	Quantity	Manufacturer
Sulzer Projectile Looms Model - Pu - Kr 1 Dobby With 4 Colour Weft Workable Width 153 "	8	Sulzer
Sulzer Projectile Looms Model - P7100 - Kr 1 Dobby With 4 Colour Weft Workable Width 85 "	14	Sulzer
Sulzer Projectile Looms Model - Tw-11 - Kr 1 Dobby With 4 Colour Weft Workable Width 85 "	16	Sulzer
Accessories Like Warp Beam, Cloth Roll, Healds, Drop Pin, Heald Frame, Reed		

OUR PRODUCTS

We are engaged in the business of manufacture and trading of grey and finished fabrics. Our Company is equipped with state-of-the-art machinery to produce fabrics with the core capability to convert a wide range of yarn into grey fabric. We manufacture diverse varieties of fabrics ranging from Cotton, Cotton – Polyster, Cotton – Modal, Cotton – Tensil, Polyester Viscose and Terry Rayon Suitings. The sample pictures of our products are as under:-



The sale of grey fabric accounts for over 75% of our total revenues. We also process grey cloth further to produce finished fabric which is usually exported to outside countries. Another part of our revenue comes from certain job – work activities which are undertaken by us at our manufacturing units.

As a usual practice, our designer prepares designs specific to client's needs and requirements and a sample is prepared. The sample is offered to the clients and based on that our clients place sales orders with us. Our business model ensures that the fabric manufactured by us already has an end customer waiting for it.

We outsource the dyeing and finishing of grey fabric to the third parties on job work basis after which the fabric is sent to our Packing and Storage unit where we carry out the process of checking, grading and packing before final despatch of the finished fabric to our clients. The primary buyers of our products are the large traders/ wholesalers which enables us the benefit of operating in substantial volumes.

RAW MATERIALS

Our primary product is Grey fabric and the primary raw material for the manufacture of Grey fabric is Yarn.

Yarn

All our yarn is sourced from various yarn manufacturers and traders in domestic markets. Our factory being located in an area which is a textile hub and an industrial area we have an established infrastructure and thus the supply of raw material is done with sufficient ease. Our company maintains stock of yarn sufficient enough to cater to all the sales orders at hand. The Vendors of yarn are selected on the basis of various parameters like Quality of yarn, price competitiveness and the lead time for delivery. Our primary vendors of yarn include renowned business houses like Vardhman fabrics, Arihant syntex, CMC textiles, RSWM limited, Aarti International, Nahar Industrial Enterprises Limited and Damodar Industries Limited.

Our export turnover is majorly comprised of the sale of finished fabric and the primary raw material used for the production of finished fabric is grey fabric.

Grey Fabric

The Grey fabric is usually manufactured in our company but in case of excess demand we purchase grey cloth from the domestic markets. We outsource the dyeing and finishing of the grey fabric to the third parties on a job work basis after which they send the dyed and finished fabric to our packing and storage unit. We carry out the process of grading, checking and packing before despatching the finished fabric to our overseas clients. We follow and maintain high standards of quality in the manufacture of grey fabric which entails the exports of high quality finished fabric.

MANUFACTURING PROCESS

Weaving is the process of binding the horizontal and vertical ends of yarns through the use of looms for the formation of fabric. The vertical yarn ends are known as “Warps” and the horizontal yarn ends are known as “Wefts”.

Our existing manufacturing process and the steps involved therein are as under:

Designer prepares the design of the fabric based on which a sample of grey fabric is prepared. The sample is then dyed and finished before presentation to the prospective clients. Based on the design, the orders are placed by the clients.

Based on the orders received from the clients, the yarn requirements are assessed and the orders are placed with the vendors/ suppliers. Yarn is then received as the Production facility.

The yarn is loaded on the crill and then it is rolled onto the beam through the process of Sectional Warping.

The process of drawing each end of the warp begins through drawing the eyes of heald frames and dents of the reed. Thereafter the beam is placed on the Powerloom and the process of weaving starts.

Weaving process involves the process of warping and wefting for the formation of fabric. Warping ends are sourced from beam rolls and wefting ends are sourced from the yarn rolls.

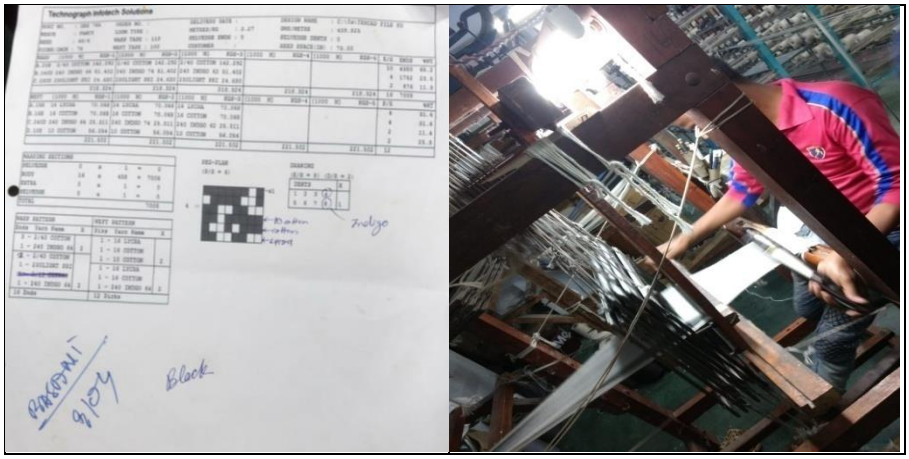
The manufactured fabric is passed through the checking and testing process where the defaults are identified. The defaults are removed through clipping and mending.

The Grey fabric Roll is packed through stretch wrapping for its protection and stocked in the warehouse for delivery.

For the purpose of Finished fabric, the grey fabric roll is sent to third parties whereby they carry out the process of dying and finishing before sending the finished fabric to the company's packing and storage unit. After the testing and checking the finished fabric roll is packed and stocked for delivery.

Step 1: Designing and Sample Preparation:

The designer of the company finalizes the computerized design and the specifications are provided to the handloom operator for the preparation of the sample. The handloom operator prepares the sample grey cloth as per the yarn, colour and other specifications. The sample grey cloth is then dyed and finished in order to prepare the Finished Fabric sample. The finished fabric sample is then shown to the prospective clients, based on which the orders are placed by them. A specimen of design specifications and handloom is depicted below:



Step 2: Yarn Procurement:

Once the orders are placed by the clients, the yarn and other raw material requirement is assessed and consequently the orders are placed with our suppliers and vendors. Our Company procures yarn from various mills and traders operating in the domestic markets. Currently, we are not importing any yarn from the overseas markets and are dependent on domestic markets for our requirements. We use both natural and man – made yarns such as cotton, polyester, viscose etc. for the manufacture of grey fabrics and finished fabrics. The yarn is received in paper rolls, packed in cartons and are sent to the production facilities for the weaving of fabric.

Step 3: Sectional Warping:

Sectional warping is the process through which the yarn is converted into a warper beams having desired width and containing requisite number of ends. The yarn cones are loaded on the crill as per the design specifications. The number of yarn cones to be loaded depends upon the colours in the finished fabric sample. For eg., if the finished fabric sample has two colours then two cones of yarn are loaded. Uniform tension is maintained on individual yarns during the warping process. Sometimes for strengthening the yarn ends the process of sizing is undertaken whereby the yarn ends are passed through a chemical coating simultaneously in the warping process. The chemical enhances the strength of the yard. We outsource the process of sizing to various third parties on invoice basis.

The yarn is then rolled onto the warper beam in accordance with the required weaving, total number of ends, length and the required warp density of the fabric. A simplified view of the warping process is shown below/ above:

Step 4: Drawing and Denting:

Once the yarn is rolled on to the warper beam, it is sent to the process of drawing and denting. The design specification indicates which warp end is attached to which harness. Denting means drawing the warp thread through the dent as required by design specification and this determines more accurately the width of the fabric and the ends per centimetre. Fabric weave design implies the pattern of interlacement between the warp and weft yarns. The design influences the aesthetics as well as the properties of the woven fabrics. The design of woven fabrics is manipulated by changing the drafting and lifting plan. After setting up the weaving machine on the beam, the yarn has to be drawn manually through the steel reeds, one at a time and then based on customers' demand, weaving is undertaken to produce different kinds of fabrics. After the drawing and denting process is finished the warper beam is loaded on the power loom before the process of weaving is started.

Step 5: Weaving Process:

After the process of drawing and denting the warper beam is loaded onto the Power Loom for the weaving of Grey fabric. The Grey Fabric is weaved through the binding of Warps (Vertical Yarns) and Wefts (Horizontal Yarns). Powerloom picks up the warping ends from the warper beam and wefting ends from the yarn rolls loaded on the power loom. The number of yarn rolls to be loaded on the power loom depends upon the design and colour specifications. The power loom automatically rolls the fabric after the weaving process. The grey fabric roll is then sent to the testing department whereby the defaults, if any are removed from the fabric through the process of clipping and mending.

Step 6: Testing, Mending and Clipping:

The manufactured grey fabric is then tested for the design and accuracy with respect to the design specification. The testing process is capable of identifying the defaults like design variation, fabric damage and variation is the yarn colour. In the process of testing, light is passed through the manufactured grey fabric so that the defaults can be identified in the plain sight because it is difficult to identify the defaults directly owing to the minuteness of defaults. The light helps in identifying even the smallest of the defaults. The defaults are then marked with the pen and sent to the clipping and mending unit for the correction, if possible. The testing process and sample yarn variation default is depicted below:

There is rigorous testing and quality inspection on the fabric so produced, and thereafter the grey fabric is bundled up as rolls in various sizes as per the requirement of the client.

Step 7: Packing and Storage of Grey Fabric:

After the testing and mending process the grey fabric roll is sent to the packing and storage unit whereby the grey fabric is stretch wrapped into plastic wraps for its protection and then stocked in the warehouse for delivery to the clients.

Step 8: Finished Fabric:

Apart from the sale of Grey fabric in the domestic markets we also supply finished fabric in the overseas markets. Currently, we do not have grey fabric sales orders from the overseas markets and are supplying finished fabric only. For the purpose of preparing export quality finished fabric, the grey fabric is dyed and processed further. Currently, we outsource the dyeing and finishing process to the third party vendors on the job work basis. The vendors send the dyed and finished fabric to our company's packing and storage unit. After the thorough checking the finished fabric is packed and stocked in the warehouse for delivery to the overseas clients.

The above manufacturing process includes certain procedures involving sizing and dyeing that we do not undertake at our manufacturing unit. Hence, these processes are outsourced to various third party vendors which carry out these processes as per our specifications.

Development of Design

There is a continuous process of conceptualization and development of design in the Fabrics as per the liking and changing trends of the end user's habits. Our design team continuously works to make innovative designs. This process is undertaken considering the tastes, trends, regions and habits of the target customers.

Our Company is well equipped with an in – house design studio to prepare innovative designs for our customers. Normally, different designs are made by our designing team and samples of such designs are sent to our prospective clients. Once the design is approved or the necessary modifications are made as per the client's suggestion, the manufacturing of the product commences.

Testing and Quality Control

We maintain high standards for quality control and have semi – automatic/ mechanical machines and manual checking being operated by skilled operators under proper quality control and strict supervision. We have Rolling cum checking machines at both our manufacturing and packing & storage units.

INSTALLED CAPACITY

Capacity and capacity utilization for the last three years:

Product	Particulars	For the Financial Year		
		2015–16	2016–17	2017–18
Grey Fabric	Installed capacity (Mtrs.)	34,00,000	34,00,000	44,00,000*
	Utilized capacity (Mtrs.)	30,61,557	30,55,095	39,18,441
	Utilized capacity (%)	90.05%	89.86%	89.06%

*In the month of November 2017 (Financial year 2017–18) the company expanded its manufacturing operations through the installation of new plant and machinery. Consequently, the annual production capacity has been increased to 44 Lakhs Metres.

Proposed capacity utilization:

Product	Particulars	For the Financial Year		
		2018–19	2019–20	2020–21
Grey Fabric	Installed capacity (Mtrs.)	58,00,000	58,00,000	58,00,000
	Utilized capacity (Mtrs.)	52,00,000	52,50,000	52,50,000
	Utilized capacity (%)	89.66%	90.52%	90.52%

It is to be noted that the proposed capacity utilization cannot be exactly determined as the production shall depend on the demand and other relevant factors. These are the estimated figures based on our best judgement.

UTILITIES

Power (Factory Phase – I): Our existing power requirement for the manufacturing facility is catered from "Uttar Gujrat Vij Company Limited (UGVCL)". Our contracted demand with UGVCL is 400 KVAH. Our existing consumption is approximately 7,000 units per day at an average cost of around INR 5.90/- unit.

Power (Factory Phase – II): Our existing power requirement for the manufacturing facility is catered from "Uttar Gujrat Vij Company Limited (UGVCL)". Our contracted demand with UGVCL is 130 KVAH. Our existing consumption is approximately 2,000 units per day at an average cost of around INR 5.90/- unit.

Power (Office Premises): Our existing power requirement for the administrative office is catered from "Torrent Power Limited". Our sanctioned power load is 8 KW and our existing consumption is approximately 500 units per month at an average cost of around INR 11.20/- unit.

Water (Factory Phase – I): Water is primarily required for Humidification Plant and General purpose in our manufacturing facility. The factory premises has an underground tank of 5,000 Litres and Two overhead tanks of 2,000 litres each which cater to the water requirements of the plant. The water is supplied in the factory premises by Notified Area Authority, G.I.D.C., Chhatral (Water Supply Division) and our monthly consumption is around 520 KL.

Water (Factory Phase – II): Water is primarily required for Humidification Plant and General purpose in our manufacturing facility. The factory premises has an underground tank of 3,000 Litres and an overhead tank of 2,000 litres which cater to the water requirements of the plant. The water is supplied in the factory premises by Notified Area Authority, G.I.D.C., Chhatral (Water Supply Division) and our monthly consumption is around 330 KL.

MARKETING SETUP

Marketing is an important function of any organization our company is no exception to it. We have deployed a team of efficient marketing professionals for the marketing and promotion of our products. Our success lies in the strength of our relationship with our clients who have been associated with our Company since a long period of time. Our promoter & director, Mr. Pradeepkumar Shrikrishna Agrawal, through his vast experience and good rapport with the clients owing to timely delivery of quality products plays an instrumental role in creating and expanding the work platform for our Company.

Regular interaction is ensured not only to maintain the client base but also to gain insight into the designs and other needs of the diverse clientele. With large sales potential, year round production, low infrastructure costs, raw material proximity and the availability of professional expertise of our Promoters, we plan to grow geographically in the foreseeable future period of time.

Further, our Company has appointed Business & Commission agents for domestic as well as international sales of our products. If any further requirement arises we are willing to appoint new agents for the distribution of our products in both domestic as well as overseas markets. Majority of our export turnover is in the Middle East/ Gulf Countries and to ensure smooth relations, the management frequently travels to meet the clients and address their concerns and requirements with regard to our products. We also have an effective feedback system from our clients regarding our products which helps us in improving and maintaining the excellent quality of our products and achieving desired levels of customer satisfaction.

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 and time bound products. 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, sustained relationship with clients & vendors, use of latest and technically upgraded plant & machinery, latest fabric design, adaptability to trends, timely delivery and reliability. We compete against our competitors by establishing ourselves as 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:

- Sodan Fabrics
- Global Fabrics Pvt. Ltd.
- Anupam Textiles

COLLABORATIONS

The Company has so far not entered into any technical or financial collaboration agreement.

MANPOWER

The manufacturing process requires an appropriate mix of skilled, semi – skilled and un – skilled workforce, which is readily available in Ahmedabad, Gujarat. The detailed break – up of our employees is as under:

Division	Function	Number of Employees
Finance	Accounting and Finance	5
Human Resource	Human Resource Management	1
Stores and Purchase	Purchase of Raw Material	2
Research and Development	Quality Control	8
Technical Engineering	Production and Utility	10
Management	Overall Management of the Company	6
Operations	Helper, Loading and Unloading	10
	Raw material and Finished Goods	10
	Machine Operators	59
TOTAL		**111**

We also hire unskilled labour on contractual basis, as per the needs and requirements of our business.

INTELLECTUAL PROPERTY

Our Company has registered the company's brand under the Trademarks Act, 1999, the details of which are as under:

Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Registration Status
	Color (Logo)	24	Texaco Synthetics Private Limited	3646811	September 29, 2017	Registered vide Certificate No. 1911310

EXPORT AND EXPORT OBLIGATION

As on the date of this Draft Red Herring Prospectus our company does not have any pending export obligations.

PROPERTIES

Our company owns the factory building the details of which are as under:

Sr. No.	Location of the property
1.	403, G.I.D.C, Phase -1, Chhatral – 382729 Dist. Gandhinagar, Gujarat

Apart from the owned factory premises our company has taken the following properties on rent/ lease as on the date of filing this Draft Red Herring Prospectus:

Sr. No.	Location of the property	Document Date	Lessor	Monthly Rent (In Rs.)	Period
1.	C – 209, Sumel Business Park – 2, Behind Vanijya Bhawan, Kankaria Road, Ahmedabad – 380022	**April 01, 2018**	**Mr. Pradeepkumar Shrikrishna Agrawal**	**INR 15,000/-**	**12 Months**
2.	C – 210, Sumel Business Park – 2, Behind Vanijya Bhawan, Kankaria Road, Ahmedabad – 380022	**April 01, 2018**	**Mrs. Rukmani Pradeepkumar Agrawal**	**INR 15,000/-**	**12 Months**
3.	Plot No. 2002, GIDC, Phase – 2, Vill – Chhatral, Taluka – Kalol, Dist. Gandhinagar, Gujarat	**November 01, 2017**	**Mrs. Lalita C. Rathod**	**INR 60,000/-**	**5 Years subject to renewal every 12 months**
			Mrs. Purviben K. Pandya	**INR 60,000/-**	
4.	Plot No. 2002, GIDC, Phase – 2, Vill – Chhatral, Taluka – Kalol, Dist. Gandhinagar, Gujarat	**November 01, 2017**	**Vayusut Fabrics Private Limited**	**INR 530,000/-**	**5 Years subject to renewal every 12 months**

INSURANCES

The insurance policies covered by the company are:

Sr. No.	Name of the Insurance Company	Type of Policy	Validity Period	Description of cover under the policy	Policy No.	Sum Insured (₹)	Premium p.a. (₹)
1.	Bajaj Allianz	Standard fire & special perils policy and Add on Earhquake Cover	April 8, 2018 to April 7, 2019	Office (Furniture Fitting & Fixtures, Electric installation, Plate Glass and Office Equipment) and Add on cover earthquake without plinth and foundation.	OG – 19 – 2202 – 4001 – 00000223	1,600,000	1,132

2.	ICICI Lombard	Standard fire & special perils policy and Add on Earhquake Cover	February 2, 2018 to February 1, 2019	Factory Building (With Plinth & Foundation, Electrical fitting & installations, Furniture, fittings & installations, Plant Machinery & accessories and Stock of raw material & finished goods.	1001/143583149/00/000	208,700,000	148,981
3.	ICICI Lombard	Standard Fire & Special Perils	February 2, 2018 to February 1, 2019	Stock of Raw Material, WIP and Finished Goods at Factory Premises (Both Phase 1 & 2), Sizing Units, Processing houses, Dyeing & Finishing units and Sectional warping units.	1001/143589796/00/000	100,000,000	82,620
4.	TATA AIG General Insurance Company Limited	Standard Fire & Special Perils	November 24th, 2017 to November 23rd, 2018	Factory Building, Stock in Process including Held in Trust, Plant & Machineries, Electrification and Furniture, Fittings & Fixtures	2200272494 00	102,300,000	84,500

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 264 of this Draft Red Herring 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 US$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.

Gujarat Textile Policy, 2012

The Gujarat Textile Policy, 2012 ("**GTP 2012**") was introduced by the State Government of Gujarat with the objective of continuing the leadership position in textile sector. Through the policy the State Government wants to strengthen entire value chain for overall growth of textile sector in the State of Gujarat. There are multiple schemes on various aspects providing benefits such as interest subsidy, special concession in power tariff & assured supply of lignite, concession in VAT etc to eligible entities. GTP 2012 was initially introduced for a period of 5 years however *vide* notification dated September 04, 2017 the operative period was extended to make the GTP 2012 applicable till September 03, 2018.

Amended Technology Up-Gradation Fund Scheme ("ATUFS")

Ministry of Textiles, Government of India has notified Amended Technology Up-gradation 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 (*Now, Trade Marks Act, 1999*), 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. 20,00,000.

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 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.

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.

CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally incorporated and registered as Private Limited Company on 9thDecember, 1988 vide Certificate of Incorporation issued by Registrar of Companies, Ahmedabad bearing Corporate Identification Number U17119GJ1988PTC011613. Subsequently, our company was converted into Public Company pursuant to Shareholders resolution passed at the Extra Ordinary General Meeting Meeting held on 05th May,2018 and name of company was changed to "Texaco Synthetics Limited" pursuant to issuance of Fresh Certification of Incorporation dated 23rd May,2018 by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our company U17119GJ1988PLC011613. The registered office of our company is situated at C-209, 2nd Floor, Block-C, Sumel Business Park-II, Behind Vanijya Bhavan, Kankaria Road, Ahmedabad-380022, India.

Pradeepkumar Shrikrishna Agrawal & Rukmani Pradeepkumar Agrawal are promoters of our Company.

Pradeepkumar Shrikrishna Agrawal, Shrikrishna Chaturbhuj Agrawal& Chandrakala Shrikrishna Agrawal were the Initial subscribers to the Memorandum of Association of our Company subscribing 100 each Equity shares.

Texaco Synthetics Ltd is an **ISO 9001:2015** certified Company engaged in the business of Textile Manufacturing, Trading and Exports. Our Company is engaged in the manufacture and export of grey fabrics and finished fabrics for suiting and shirting. We have obtained a certificate of Importer Exporter Code (IEC) from Ministry of Commerce and Industry, Government of India vide IEC number 0899010555. Further, we have obtained a registration as a Manufacturer Exporter with The Synthetic and Rayon textiles export promotion council vide registration number SR/MFG/16117/2016 – 17 which is valid upto March 31, 2021. We are also registered with Powerloom development & export promotion council as Manufacturer exporter, Merchant exporter & Merchant cum Manufacturer exporter vide registration number PLMR/MFR/23161/2014 – 2015 which is valid upto March 31, 2019. Owing to the sustained export turnover in the past years we were awarded a Certificate of Recognition as One Star Export House (Status Holder No. 08/1/4025/20151210) from Directorate General of foreign trade, Government of India for a period of 5 years beginning from 2015 to 2020. Our company has been recognized as leading textile manufacturing company in the country by The Panchkuva Cloth Merchants' Association. The Association has selected top 10 textile manufacturers of the country and we were one of them.

Our Production facilities include latest and upgraded technology plant and machinery for the manufacture of fabric. Currently, we have deployed Airjet, Rapier and Projectile Looms in our production facilities which are globally used in the textile manufacturing industry. We have a employed an excellent support staff with the required technical knowledge and expertise who helps us in achieving higher levels of efficiency as regards our production, 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 146, 200, 243 and 264 respectively of the Draft Red Herring Prospectus.

The total number of members of our Company as on the date of filing of this Draft Red Herring Prospectus is 9. For further details, please refer the chapter titled "*Capital Structure*" beginning on page 71 of this Draft Red Herring Prospectus.

CHANGES IN OUR REGISTERED OFFICE:

Since incorporation the registered address of our company has been changed various times. The details of registered office at the time of incorporation and the subsequent changes thereof are as under:

DATE OF CHANGE	REGISTERED OFFICE ADDRESS
On Incorporation	526, Hari Om Market, Second cellar, Rewdi Bazar, Ahmedabad – 380002

April 02nd, 1990	122, 3rd floor, L.k. Trust Building, Revadi Bazar, Ahmedabad – 380002
January 29th, 1995	D – 1, Komal Chamber, 3rd floor, Near Panchkuva gate, Ahmedabad – 380002
June 02nd, 1997	501, Swaminarayan complex, opp. Madhav baug, Panchkuva, Ahmedabad – 380002
February 10th, 2005	A – 903, Bageshree complex, opp. Fun Republic, Satellite Road, Ahmedabad – 380005
November 09th, 2016	C – 209, 2nd floor, Block – C, Sumel Business Park – II, Behind Vanijya Bhawan, Kankaria Road, Ahmedabad – 380002

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 Takeover the running business of partnership firm carrying on the business in the name and style of M/s Texaco Synthetics having its registered office at A3 – 903, Bageshree Apartment, Opposite Gulmohar Mall, Ramdevanaga, Satellite, Ahmedabad, Gujarat – 380015, with and/or Without its all types of assets, Liabilities, Obligations, Patents, Trademark and Trade name Licenses, quotas and other rights and obligation.*
2. *To carry on the business of sizers, texturisers, spinners, weavers, manufacturers, twister, pressers and balers of silk, artificial silk, rayon, nylon, terine, strechlon, man-made synthetic fibres, staple fibres, wool and fibrous materials and the business of manufacturing, texturizing, weaving, bleaching, printing and selling cloth of all types, linen and fabrics of all types, whether knitted or looped and of importing, exporting, buying, selling and/or dealing in silk, art silk, rayon, nylon, cloth linen, flex, hemp, silk, artificial silk, rayon, man-made synthetic fibres, staple fibres, wool and cloth merchants, cleaners, combers, spinners, weavers, bleachers, dyers, printers, sizers, importers, exporters, traders and to transact all and any preparing processes and to give any special treatment to any of the above referred materials at any stage of production such as texturizing, testing, crimping on own materials or belonging to others and/or to get the same done through others.*
3. *To carry on the business of manufacturing, spinning weaving, bleaching, dyeing, processing, mercerising, printing, sizing, importing, exporting, twisting, texturizing, and/ or otherwise dealing in yarns of all types made from silk, art silk, rayon, nylon, manmade synthetic fibres, staple fibres and other suitable materials.*

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
In the Year 1993-1994	The authorized share capital of Rs. 10,00,000/- consisting of 100,000 Equity Shares of Rs. 10/- each was increased to Rs. 25,00,000/- consisting of 2,50,000 Equity shares of Rs. 10/- each.
July 8, 1996	The authorized share capital of Rs. 25,00,000/- consisting of 2,50,000 Equity Shares of Rs. 10/- each was increased to Rs. 35,00,000/- consisting of 3,50,000 Equity shares of Rs. 10/- each.
January 20, 2003	The authorized share capital of. Rs. 35,00,000/- consisting of 3,50,000 Equity Shares of Rs. 10/- each was increased to Rs. 80,00,000/- consisting of 8,00,000 Equity shares of Rs. 10/- each.

Date of AGM/ EGM	Changes
February 28,2008	The authorized share capital of Rs. 80,00,000/- consisting of 8,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 1,00,00,000/- consisting of 10,00,000 Equity shares of Rs. 10/- each.
March 30, 2009	The authorized share capital of Rs. 1,00,00,000/- consisting of 10,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 1,05,00,000/- consisting of 10,50,000 Equity shares of Rs. 10/- each.
February 15, 2011	The authorized share capital of Rs. 1,05,00,000/- consisting of 10,50,000 Equity Shares of Rs. 10/- each was increased to Rs. 1,50,00,000/- consisting of 15,00,000 Equity shares of Rs. 10/- each.
December 19, 2011	The authorized share capital of Rs. 1,50,00,000/- consisting of 15,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 1,70,00,000/- consisting of 17,00,000 Equity shares of Rs. 10/- each.
February 22, 2012	The authorized share capital of Rs. 1,70,00,000/- consisting of 17,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 2,20,00,000/- consisting of 22,00,000 Equity shares of Rs. 10/- each.
March 18, 2013	The authorized share capital of Rs. 2,20,00,000/- consisting of 22,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 3,00,00,000/- consisting of 30,00,000 Equity shares of Rs. 10/- each.
March 10, 2014	The authorized share capital of Rs. 3,00,00,000/- consisting of 30,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 5,00,00,000/- consisting of 50,00,000 Equity shares of Rs. 10/- each.
April 18, 2018	The authorized share capital of Rs. 5,00,00,000/- consisting of 50,00,000 Equity shares of Rs. 10/- each was increased to Rs. 15,00,00,000/- consisting of 1,50,00,000 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
1988	Incorporation of our Company and commencement of business
1997	Awarded by Panchkuwa Mahajan associations for the Excellence in the quality of the Material
2015	Awarded Star Export House Certificate
2017	Awarded ISO 9001:2015 certificate in Manufacturer, Trader and Exporter of Fabrics
2018	Conversion of Company from Private Limited to Public Limited
	Issuance of Bonus Shares

OUR HOLDING COMPANY

Our Company does not have any holding company as on the date of filing of this Draft Red Herring Prospectus.

OUR SUBSIDIARY COMPANY

Our Company does not have any Subsidiary company as on the date of filing of this Draft Red Herring 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 Statements as Restated"* and "*Capital Structure*" beginning on page 200 and 71 respectively, of this Draft Red Herring 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.

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 Draft Red Herring 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 Draft Red Herring Prospectus, our employees are not unionized.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Draft Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

STRATEGIC PARTNERS

Our Company does not have any strategic partner(s) as on the date of this Draft Red Herring Prospectus.

FINANCIAL PARTNERS

As on the date of this Draft Red Herring 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 Draft Red Herring Prospectus.

NUMBER OF SHAREHOLDERS

Our Company has 9 (Nine) shareholders as on date of this Draft Red Herring Prospectus.

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 5 directors on our Board.

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

S. No.	Name, Age, Father's/ Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Latest Re-appointment	Other Directorship/ LLP's
1.	**Name:** Pradeepkumar Shrikrishna Agrawal **Age:**58 years **Father's Name:** Shreekrishna Chaturbhuj Agrawal **Designation:** Chairman Cum Managing Director **Address:** A-3-903, Bageshree Complex, Near Ramdev Nagar, Satellite, Ahmedabad, PIN Code – 380015, Gujarat, India **Occupation:** Business **Nationality:** Indian **Term:** 3 Years from 08.06.2018, subject to liable to retire by rotation. **DIN:** 00053994	June 08, 2018	**Public Limited Company**: Nil **Private Limited Company**: Nil **Limited Liability Partnership:** Nil
2.	**Name:** Chinmay Pradeepkumar Agrawal **Age:**22 years **Father's Name:** Pradeepkumar Shrikrishna Agrawal **Designation:** Whole Time Director **Address:** A-903, Bageshree Appt., Opp. Fun Republic, Satellite, Ahmedabad, Gujarat - 380015 **Occupation:** Business **Nationality:** Indian **Term:** 3 Years from 08.06.2018, subject to liable to retire by rotation. **DIN:** 08111016	June 08, 2018	**Public Limited Company**: Nil **Private Limited Company**: Nil **Limited Liability Partnership:** Nil
3.	**Name:** Rukmani Pradeepkumar Agrawal **Age:**49 years **Father's Name:** Madanlal Sundermal Chokhani **Designation:** Non-Executive Director **Address:** A-903, Bageshree Appt., Opp. Fun Republic, Satellite, Ahmedabad, Gujarat - 380015 **Occupation:** Business **Nationality:** Indian **Term:** Liable to retire by rotation. **DIN:** 02172173	June 08, 2018	**Public Limited Company**: Nil **Private Limited Company**: Nil **Limited Liability Partnership:** Nil

S. No.	Name, Age, Father's/ Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Latest Re-appointment	Other Directorship/ LLP's
4.	**Name:** Mahasukh Shantilal Adani **Age:**71 years **Father's Name:** Shantilal Bhudarmal Adani **Designation:** Independent director **Address:** 668-1, Shukh-Shanti Opp. Santosha Park-2, Ambli, Bopal Road, Ahmedabad, Gujarat, 380058 **Occupation:** Business **Nationality:** Indian **Term:** 5 Years from May 29, 2018, **DIN:** 08143954	May 29, 2018	**Public Limited Company**: Nil **Private Limited Company**: Nil **Limited Liability Partnership:**Nil
5.	**Name:** Sanjay Shandilya **Age:**58 years **Father's Name:** Sudhakar Shandilya **Designation:** Independent director **Address:** C-1002, Regency Tower, Near Management Enclave, Vastrapur, Ahmedabad, Gujarat, 380015 **Occupation:** Business **Nationality:** Indian **Term:** 5 Years from May 29, 2018 **DIN:** 05238783	May 29, 2018	**Public Limited Company**: Nil **Private Limited Company**: Threefold Export Combines Pvt. Ltd. **Limited Liability Partnership:** Nil

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Pradeepkumar Shrikrishna Agrawal

Pradeepkumar Shrikrishna Agrawal, aged 58 years, is the Promoter and Chairman cum Managing Director of our Company. He is one of the founder member of the Company and has more than three decades of experience in textile Industry. He is an astute businessman, who has widely travelled and has huge exposure of domestic markets and foreign markets for company products and related goods. He is also well conversant with the market dynamics. Moreover, He is the major source of motivation for all the employees. With his hard work and dedication, he has been able to grow this company to its apex.

He has personally taken several projects like setting one of the world's best technology machines / looms for production. Not only this, because of his efforts the company was rewarded from Panchkuwa Mahajan Association for its excellence in the quality of the material, it provides to its customers.

Chinmay Pradeepkumar Agrawal

Chinmay Pradeepkumar Agrawal, aged 22 years, has recently joined the company as a Whole Time Director. He has studied business management from K.S. Institute of management, a prestigious B- school in Ahmedabad. He is looking after the production department. He also develops new designs based on the current trends and requirement of the clients. His forward varied thinking gives another edge to the company.

Rukmani Pradeepkumar Agrawal

Rukmani Pradeepkumar Agrawal, aged 49 years, is the Promoter and Director of our Company and holds 17 years of considerable experience in the profile. She has been able to utilize strong leadership skills, in implementing "Start to Finish" routine works. Whole Administration is under her supervision. She with her perfection and experience manages all the administrative operations of business. All the communication and customer relationship maintenance is done under her guidance. She will continue with her current roles & responsibilities after the conclusion of the public Issue.

Mahasukh Shantilal Adani

Mahasukh Shantilal Adani, aged 71years, was appointed as an Independent Director of our Company pursuant to Section 149 (4) of Companies Act, 2013 with effect from 29th May 2018. He has diverse experience stretching across various domains of Finance, Accounting, Corporate Laws and Operations Management. Mr. Adani achieved his first milestone on the way of building his business empire when he acquired his first plastics unit, Ezy PVC Film, in 1978-79. Later, with a view to diversify from the plastics business, he stepped into the world of textiles. In 1980, he set up Adani Brothers, a wholesale textile unit in Ahmedabad. He purchased cloth from Mumbai (then Bombay) and sold it in the wholesale market of Ahmedabad. Having gained rich experience of the textiles market, Mr. Adani also went on to set up a process house with the name 'Eesbee Fabrics' in the 1990s. Later, he imported fabrics from China and also pioneered import from Korea in 1996.

Along with managing his varied business portfolio, Mr. Adani also devotes a lot of his time for social causes. He has a profound presence and holds a well-respected position in the Jain community. With decades of service to the business fraternity, community and society as a whole, Mr. Mahasukh Adani has earned immense goodwill, which speaks volumes about his actions and achievements. To have him on board is highly valuable for the company as his knowledge and experience will help to steer the company's growth in the right direction.

Sanjay Shandilya

Sanjay Shandilya, aged 58 years, was appointed as an Independent Director of our Company pursuant to Section 149 (4) of Companies Act, 2013 with effect from 29th May 2018. Having done his B. Tech. in Textiles Technology in 1981, he has over 30 years of experience where 25 years have been in industrial marketing. He possesses sound knowledge about integrated polyster Plants, Textile fabrics both knits & woven, Yarn and fabric conversions and Quality Assurance. He has been associated with various since 1981 till date with various companies such as JK SYNTHETICS LTD, Reliance Industries ltd., PT Indorama Synthetics TBK (in Indonesia), PT G.T. Petrochem TBK (in Indonesia), Threefold Export Combines Pvt. Ltd.

CONFIRMATIONS

As on the date of this Draft Red Herring 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
Pradeepkumar Shrikrishna Agrawal	Rukmani Pradeepkumar Agrawal	Husband-Wife
	Chinmay Pradeepkumar Agrawal	Father-Son
Rukmani Pradeepkumar Agrawal	Pradeepkumar Shrikrishna Agrawal	Wife-Husband
	Chinmay Pradeepkumar Agrawal	Mother-Son
Chinmay Pradeepkumar Agrawal	Pradeepkumar Shrikrishna Agrawal	Son-Father
	Rukmani Pradeepkumar Agrawal	Son-Mother

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.)
Pradeepkumar Shrikrishna Agrawal	12,00,000
Rukmani Pradeepkumar Agrawal	7,20,000

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

Pradeepkumar Shrikrishna Agrawal was appointed as Managing Director of our Company with effect from June 08, 2018 for a period of Three years. The terms and conditions of his employment were originally decided vide the agreement dated 18.07.2018 and later on the terms and conditions were changed vide agreement dated 20.08.2018. The Revised terms and conditions of his employment are as follows:

Remuneration	Rs. 2,00,000/- per month Salary may be revised periodically based on the recommendation of the Board of Directors or Nomination and Remuneration Committee, if any and may be increased upto Rs. 60,00,000 (Rupees Sixty Lakhs only) per annum subject to the provisions of the Act. Sitting Fees may be paid as may be decided by the Board.
Term of Appointment	3 Years from June 08, 2018 subject to liable to retire by rotation.
Perquisites	A. Company's contribution towards provident fund as per rules of the company, but not exceeding 12% of salary and Company's contribution towards superannuation fund which shall not, together with the Company's contribution to provident fund, exceed 12%. B. Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year.

	C. Encashment of leave at the end of tenure, if any, as per the policy of the Company.

Further, he shall be entitled to reimbursement of actual entertainment and travelling expenses incurred from time to time to perform his duties as per the rules of the Company.

The Company shall provide Car and any other conveyance as may be required in connection with the Company's business.

House Rent Allowance shall be payable as per the Rules of the Company.

Terms and conditions of employment of our Whole Time Director

Chinmay Pradeepkumar Agrawal was appointed as Whole Time Director of our Company with effect from June 08, 2018 for a period of three years. The terms and conditions of his employment were originally decided vide the agreement dated 18.07.2018 and later on the terms and conditions were changed vide agreement dated 20.08.2018. The Revised terms and conditions of his employment are as follows:

Remuneration	Rs. 60,000/- per month Salary may be revised periodically based on the recommendation of the Board of Directors or Nomination and Remuneration Committee, if any and may be increased upto Rs. 60,00,000 (Rupees Sixty Lakhs only) per annum subject to the provisions of the Act. Sitting Fees may be paid as may be decided by the Board.
Term of Appointment	3 Years from June 08, 2018 subject to liable to retire by rotation.
Perquisites	A. Company's contribution towards provident fund as per rules of the company, but not exceeding 12% of salary and Company's contribution towards superannuation fund which shall not, together with the Company's contribution to provident fund, exceed 12%. B. Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year. C. Encashment of leave at the end of tenure, if any, as per the policy of the Company.

Further, he shall be entitled to reimbursement of actual entertainment and travelling expenses incurred from time to time to perform his duties as per the rules of the Company.

The Company shall provide Car and any other conveyance as may be required in connection with the Company's business.

House Rent Allowance shall be payable as per the rules of the company.

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 Draft Red Herring 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 Draft Red Herring Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
1.	Pradeepkumar Shrikrishna Agrawal	45,40,320	46.98%	32.86%
2.	Rukmani Pradeepkumar Agrawal	13,51,468	13.98%	9.78%
3.	Chinmay Pradeepkumar Agrawal	4,75,000	4.92%	3.44%
4.	Grand Total	63,66,788	65.88%	46.08%

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 198 of this Draft Red Herring 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 Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the of this Draft Red Herring Prospectus.

Interest as member of Our Company

As on date of this Draft Red Herring Prospectus, our Directors together hold 63,66,788 Equity Shares in our Company i.e. 65.88% 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 Draft Red Herring Prospectus, our Company has availed an unsecured loan as stated below from the following directors:

S. No.	Name of The Director	Designation	Amount of Unsecured Loan (In Rs.)
1.	Pradeepkumar Shrikrishna Agrawal	Managing Director	1,94,12,276/-
2.	Rukmani Pradeepkumar Agrawal	Director	21,83,772/-
3.	Chinmay Pradeepkumar Agrawal	Whole-time Director	7,38,574/-

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 253 and 200 respectively of this Draft Red Herring 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 176, 200 and 71 respectively of this Draft Red Herring 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

Pradeepkumar Shrikrishna Agrawal- Managing Director and Chinmay Agrawal- Whole Time 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 200 of this Draft Red Herring Prospectus.

Interest in transactions involving payment of rent

Two of our Directors are currently interested in a transaction with our Company involving renting of registered office of our Company. Except as stated/referred to in the heading titled "*Land and Property" under chapter titled "Our Business"* beginning on page 161 of this Draft Red Herring Prospectus, our Directors do not have entered into any contract, agreements 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 200 of this Draft Red Herring Prospectus, our Directors do not have any other interests in our company as on the date of this Draft Red Herring 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 200 of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus.

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

Our Company does not have any Subsidiary company or Associate Company as on date of filing of this Draft Red Herring 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 Draft Red Herring Prospectus.

Name	Date of event	Nature of event	Reason
Pradeepkumar Shrikrishna Agrawal	June 08, 2018	Re-Appointment	Designated as Managing Director
Rukmani Pradeepkumar Agrawal	June 08, 2018	Re-Appointment	Designated as Non-Executive Director

Name	Date of event	Nature of event	Reason
Chinmay Pradeepkumar Agrawal	June 08, 2018	Re-Appointment	Designated as Whole-time Director
Mahasukh Shantilal Adani	May 29, 2018	Appointment	Appointment as Independent Director
Sanjay Shandilya	May 29, 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 June 08, 2018 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, 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 suitable by the Board of Directors up to a limit of Rs.150 Crores(Rupees One Hundred and Fifty 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 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 Draft Red Herring Prospectus, there are 5 Directors on our Board out of which at least one third are independent Directors. Rukmani Pradeepkumar Agrawal 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

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 July 16, 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
Mahasukh Shantilal Adani	Chairman	Non-Executive and Independent Director
Sanjay Shandilya	Member	Non-Executive and Independent Director
Pradeepkumar Shrikrishna Agrawal	Member	Managing 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/Draft Red Herring 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 July 16, 2018.

The Stakeholder's Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Rukmani Pradeepkumar Agrawal	Chairman	Non-Executive Director
Sanjay Shandilya	Member	Non-Executive and Independent Director
Mahasukh Shantilal Adani	Member	Non-Executive and Independent 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. Efficient transfer of shares; including review of cases for refusal of transfer/transmission of shares and debentures
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc
3. Allotment and listing of shares
4. Review the process and mechanism of redressal of Shareholders/Investors grievance and suggest measures of improving the system of redressal of Shareholders/Investors grievances.
5. 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.

6. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
7. 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.
8. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances.
9. Any other power specifically assigned by the Board of Directors of the Company.

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 July 16, 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
Sanjay Shandilya	Chairman	Non-Executive and Independent Director
Mahasukh Shantilal Adani	Member	Non-Executive and Independent Director
Rukmani Pradeepkumar Agrawal	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. The quorum for the meeting shall be the presence of two members.

C. Role of the Nomination and Remuneration Committee not limited to but includes:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees

b. Formulation of criteria for evaluation of independent directors and the Board

c. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks

d. Devising a policy on Board diversity

e. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

f. Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

g. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.

h. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.

i. Decide the amount of commission payable to the Whole time Director/Managing Director.

j. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines, etc.

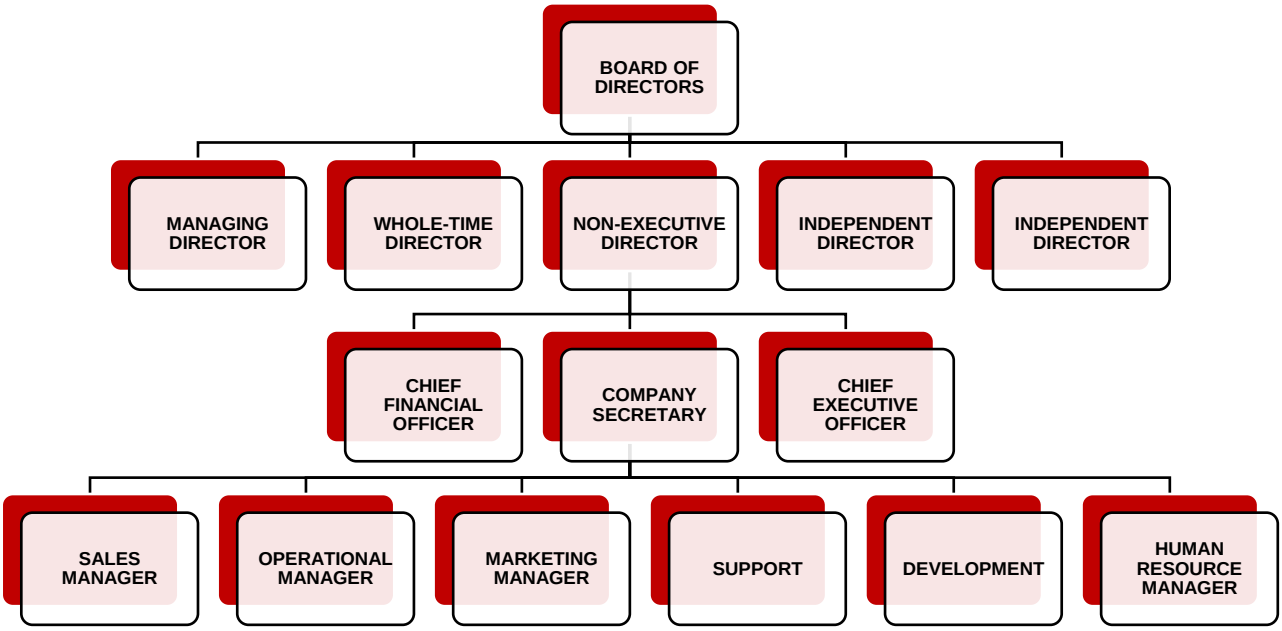
k. To formulate and administer the Employee Stock Option Scheme (if any).

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 16th July, 2018 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Apoorva Agrawal, 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:

Pradeepkumar Shrikrishna Agrawal

Pradeepkumar Shrikrishna Agrawal, aged 58 years, is the Promoter and Chairman cum Managing Director of our Company. He is one of the founder member of the Company and has more than three decades of experience in textile Industry. He is an astute businessman, who has widely travelled and has huge exposure of domestic markets and foreign markets for such products and related goods. He is also well conversant with the market dynamics. Moreover, He is the major

source of motivation for all the employees. With his hard work and dedication, he has been able to grow this company to its apex.

He has personally taken several projects like setting one of the world's best technology machines / looms for production. Not only this, because of his efforts the company was rewarded from Panchkuwa Mahajan Association for its excellence in the quality of the material, it provides to customer.

Chinmay Pradeepkumar Agrawal

Chinmay Pradeepkumar Agrawal, aged 22 years, has recently joined the company as a Whole Time Director. He has studied business management from K.S. Institute of management, a prestigious B school in Ahmedabad. He is looking after the production department. He also develops new designs based on the current trends and requirement of the clients. His forward varied thinking gives another edge to the company.

Alpeshkumar Jayantilal Shah

Alpeshkumar Jayantilal Shah, aged 40 years, is the Chief Financial Officer of our Company with effect from 8th June, 2018. He holds multiple degrees like MBA, LLB, DTP, DLP, M.com etc. 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.

Kuldipkumar Ganeshshankar Dubey

Kuldipkumar Ganeshshankar Dubey, aged 56 years, is the Chief Executive Officer of our Company with effect from 8th June, 2018. He has immense experience in Operations management. He has been a part of the company for the last 25 years handling production department and all the operational manufacturing work. He has done B.Sc. and D. Textile Technology (Hons) and it is because of him that the manufacturing units have been running at more than 90% efficiency since many years.

Apoorva Agarwal

Apoorva Agarwal, aged 27 years, is Company Secretary of our Company with effect from 16th May 2018. She is a Company Secretary by qualification and an Associate member of Institute of Company Secretaries of India. She 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
Pradeep kumar Shrikrishna Agrawal	Chinmay Pradeep kumar Agrawal	Father-Son
Chinmay Pradeepkumar Agrawal	Pradeepkumar Shrikrishna Agrawal	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 Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares held	% of Shares held
1.	Pradeepkumar Shrikrishna Agrawal	45,40,320	46.98%
2.	Chinmay Pradeepkumar Agrawal	4,75,000	4.92%

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAERIAL 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 XIII – Details of Related Party Transactions as Restated of the Financial Statements on page 200 of this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Red Herring 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 176 and 198 respectively of this Draft Red Herring 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
Pradeepkumar Shrikrishna Agrawal	June 08, 2018	Re-Appointment	Designated as Managing Director
Chinmay Pradeepkumar Agrawal	June 08, 2018	Re-Appointment	Designated as Whole-time Director
Kuldipkumar Ganeshshankar Dubey	June 08, 2018	Appointment	Appointment as Chief Executive Officer
Alpeshkumar Jayantilal Shah	June 08, 2018	Appointment	Appointment as Chief Financial Officer

Name of the Key Managerial Personnel	Date of Event	Nature of Event	Reason
Apoorva Agarwal	May 16, 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 Draft Red Herring 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 200 of this Draft Red Herring 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 PROMOTERS

The promoters of our Company are Pradeepkumar Shreekrishna Agrawal and Rukmani Pradeepkumar Agrawal. As on the date of this Draft Red Herring Prospectus, our promoters hold aggregate 58,91,788 equity shares representing 60.97% of the pre – issue paid up capital of our Company.

Brief profile of our individual Promoter is as under:

	Pradeepkumar Shrikrishna Agrawal, Promoter and Managing Director
	Pradeepkumar Shrikrishna Agrawal, aged 58 years, is the Promoter and Chairman cum Managing Director of our Company. He is one of the founder members of the Company and has more than three decades of experience in textile Industry. He is an astute businessman, who has widely travelled and has huge exposure of domestic markets and foreign markets for such products and related goods. He is also well conversant with the market dynamics. Moreover, He is the major source of motivation for all the employees. He has personally taken several projects like setting one of the world's best technology machines / looms for production. Not only this, because of his efforts the company was rewarded from Panchkuwa Mahajan Association for its excellence in the quality of the material, it provides to customer. With his hard work and dedication, he has been able to grow this company to its apex. He will continue with his current roles & responsibilities after the conclusion of the public Issue. **Nationality**: Indian **Passport No**: Z2930577 **Driving License**: GJ01 20020916357 **Voters ID**: LPZ4063343 **DIN**: 00053994 **PAN**: AAZPA8410F **Aadhar No**.: 513873791765 **Address**: A-3-903, Bageshree Complex, Near Ramdev Nagar, Satellite, Ahmedabad, PIN Code – 380015, Gujarat, India. **Firms and Ventures promoted by Pradeepkumar Shrikrishna Agrawal**: There is a partnership firm namely "Texaco Synthetics" being promoted by Pradeepkumar Shrikrishna Agrawal. For further details relating to Pradeepkumar Shrikrishna Agrawal, including terms of appointment as Managing Director, other directorships, please refer to the chapter titled "*Our Management*" beginning on page 176 of this Draft Red Herring Prospectus.

	Rukmani Pradeepkumar Agrawal, Promoter and Director Rukmani Pradeepkumar Agrawal, aged 49 years, is the Promoter and Director of our Company and holds 17 years of considerable experience in the profile. She has been able to utilize strong leadership skills, in implementing "Start to Finish" routine works. Whole Administration is under her supervision. She with her perfection and experience manages all the operations of business. All the communication and customer relationship maintenance is done under her guidance. She will continue with her current roles & responsibilities after the conclusion of the public Issue. **Nationality**: Indian **Passport No**: J7771107 **Driving License**: N.A. **Voters ID**: LPZ4063335 **DIN**: 02172173 **PAN**: ABEPA1172C **Aadhar No**.: 507588373680 **Address**: A-903, Bageshree Tower, Opp. Fun Republic, Satellite, Ahmedabad, PIN Code – 380015, Gujarat, India. **Firms and Ventures promoted by Rukmani Pradeepkumar Agrawal**: There is a partnership firm namely "Texaco Synthetics" being promoted by Rukmani Pradeepkumar Agrawal. For further details relating to Rukmani Pradeepkumar Agrawal, including terms of appointment as Director, other directorships, please refer to the chapter titled *"Our Management"* beginning on page 176 of this Draft Red Herring 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 Draft Red Herring Prospectus with it.

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 71 of this Draft Red Herring Prospectus.

Some of our Promoters are the Directors and KMP 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 176, 200 and 71 respectively of this Draft Red Herring Prospectus.

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 198 of this Draft Red Herring Prospectus.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in this chapter and chapter titled *"Our Group Companies"* beginning on page 197 of this Draft Red Herring 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 198 of this Draft Red Herring Prospectus.

Except as stated in *"Related Party Transactions"* beginning on page 198 of this Draft Red Herring 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 198 of the Draft Red Herring Prospectus, there has been no payment or benefits to the Promoters during the two years prior to the filing of this Draft Red Herring Prospectus nor is there any to pay or give any benefit to our Promoter or Promoter Group.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

A. Natural persons who are part of the promoter group:

Relationship with Promoters	Pradeepkumar Shrikrishna Agrawal	Rukmani Pradeepkumar Agrawal
Father	Shrikrishna Chaturbhuj Agrawal	Madanlal Sundermal Chokhani
Mother	Chandrakala Agrawal	Gyanadevi Chokhani
Spouse	Rukmani Pradeepkumar Agrawal	Pradeepkumar Shrikrishna Agrawal
Daughter	(i) Ritu Dipesh Mehta (ii) Manisha Neel Patel	(i) Ritu Dipesh Mehta (ii) Manisha Neel Patel
Son	Chinmay Pradeepkumar Agrawal	Chinmay Pradeepkumar Agrawal
Sister	(i) Usha Agrawal, (ii) Madhu Rituraj Gupta (iii) Anita Agrawal	(i) Sunita (ii) Anita (iii) Nirmala
Brother	NA	(i) Dinesh Chokhani (ii) Manoj Chokhani (iii) Sushil Chokhani
Spouse's Father	Madanlal Sundermal Chokhani	Shrikrishna ChaturbhujAgrawal
Spouse's Mother	Gyanadevi Chokhani	Chandrakala Agrawal
Spouse's Brother	(i) Dinesh Chokhani (ii) Manoj Chokhani (iii) Sushil Chokhani	NA
Spouse's Sister	(i) Sunita (ii) Anita (iii) Nirmala	(i) Usha Agrawal, (ii) Madhu Rituraj Gupta (iii) Anita Agrawal

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.	Pradeepkumar Shreekrishna Agrawal HUF
2.	Shrikrishna Chaturbhuj Agrawal HUF
3.	Texaco Synthetics (Partnership Firm)
4.	Chinmay Fabrics
5.	Aar Pee Enterprise
6.	Tatvam Infocom Private Limited
7.	Neotex Exports Inc.

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Our Promoters are the part of our Board of Directors as Managing Director and 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
Pradeepkumar Shreekrishna Agrawal	Rukmani Pradeepkumar Agrawal	Spouse
	Chinmay Pradeepkumar Agrawal	Son
Rukmani Pradeepkumar Agrawal	Pradeepkumar Shreekrishna Agrawal	Spouse
	Chinmay Pradeepkumar Agrawal	Son

DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEAR

Our Promoters have not disassociated themselves from any entities, firms or companies during preceding three years.

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 257 of this Draft Red Herring Prospectus.

CONFIRMATION

Our Company, our Promoters and their relatives (as defined under the Companies Act, 2013) and are not Willful 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 198 of this Draft Red Herring 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, for the purpose of the identification of Group Companies, “Our company has considered companies as covered under applicable accounting standards, being Accounting Standard 18 issued by the Institute of the Chartered accountants of India and such other companies as are considered material by our Board. Pursuant to a resolution dated July 16,2018, our Board vide a policy of Materiality has resolved that except as mentioned in the list of related parties prepared in accordance with the Accounting Standard 18, no other company is material in nature.

As on the date of the Draft Red Herring Prospectus, we have no group companies.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to *Annexure XXXI – Details of Related Party Transactions as restated* of restated financial statement under the section titled, *Financial Statements as restated* beginning on page *200* of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. 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.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a 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.

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 Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION V- FINANCIAL STATEMENTS

FINANCIAL STATEMENTS AS RE-STATED

Independent Auditor's Report for the Restated Financial Statements of Texaco Synthetics Limited

To,

The Board of Directors,

Texaco Synthetics Limited

C-209, 2nd Floor, Sumel Business Park-II,

B/H Vanijya Bhavan,

Kankaria Road,

Ahmedabad, Gujarat – 380022

1. We have examined the attached Restated Summary Statement of Assets and Liabilities of **Texaco Synthetics Limited,** (hereinafter referred to as "**the Company"**) as at March 31, 2018, 2017, 2016, 2015 and 2014, Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flow for the financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014 (collectively referred to as the "**Restated Summary Statements**" or "**Restated Financial Statements**") annexed to this report and initialed by us for identification purposes. These Restated Financial Statements have been prepared by the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on SME Platform of National Stock Exchange of India Limited ("**NSE EMERGE**").
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
   (i) Part I of Chapter III to the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
   (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations"**) issued by the Securities and Exchange Board of India ("**SEBI"**) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
   (iii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
3. The Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the year ended on March 31, 2018, 2017, 2016, 2015 and 2014 which have been approved by the Board of Directors.
4. In accordance with the requirements of the Act, ICDR Regulations and Guidance Note we report that:
   (i) The "**Restated Statement of Asset and Liabilities**" as set out in **Annexure I** to this report, of the Company as at March 31, 2018, 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Asset and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
   (ii) The **"Restated Statement of Profit and Loss" as** set out in **Annexure II to** this report, of the Company for the financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014

are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statement**s as set ou**t in **Annexure IV** to this Report.

(iii) The "**Restated Statement of Cash Flow**" as set out in **Annexure III** to this report, of the Company for the financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.

5. Based on our examination and audited financial statements, we report that the Restated Financial Statements have been made after incorporating:

   a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.

   b) Adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments.

   c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.

   d) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014 which would require adjustments in this Restated Financial Statements of the Company.

   e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Restated Summary Statements as set out in **Annexure IV** to this report.

   f) There are no revaluation reserves, which needed to be disclosed separately in the Restated Financial Statements in the respective financial years.

6. For the purpose of our examination, we have relied on:

   a. Auditor's report issued by Gattani & Associates, Chartered Accountants, dated June 9, 2018, August 12, 2017, July 15, 2016, July 24, 2015 and May 24, 2014 respectively, on the financial statements of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2018, 2017, 2016, 2015 and 2014 proposed to be included in the DRHP/ RHP / Prospectus ("**Issue Document**").

8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. In our opinion, the above financial information contained in Annexure I to XXXV of this report read with the respective Significant Accounting Polices and Notes to Restated Summary

Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations and Guidance Note.

11. Our report is intended solely for use of the management and for inclusion in the Issue Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For S. N. Shah & Associates

Chartered Accountants

Firm Registration No.:109782W

CA Priyam Shah

Partner

Membership No. 144892

Place: Ahmedabad

Date: 31/07/2018

Annexure of Restated Financial Statements of the Company: -

i. Summary Statement of Assets and Liabilities, as restated as ANNEXURE I;
ii. Summary Statement of Profit and Loss, as restated as ANNEXURE II;
iii. Summary Statement of Cash Flow, as restated as ANNEXURE III;
iv. Significant Accounting Policies and Notes to Accounts in ANNEXURE IV;
v. Details of Share Capital as Restated as appearing in ANNEXURE V to this report;
vi. Details of Reserves and Surplus as Restated as appearing in ANNEXURE VI to this report;
vii. Details of Long Term Borrowings as Restated as appearing in ANNEXURE VII to this report;
viii. Details of Deferred Tax Liabilities as Restated as appearing in ANNEXURE VIII to this report;
ix. Details of Long Term Provision as Restated as appearing in ANNEXURE IX to this report;
x. Details of Short Term Borrowings as Restated as appearing in ANNEXURE X to this report;
xi. Details of Trade Payables as Restated as appearing in ANNEXURE XI to this report;
xii. Details of Other Current Liabilities as Restated as appearing in ANNEXURE XII to this report;
xiii. Details of Short Term Provisions as Restated as appearing in ANNEXURE XIII to this report;
xiv. Details of Fixed Assets as Restated as appearing in ANNEXURE XIV to this report;
xv. Details of Long Term Loans & Advances as Restated as appearing in ANNEXURE XV to this report;
xvi. Details of Other Non-Current Assets as Restated as appearing in ANNEXURE XVI to this report;
xvii. Details of Inventories as Restated as appearing in ANNEXURE XVII to this report
xviii. Details of Trade Receivables as Restated as appearing in ANNEXURE XVIII to this report;
xix. Details of Cash and Cash Equivalents as Restated as appearing in ANNEXURE XIX to this report;
xx. Details of Short Term Loans & Advances as Restated as appearing in ANNEXURE XX to this report;
xxi. Details of Other Current Assets as Restated as appearing in ANNEXURE XXI to this report;
xxii. Details of Revenue from Operations as appearing in ANNEXURE XXII to this report;
xxiii. Details of Cost of Material Consumed as Restated in ANNEXURE XXIII to this report;
xxiv. Details of Other Income as Restated as appearing in ANNEXURE XXIV to this report;
xxv. Details of Purchase of Stock-in-Trade as Restated as appearing in ANNEXURE XXV to this report;
xxvi. Details of Changes in Inventories of Goods Traded as Restated as appearing in ANNEXURE XXVI to this report;
xxvii. Details of Employee Benefit Expenses as Restated as appearing in ANNEXURE XXVII to this report;
xxviii. Details of Finance Costs as Restated as appearing in ANNEXURE XXVIII to this report;
xxix. Details of Depreciation and Amortization as Restated as appearing in ANNEXURE XXIX to this report;
xxx. Details of Other Expenses as Restated as appearing in ANNEXURE XXX to this report;
xxxi. Details of Related Parties Transactions as Restated as appearing in ANNEXURE XXXI to this report;

xxxii. Details of Significant Accounting Ratios as Restated as appearing in ANNEXURE XXXII to this report;

xxxiii. Capitalization Statement as Restated as at March 31, 2018 as appearing in ANNEXURE XXXIII to this report;

xxxiv. Statement of Tax Shelters as Restated as appearing in ANNEXURE XXXIV to this report;

xxxv. Statement of Contingent Liabilities, enclosed as ANNEXURE XXXV to this report.

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED **ANNEXURE - I**

(Rs. In lakhs)

Particulars	Annexure	As at March 31,				
		2018	2017	2016	2015	2014
EQUITY AND LIABILITIES						
Shareholders' Funds						
a. Share Capital	V	483.21	483.21	483.21	483.21	386.50
b. Reserves & Surplus	VI	531.47	386.47	317.45	278.28	164.45
Non Current Liabilities						
a. Long Term Borrowings	VII	741.78	537.79	877.89	974.15	285.41
b. Deferred Tax Liabilities	VIII	100.46	82.16	68.09	39.98	30.33
c. Long Term Provisions	IX	9.00	6.29	4.54	4.46	5.77
Current Liabilities						
a. Short Term Borrowings	X	740.21	1,093.74	901.75	530.56	491.57
b. Trade Payables	XI	1,092.41	488.59	518.70	418.01	556.92
c. Other Current Liabilities	XII	187.20	223.93	163.37	97.69	67.03
d. Short Term Provisions	XIII	79.92	35.03	33.46	27.36	24.80
T O T A L		**3965.66**	**3,337.21**	**3,368.45**	**2,853.70**	**2,012.79**
ASSETS						
Non Current Assets						
a. Fixed Assets	XIV					
i. Tangible Assets		1,724.31	1,625.52	1,608.68	1,595.95	658.97
Less: Accumulated Depreciation		(538.61)	(444.68)	(353.12)	(272.47)	(233.21)
ii. Intangible Assets (Net)		-	-	-	-	-
iii Capital Work in Progress		-	-	-	-	108.89
Net Block		**1,185.70**	**1,180.84**	**1,255.56**	**1,323.48**	**534.64**
b. Long Term Loans & Advances	XV	21.15	21.15	21.59	14.14	35.27
c. Other Non Current Assets	XVI	90.88	6.61	4.72	2.00	-
Current Assets						
a. Inventories	XVII	1,123.97	986.69	874.11	770.36	537.33
b. Trade Receivables	XVIII	1,324.70	892.46	983.16	580.52	809.73
c. Cash and Cash Equivalents	XIX	7.48	4.69	10.70	13.37	11.07
d. Short Term Loans & Advances	XX	188.39	186.48	193.11	135.21	81.51
e. Other Current Assets	XXI	23.39	58.30	25.50	14.63	3.23
T O T A L		**3,965.66**	**3,337.21**	**3,368.45**	**2,853.70**	**2,012.79**

STATEMENT OF PROFIT AND LOSS AS RESTATED **ANNEXURE II**

(Rs. In lakhs)

Particulars	Annexure	For the year ended March 31,				
		2018	2017	2016	2015	2014
INCOME						
Revenue from Operations	XXII	5,377.15	4,695.33	5,234.26	3,493.96	3,120.12
Other Income	XXIII	23.77	5.75	32.99	1.37	8.04
Total Income (A)		**5,400.92**	**4,701.08**	**5,267.26**	**3,495.33**	**3,128.16**
EXPENDITURE						
Cost of materials consumed	XXIV	2,878.17	2,122.14	2,298.99	1,144.86	1,473.67
Purchase of Trading Goods	XXV	1,323.71	1,585.24	2,115.64	1,936.29	1,043.36
Changes in inventories of Goods Traded	XXVI	(59.43)	54.33	(48.55)	(93.55)	29.62
Employee benefit expenses	XXVII	207.86	179.77	177.90	145.44	113.35
Finance costs	XXVIII	156.11	170.59	167.93	69.66	118.27
Depreciation and Amortisation expense	XXIX	106.77	104.22	103.32	38.97	68.01
Other Expenses	XXX	563.00	399.33	385.79	195.27	255.83
Total Expenses (B)		**5176.19**	**4,615.62**	**5,201.01**	**3,436.95**	**3,102.12**
Profit before exceptional items and tax (C)		**224.73**	**85.46**	**66.25**	**58.37**	**26.03**
Exceptional Items		-	-	-	-	-
Profit before tax (D)		**224.73**	**85.46**	**66.25**	**58.37**	**26.03**
Tax expense :						
(i) Current tax		61.10	16.29	12.63	11.42	21.69
(ii) MAT Credit		-	(13.39)	(12.63)	(11.42)	-
(iii) Deferred tax		18.30	14.07	28.11	9.65	8.93
Total Tax Expense (E)		**79.40**	**16.97**	**28.11**	**9.65**	**30.62**
Profit for the year (D-E)		**145.33**	**68.50**	**38.14**	**48.73**	**(4.59)**

STATEMENT OF CASH FLOW AS RESTATED **ANNEXURE III**

(Rs. In lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Cash flow from operating activities:					
Net Profit before tax as per Profit And Loss A/c	224.73	85.46	66.25	58.37	26.03
Adjusted for:					
Preliminary Expenses w/off	-	-	-	-	38.90
Fixed Asset Written off	-	-	-	-	-
Profit on sale of Fixed Assets	(4.11)	(3.14)	(28.91)	-	-
Loss on sale of Fixed Assets	-	-	-	-	0.29
Depreciation &Amortisation	106.77	104.22	103.32	38.97	68.01
Provision for Gratuity	2.70	1.76	0.07	(1.30)	5.77
Interest & Finance Cost	156.11	170.59	167.93	69.66	118.27
Interest income	(1.61)	(2.16)	(4.08)	(0.70)	(0.57)
Operating Profit Before Working Capital Changes	**484.59**	**356.73**	**304.57**	**165.00**	**256.70**
Adjusted for (Increase)/ Decrease:					
Trade Receivables	(432.23)	90.70	(402.64)	229.22	(493.67)
Inventories	(137.28)	(112.58)	(103.75)	(233.03)	72.69
Long Tem Loans and Advances	-	0.44	(7.45)	21.13	(1.85)
Short Term Loans and Advances	(1.91)	6.63	(57.90)	(53.70)	(1.14)
Trade payables	603.82	(30.11)	100.69	(138.92)	313.90
Provisions	15.36	(2.09)	4.88	12.83	(5.48)
Current Liabilities	(36.73)	60.56	65.68	30.67	13.47
Other Current Assets	19.63	(19.40)	1.76	0.02	(2.79)
Other Non Current Assets	(84.27)	(1.89)	(2.72)	(2.00)	(29.88)
Cash Generated From Operations Before Extra-Ordinary Items	**430.97**	**348.99**	**(96.88)**	**31.22**	**121.95**
Add:- Extra-Ordinary Items	-	-	-	-	-
Cash Generated From Operations	**430.97**	**348.99**	**(96.88)**	**31.22**	**121.95**
Direct Tax Paid	**(16.62)**	**(12.11)**	**(10.40)**	**(24.00)**	**(8.25)**
Net Cash Flow from/ (used in) Operating Activities: (A)	**414.35**	**336.88**	**(107.27)**	**7.22**	**113.70**
Cash Flow From Investing Activities:					
Purchase of Fixed Assets	(114.02)	(32.07)	(53.48)	(828.09)	(124.39)
Sale of Fixed Asset/Reversal of Fixed Assets	6.50	5.71	47.00	-	2.41
Interest Income	1.61	2.16	4.08	0.70	0.57
Net Cash Flow from/ (used in) Investing Activities: (B)	**(105.91)**	**(24.20)**	**(2.40)**	**(827.39)**	**(121.40)**
Cash Flow from Financing Activities:					
Proceeds From Share Capital	-	-	-	164.41	205.60

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Increase/(Decrease) Long Term Borrowing	203.99	(340.11)	(96.25)	688.74	(56.47)
Increase/ (Decrease) in Short Term Borrowing	(353.53)	192.00	371.19	38.99	(17.35)
Interest & Financial Charges	(156.11)	(170.59)	(167.93)	(69.66)	(118.27)
Net Cash Flow from/ (used in) Financing Activities (C)	**(305.64)**	**(318.70)**	**107.01**	**822.47**	**13.52**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**2.79**	**(6.01)**	**(2.66)**	**2.29**	**5.81**
Cash & Cash Equivalents As At Beginning of the Year	**4.69**	**10.70**	**13.37**	**11.07**	**5.26**
Cash & Cash Equivalents As At End of the Year	**7.48**	**4.69**	**10.70**	**13.37**	**11.07**

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

ANNEXURE – IV

RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Corporate information:

Texaco Synthetics Limited is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's operations comprises of manufacturing and trading of textile products.

2. Basis of preparation of Financial Statements:

The restated summary statement of assets and liabilities of the Company as at March 31, 2018, 2017, 2016, 2015 and 2014 and the related restated summary statement of profits and loss and cash flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 (herein collectively referred to as ('Restated Summary Statements')) have 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, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). The Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of NSE in connection with its proposed Initial Public Offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

3. Accounting Conventions:

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 except in case of leave salary, gratuity & other retirement employee benefits including statutory if any applicable and generally accepted accounting principles in India. The accounting policies not referred to otherwise have been consistently applied by the Company during the year.

4. Use of estimates:

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relate.

5. Fixed Assets:

Fixed Assets are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Fixed Assets comprises of their purchase price, including freight, duties, taxes or levies and directly attributable cost of bringing the assets to their working conditions for their intended use. Subsequent expenditures on Fixed Assets have been capitalised only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance.

6. Depreciation:

In respect of Financial Years 2014-15, 2015-16, 2016-17 and 2017-18

Depreciation of Fixed Assets is provided on original cost of the asset on written down value method and in the manner prescribed in Schedule II of the Companies Act, 2013. Accordingly, the unamortized carrying value is being depreciated over remaining useful life by Written down value method

Except for some class of asset whose useful lives were more than the life prescribed in schedule II of the act, the useful life in respect of such class of asset were derived based on technical evaluations out by the management with consultation from chartered engineer.

In respect of Financial Years 2013-14

Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 on single shift working.

7. Inventories:

The inventories of intermediate finished goods and finished goods have been valued at cost or net realizable value whichever is lower. The Costs in respect of all items of inventories have been computed on FIFO basis. The cost of inventories comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. The purchase price does not include CENVAT/VAT/GST credit availed of by the Company during the year.

8. Revenue Recognition:

All income and expenses are accounted on accrual basis. The Company recognised Sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. The revenue in respect of service contract is recognized based on order/contract with the parties.

9. Foreign Currency Transactions:

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions. The difference arising on the settlement/restatement of the foreign currency denominated Current Assets/Current Liabilities into Indian rupees has been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

10. Borrowing Costs:

Borrowing cost attributable to acquisition of qualifying assets for the period such asset is put to its commercial use, is capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit and loss account.

11. Taxes on Income:

Taxes on income comprises of current tax and deferred tax. Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income taxes are determined for future consequences attributable to timing differences between financial determination of income and income chargeable to tax as per the provisions of Income Tax Act, 1961. Deferred tax liability has been worked out using the tax rate and tax laws that were in force as on the date of balance sheet and has not been discounted to its present value after giving effects of carried forward balances of unabsorbed depreciation, unabsorbed business losses as per the Income Tax Act, 1961 and other timing differences as at the Balance Sheet date.

The MAT Credit available as per the Income Tax Act, 1961 has been recognized as assets where there is convincing evidence that the asset can realized in future for adjustment against the income tax liabilities are being reviewed as at each Balance Sheet date for reasonableness of its realization.

12. Impairment of Assets:

As at each balance sheet date, the carrying values of assets are reviewed for impairment if any indication of impairment exists.

13. Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognized.

14. Cash and Cash Equivalents-For the Purpose of Cash Flow Statements:

For the purpose of Cash Flow Statements, cash and cash equivalents include Cash on Hand and Balances with Banks in the Current Account as well as Fixed Deposits account.

15. Operating Cycle:

Based on the activities of the company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

16. Earnings Per Share:

The earnings per share as per AS-20 “Earning Per Share” has been computed on the basis of net profit after tax divided by the weighted average number of shares outstanding during the year.

B. NOTES TO ACCOUNTS ON RESTATED FINANCIAL STATEMENTS:

1. Reconciliation of Restated Profits:

The summary of the material adjustments made to audited financial statements of the respective years and their impact on the restated summary statement of profit and loss have been given as under:

(Rs. In lakhs)

Particulars	For the Year ended March 31				
	2018	2017	2016	2015	2014
I. Net profit/(Loss) after Tax as per Audited Profit & Loss Account	**157.69**	**48.43**	**14.25**	**19.34**	**46.23**
II. Adjustments for:					
Preliminary Expense (Refer to Note 1 Below)	5.98	7.14	7.99	8.88	(35.96)
Gratuity	-	(1.76)	(0.07)	1.30	(5.77)
Tax Provision	(18.34)	14.69	15.97	19.21	(9.09)
III. Net Profit/ (Loss) After Tax as Restated	**145.33**	**68.50**	**38.14**	**48.73**	**(4.59)**

Notes:

1. The company had policy to charge 1/5th of preliminary expenses incurred in form of expenses relating to incorporation and raising of capital to the statement of profit & loss in the year in which

such expenses were incurred and balance had been carried forward for charging 1/5th of the expenses to the statement of profit & loss for the subsequent four financial years. In the restated summary financial statements, such expenses have been debited to the statement of profit & loss for the period in which such expenses were incurred.

2. The company did not make provision for gratuity in the statement of profit & loss for each of the financials years ended on March 31, 2014, 2015, 2016 & 2017. The restated summary financial statements, the company has now charged the gratuity to the statement of profit& loss of the respective year as per actuarial valuation report.

3. The company had policy not to consider section 43B payments as per Income tax Act, 1961 as being not material for computing the deferred taxes. The deferred tax liabilities/(assets) were hitherto rounded to the nearest thousand rupees. The adjustments to the deferred tax liabilities/(assets) represent effect of change in the depreciation as per restated financial statements, change in unabsorbed losses, consideration of section 43B payments for computing deferred tax and non-rounding of deferred tax liabilities/(assets) to the nearest thousand rupees.

2. Material regroupings:

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended 31 March 2018, prepared in accordance with Revised schedule VI to the Companies Act, 1956 or the Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

3. Managerial Remuneration:

(Rs. In lakhs)

Particulars	For the Year ended March 31				
	2018	2017	2016	2015	2014
Pradeepkumar Shrikrishna Agrawal	12.00	12.00	12.00	12.00	12.00
Rukmani Pradeepkumar Agrawal	7.20	7.20	7.20	7.20	7.20
TOTAL	**19.20**	**19.20**	**19.20**	**19.20**	**19.20**

4. Auditors Remuneration include:

(Rs. In Lakhs)

Particulars	For the Year ended March 31				
	2018	2017	2016	2015	2014
For Statutory Audit	0.45	0.45	0.45	0.45	0.35
For Tax Audit	0.20	0.20	0.20	0.20	0.20
For Other Services	-	0.10	0.10	0.10	-
TOTAL	**0.65**	**0.75**	**0.75**	**0.75**	**0.55**

5. Defined Contribution Benefit Plans-Gratuity

The details of components of net benefit expenses recognized in the statement of profit & loss and amounts recognized in the balance sheet and other relevant details have been given as under:

(Rs. In Lakhs)

Particulars	For the Year Ended March 31,				
	2018	2017	2016	2015	2014
A. Statement of Profit & Loss Account					
I. Expenses Recognised In The Statement of Profit & Loss					
Current Service Cost	0.68	0.46	0.40	0.49	5.77
Net Interest Cost	0.41	0.33	0.36	0.50	-
Actuarial (Gains)/Losses	1.61	0.97	(0.69)	(2.29)	-
Past Service Cost - Non-Vested Benefit Recognized During the Period	-	-	-	-	-
Past Service Cost - Vested Benefit Recognized During the Period	-	-	-	-	-
(Expected Contributions by the Employees)	-	-	-	-	-
(Gains)/Losses on Curtailments And Settlements	-	-	-	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-	-	-	-
Change in Asset Ceiling	-	-	-	-	-
Expenses Recognized in the Statement of Profit or Loss	2.70	1.76	0.07	(1.30)	5.77
II. Net Interest Cost for Current Period					
Present Value of Benefit Obligation at the Beginning of the Period	6.29	4.54	4.47	5.77	-
(Fair Value of Plan Assets at the Beginning of the Period)	-	-	-	-	-
Net Liability/(Asset) at the Beginning	6.29	4.54	4.47	5.77	-
Interest Cost	0.41	0.33	0.36	0.50	-
(Expected Return on Plan Assets)	-	-	-	-	-
Net Interest Cost for Current Period	0.41	0.33	0.36	0.50	-
III. Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss for Current Period					
Actuarial (Gains)/Losses on Obligation For the Period	1.61	0.97	(0.69)	(2.29)	-
Actuarial (Gains)/Losses on Plan Asset For the Period	-	-	-	-	-
Sub-Total	1.61	0.97	(0.69)	(2.29)	-
Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss	1.61	0.97	(0.69)	(2.29)	-
IV. Actual Return on Plan Assets					
Expected Return on Plan Assets	-	-	-	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	-	-	-	-
Actual Return on Plan Assets	-	-	-	-	-

Particulars	For the Year Ended March 31,				
	2018	2017	2016	2015	2014
B. Balance Sheet					
I. Changes in the Present Value of the Obligation					
Opening Balance of Present Value of Obligation	6.29	4.54	4.47	5.77	-
Current Service Cost	0.41	0.33	0.36	0.49	5.77
Interest Cost	0.68	0.46	0.40	0.50	-
Liability Transferred In/ Acquisitions	-	-	-	-	-
Liability Transferred Out/ Divestments	-	-	-	-	-
(Gains)/ Losses on Curtailment	-	-	-	-	-
Liabilities Extinguished on Settlement	-	-	-	-	-
Benefit Paid Directly by the Employer	-	-	-	-	-
Benefit Paid From the Fund	-	-	-	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.02	0.27	0.17	0.19	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.63	0.70	(0.86)	(2.48)	-
Closing Balance of Present Value of Obligation	9.00	6.29	4.54	4.47	5.77
II. Changes in Fair Value of Plan Assets					
Opening Balance of Fair Value of Plan Assets	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-
Contributions by The Employer	-	-	-	-	-
Expected Contributions by the Employees	-	-	-	-	-
Assets Transferred In/Acquisitions	-	-	-	-	-
Assets Transferred Out/ Divestments	-	-	-	-	-
Benefit Paid from the Fund	-	-	-	-	-
Assets Distributed on Settlements	-	-	-	-	-
Effects of Asset Ceiling	-	-	-	-	-
The Effect Of Changes In Foreign Exchange Rates	-	-	-	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	-	-	-	-
Closing Balance of Fair Value of Plan Assets	-	-	-	-	-
III. Percentage of Each Category of Plan Assets to Total Fair Value of Plan Assets As At the Year End					
Government of India Assets	-	-	-	-	-
State Government Securities	-	-	-	-	-
Special Deposits Scheme	-	-	-	-	-
Debt Instruments	-	-	-	-	-
Corporate Bonds	-	-	-	-	-
Cash And Cash Equivalents	-	-	-	-	-
Insurance fund	-	-	-	-	-

Particulars	For the Year Ended March 31,				
	2018	2017	2016	2015	2014
Asset-Backed Securities	-	-	-	-	-
Structured Debt	-	-	-	-	-
Others	-	-	-	-	-
IV. Amount Recognized in the Balance Sheet					
(Present Value of Benefit Obligation at the end of the Period)	(9.00)	(6.29)	(4.54)	(4.47)	(5.77)
Fair Value of Plan Assets at the end of the Period	-	-	-	-	-
Funded Status (Surplus/ (Deficit))	(9.00)	(6.29)	(4.54)	(4.47)	(5.77)
Unrecognized Past Service Cost at the end of the Period	-	-	-	-	-
(Net Liability)/Asset Recognized in the Balance Sheet	(9.00)	(6.29)	(4.54)	(4.47)	(5.77)
V. Balance Sheet Reconciliation					
Opening Net Liability	6.29	4.54	4.47	5.77	-
Expense Recognized in Statement of Profit or Loss	2.70	1.76	0.07	(1.30)	5.77
Net Liability/(Asset) Transfer In	-	-	-	-	-
Net (Liability)/Asset Transfer Out	-	-	-	-	-
(Benefit Paid Directly by the Employer)	-	-	-	-	-
(Employer's Contribution)	-	-	-	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	9.00	6.29	4.54	4.47	5.77
C. Others					
I. Other Details					
No of Active Members (Nos.)	111	42	71	38	36
Per Month Salary For Active Members (Rs.)	18.08	6.98	11.42	6.13	5.66
Projected Benefit Obligation (PBO) (Rs.)	9.00	6.29	4.54	4.47	5.66
II. Principal Actuarial Assumptions					
Expected Return on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.
Rate Of Discounting (%)	6.63	6.57	7.29	7.96	8.62
Rate Of Increase In Salaries (%)	5.00	5.00	5.00	5.00	5.00
Rate of Employee Turnover (%)	For service 2 years and below 75.00 % p.a. For service 3 years to 4 years 50.00% p.a. For service 5 years to 10 years 25.00% p.a. For service 11 years and above 2.00% p.a.				
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)				
Mortality Rate After Employment	N.A.	N.A.	N.A.	N.A.	N.A.

6. The company has initiated the process of obtaining confirmations from the 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). However, the company is yet to receive confirmations from suppliers as to their as Micro, Small and Medium Enterprises and hence 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 determined or provided.

DETAILS OF SHARE CAPITAL AS RESTATED **ANNEXURE - V**

(i) Details of Share Capital as Restated

(Rs. In lakhs, except No. of shares)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Equity Share Capital					
Authorised Share capital					
2013-14 to 2017-18					
50,00,000 Equity Shares of Rs. 10/- each	500.00	500.00	500.00	500.00	500.00
TOTAL	**500.00**	**500.00**	**500.00**	**500.00**	**500.00**
Issued, Subscribed and Paid Up Share Capital					
Issued and Subscribed Share Capital					
2013-14					
38,65,000 Equity Shares of Rs. 10/= each	-	-	-	-	386.50
2014-15 to 2017-18					
48,32,100 Equity Shares of Rs. 10/= each	483.21	483.21	483.21	483.21	-
TOTAL	**483.21**	**483.21**	**483.21**	**483.21**	**386.50**

(ii) Reconciliation of number of shares outstanding at the end of year

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Equity Shares of Rs 10/- each					
Equity shares at the beginning of the year	4,832,100	4,832,100	4,832,100	3,865,000	2,185,000
Add: Shares Allotted during the year	-	-	-	967,100	1,680,000
Add: Bonus Shares issued during the year	-	-	-	-	-
Equity Shares at the end of the year	**4,832,100**	**4,832,100**	**4,832,100**	**4,832,100**	**3,865,000**

(iii) Details of shareholders holding more than 5% of the aggregate shares in the company

(No. of shares in lakhs)

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%
Pradeepkumar Shrikrishna Agrawal	22.70	46.98%	20.83	43.10%	20.83	43.10%	24.41	51.00%	18.93	49.00%

Rukmani Pradeepkumar Agrawal	6.76	13.98 %	5.51	11.40 %	5.51	11.40 %	5.51	11.00 %	3.56	9.00%
Pradeepkumar Shrikrishna Agrawal HUF	10.73	22.21 %	10.73	22.21 %	10.73	22.21 %	10.73	22.00 %	8.53	22.00 %
Shrikrishna Agrawal HUF	4.04	8.36%	4.04	8.36%	4.04	8.36 %	4.04	8.00%	4.04	10.00 %
Chinmay Pradeepkumar Agrawal	-	0.00%	-	0.00%	-	0.00 %	1.92	4.00%	1.92	5.00%

DETAILS OF RESERVES AND SURPLUS AS RESTATED

ANNEXURE – VI

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Surplus (Profit & Loss Account)					
Opening Balance	201.17	132.15	92.99	46.85	51.44
Add: Profit for the year	145.33	68.50	38.14	48.73	(4.59)
Less: Value of Assets W/off	-	-	-	(0.28)	-
Less: Earlier Year Income Tax	(0.33)	0.52	1.02	(2.31)	-
TOTAL (A)	**346.17**	**201.17**	**132.15**	**92.99**	**46.85**
Securities Premium					
Opening Balance	185.30	185.30	185.30	117.60	-
Add: Transfer from Profit & Loss		-	-	-	-
Add: Additions During the Year	-	-	-	67.70	117.60
Less: Utilised for allotment of Bonus Shares	-	-	-	-	-
Closing Balance	**185.30**	**185.30**	**185.30**	**185.30**	**117.60**
TOTAL	**531.47**	**386.47**	**317.45**	**278.28**	**164.45**

DETAILS OF LONG-TERM BORROWINGS AS RESTATED

ANNEXURE - VII

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Secured					
From Banks:					
Term Loan - State Bank of India	39.11	96.69	154.39	221.71	279.33
Mid Term Loan-State Bank of India	307.48	405.66	503.53	600.66	-
State Bank of India - Term Loan	59.71	-	-	-	-
Car Loan-ICICI Bank	-	0.38	2.49	4.38	6.08
Car Loan-HDFC	10.51	5.68	-	-	-
Unsecured					
Loan from Directors, Relatives & Shareholders	224.97	29.38	149.01	147.40	-
Loan from Others	100.00	-	65.00	-	-
Other Long Term Liability	-	-	3.47	-	-
T O T A L	**741.78**	**537.79**	**877.89**	**974.15**	**285.41**

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS

From Banks	Nature of Security	Terms of Repayment	Guarantee
Term Loan - State Bank of India	Secured by way of mortgage of factory land, Factory Building, Plant and Machinery and movable asset, further secured by mortgage of personal assets of the directors as well as personal guarantee of both the directors.	Repayable in 78 monthly instalments of Rs.4,74,000.	Personal guarantee of both the directors.
Mid Term Loan- State Bank of India	Secured by way of mortgage of factory land, Factory Building, Plant and Machinery and movable asset, further secured by mortgage of personal assets of the directors as well as personal guarantee of both the directors.	Repayable in 77 monthly instalments of Rs. 8,02,000/-, with last instalment of Rs. 7,46,000/-	Personal guarantee of both the directors.
State Bank of India - Term Loan	Secured by way of mortgage of factory land, Factory Building, Plant and Machinery and movable asset, further secured by mortgage of personal assets of the directors as well as personal guarantee of both the directors.	Repayable in 30 monthly instalments.	
Car Loan-HDFC	Secured by way of hypothecation of Car.	Repayable in 60 equated monthly instalments of Rs.61431.	

DETAILS OF DEFERRED TAX LIABILITIES AS RESTATED — ANNEXURE - VIII

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Opening Balance	82.16	68.09	39.98	30.33	21.40
Add: Deferred Tax Liabilities	18.30	14.07	28.11	9.65	8.93
Less: Deferred Tax Assets	-	-	-	-	
TOTAL	**100.46**	**82.16**	**68.09**	**39.98**	**30.33**

DETAILS OF LONG TERM PROVISIONS AS RESTATED — ANNEXURE - IX

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Provision for Gratuity	9.00	6.29	4.54	4.46	5.77
TOTAL	9.00	6.29	4.54	4.46	5.77

DETAILS OF SHORT TERM BORROWINGS AS RESTATED

ANNEXURE - X

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Secured					
Cash Credit - State Bank of India	740.21	707.51	742.83	427.79	372.05
E.P.C - State Bank of India	-	201.23	158.92	100.61	90.57
Unsecured					
Unsecured Loans From Related Parties	-	50.00	-	-	27.89
Unsecured Loans From Others	-	135.00	-	-	-
Bank-ICICI Bank	-	-	-	2.16	1.06
TOTAL	**740.21**	**1,093.74**	**901.75**	**530.56**	**491.57**

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS

From Banks	Nature of Security	Terms of Repayment	Guarantee
Cash Credit - State Bank of India	Secured by way of Hypothecation on stock, debtors, and other current assets as well as mortgage of factory land & building and further secured by mortgage of residential premises of director and personal guarantee of both the directors	To be Repaid on Demand	Personal guarantee of both the directors.
E.P.C - State Bank of India	Secured by way of Hypothecation on stock, debtors, and other current assets as well as mortgage of factory land & building and further secured by mortgage of residential premises of director and personal guarantee of both the directors	To be Repaid on Demand	Personal guarantee of both the directors.

DETAILS OF TRADE PAYABLES AS RESTATED

ANNEXURE - XI

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Unsecured, considered good					
For Goods ,Expenses & Others	1,092.41	488.59	518.70	418.01	556.92
TOTAL	**1,092.41**	**488.59**	**518.70**	**418.01**	**556.92**

DETAILS OF TRADE PAYABLES TO RELATED PARTIES:

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Due to Directors, their relatives & Associates	-	-	57.14	-	-
TOTAL	**-**	**-**	**57.14**	**-**	**-**

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED — ANNEXURE - XII

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Current maturities of long term debt					
Term Loan-State Bank of India	56.88	56.88	56.88	56.88	56.88
Mid Term Loan-State Bank of India	96.24	96.24	96.24	32.08	-
Term Loan-State Bank of India	12.00	-	-	-	-
Car Loan-ICICI Bank	0.38	2.12	1.89	1.70	1.53
Car Loan-HDFC Bank	3.90	3.43	-	-	-
Car Loan-HDFC Bank	1.95	-	-	-	-
Other payables					
Statutory dues	8.96	11.36	8.36	7.03	8.44
Advances from Customers	6.89	53.90	-	-	0.18
TOTAL	**187.20**	**223.93**	**163.37**	**97.69**	**67.03**

DETAILS OF SHORT TERM PROVISIONS AS RESTATED — ANNEXURE – XIII

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Provision for Income Tax	45.82	16.29	12.63	11.42	21.69
Provision for Expenses	34.09	18.74	20.83	15.94	3.11
TOTAL	**79.92**	**35.03**	**33.46**	**27.36**	**24.80**

RESTATED STATEMENT OF FIXED ASSETS **ANNEXURE – XIV**

(Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2013	Additions	Deductions	As At March 31, 2014	As At April 1, 2013	Additions	Deductions	As At March 31, 2014	As At March 31, 2014	As At March 31, 2013
I. TANGIBLE ASSESTS-OWNED										
Factory land	0.92	-	-	0.92	-	-	-	-	0.92	0.92
Factory building	72.21	-	-	72.21	16.11	5.61	-	21.72	50.48	56.09
Plant & machinery	516.29	-	-	516.29	114.43	55.90	-	170.33	345.96	401.87
Humidification plant	7.90	-	-	7.90	5.16	0.38	-	5.54	2.35	2.74
Elect. Installation	6.29	-	-	6.29	4.53	0.24	-	4.77	1.52	1.76
Mobile instrument	0.36	0.89	-	1.25	0.08	0.07	-	0.15	1.10	0.28
Loom accessories	12.73	-	-	12.73	9.77	0.41	-	10.18	2.55	2.96
Air conditioner	2.52	1.83	-	4.35	2.09	0.27	-	2.36	2.00	0.43
Furniture & fixture	6.02	-	-	6.02	5.46	0.10	-	5.56	0.46	0.56
Furniture & fixture	0.06	-	-	0.06	0.02	0.01	-	0.03	0.03	0.04
Furniture & fixture	0.10	-	-	0.10	0.03	0.01	-	0.05	0.05	0.06
Furniture & fixture	10.88	-	-	10.88	0.97	1.79	-	2.76	8.12	9.91
Furniture & fixture	-	0.45	-	0.45	-	0.05	-	0.05	0.40	-
Office equipments	2.36	-	-	2.36	2.10	0.05	-	2.14	0.23	0.28
Air cooler	0.56	-	-	0.56	0.50	0.01	-	0.51	0.05	0.06
Motor car	6.72	-	6.72	-	4.02	0.06	4.08	-	-	2.70
Motor car	-	12.07	-	12.07	-	2.89	-	2.89	9.18	-
Kinetic Honda	0.41	-	0.41	-	0.33	0.02	0.35	-	-	0.08
Computer system	4.04	-	-	4.04	3.86	0.07	-	3.93	0.10	0.17
Computer system	0.23	-	-	0.23	0.17	0.03	-	0.20	0.04	0.06
Computer system	-	0.26	-	0.26	-	0.04	-	0.04	0.22	-
TOTAL	**650.60**	**15.50**	**7.13**	**658.97**	**169.63**	**68.01**	**4.43**	**233.21**	**425.76**	**480.97**

(Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As At April 1, 2014	Additions	Deductions	Subsidy	As At March 31, 2015	As At April 1, 2014	Additions	Adjustments to Asset	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
I. TANGIBLE ASSESTS-OWNED											
Factory land	0.92	-	-		0.92			-		0.92	0.92
Factory building	72.21	224.78	-		296.99	21.72	2.65	-	24.37	272.62	50.48
Plant &machinery	516.29	735.89	-	74.62	1,177.56	170.33	28.35	-	198.68	978.87	345.96
Humidification plant	7.90	21.74	-		29.64	5.54	0.61	-	6.16	23.47	2.35
Elect. Installation	6.29	22.80	-		29.09	4.77	0.40	0.00	5.18	23.91	1.52
Mobile instrument	1.25	0.65	-		1.90	0.15	0.79	-	0.95	0.96	1.10
Loom accessories	12.73	5.26	-		17.99	10.18	0.16	-	10.34	7.66	2.55
Air conditioner	4.35	-	-		4.35	2.36	0.49	0.07	2.92	1.44	2.00
Furniture & fixture	17.50	0.48	-		17.98	8.45	2.43	-	10.88	7.10	9.05
Office equipments	2.37	-	-		2.37	2.14	-	0.14	2.29	0.09	0.23
Air cooler	0.57	-	-		0.57	0.51	-	0.03	0.53	0.03	0.06
Motor car	12.07	-	-		12.07	2.89	2.96	-	5.85	6.23	9.18
Computer system	4.52	-	-		4.52	4.16	0.13	0.04	4.34	0.18	0.36
T O T A L	**658.97**	**1,011.60**	**-**	**74.62**	**1,595.95**	**233.21**	**38.97**	**0.28**	**272.47**	**1,323.48**	**425.76**

(Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At March 31, 2016	As At March 31, 2015
I. TANGIBLE ASSESTS-OWNED										
Factory Land	0.92	-	-	0.92	-	-		-	0.92	0.92
Factory Building	296.99	-	-	296.99	24.37	13.14		37.52	259.47	272.62
Plant & Machinery	1,177.57	52.99	40.76	1,189.79	198.66	80.53	22.67	256.56	933.25	978.90
Humidification Plant	29.64	-	-	29.64	6.16	2.20		8.36	21.28	23.48
Elect. Installation	29.09	-	-	29.09	5.18	2.12		7.30	21.79	23.91
Mobile Instrument	1.90	-	-	1.90	0.95	0.37		1.32	0.59	0.96
Loom Accessories	17.99	-	-	17.99	10.34	0.57		10.90	7.09	7.66
Air Conditioner	4.35	-	-	4.35	2.92	0.36		3.28	1.08	1.44
Furniture & Fixture	17.98	0.34	-	18.32	10.88	1.92		12.79	5.53	7.10
Office Equipment	2.37	0.15	-	2.52	2.29	0.04		2.32	0.20	0.09
Air Cooler	0.56	-	-	0.56	0.53	-		0.53	0.03	0.03
Motor Car	12.07	-	-	12.07	5.85	2.00		7.85	4.22	6.23
Computer System	4.52	-		4.52	4.34	0.05		4.39	0.13	0.18
T O T A L	**1,595.95**	**53.48**	**40.76**	**1608.68**	**272.47**	**103.32**	**22.67**	**353.12**	**1,255.56**	**1,323.48**

(Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2016	Additions	Deductions	As At March 31, 2017	As At April 1, 2016	Additions	Deductions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
I. TANGIBLE ASSESTS-OWNED										
Factory Land	0.92	-	-	0.92	-	-	-	-	0.92	0.92
Factory Building	296.99	5.74	-	302.73	37.52	12.51	-	50.03	252.71	259.47
Plant & Machinery	1,189.81	6.13	15.23	1,180.69	256.56	80.61	12.65	324.52	856.17	933.25
Humidification Plant	29.64	-	-	29.64	8.36	1.95	-	10.31	19.33	21.28
Elect. Installation	29.09	-	-	29.09	7.30	1.91	-	9.21	19.88	21.79
Mobile Instrument	1.90	1.53	-	3.44	1.32	0.39	-	1.71	1.73	0.59
Loom Accessories	17.99	-	-	17.99	10.90	0.52	-	11.43	6.57	7.09
Air Conditioner	4.35	-	-	4.35	3.28	0.26	-	3.54	0.81	1.08
Furniture & Fixture	18.32	6.29	-	24.61	12.79	2.16	-	14.96	9.66	5.53
Office Equipments	2.52	-	-	2.52	2.32	0.05		2.37	0.15	0.20
Air Cooler	0.56	-	-	0.56	0.53	-		0.53	0.03	0.03
Motor Car	12.07	11.59	-	23.67	7.85	3.62		11.47	12.19	4.22
Computer System	4.52	0.79	-	5.31	4.39	0.24		4.62	0.69	0.13
T O T A L	**1,608.68**	**32.07**	**15.23**	**1,625.52**	**353.12**	**104.22**	**12.65**	**444.68**	**1,180.84**	**1255.56**

(Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2017	Additions	Deductions	As At March 31, 2018	As At April 1, 2017	Additions	Deductions	As At March 31, 2018	As At March 31, 2018	As At March 31, 2017
I. TANGIBLE ASSESTS-OWNED										
Factory Land	0.92	-	-	0.92	-	-	-	-	0.92	0.92
Factory Building	302.73	-	-	302.73	50.03	12.18	-	62.21	240.52	252.71
Plant & Machinery	1,180.69	97.48	15.23	1,262.94	324.50	79.44	12.84	391.10	871.84	856.18
Humidification Plant	29.64	-	-	29.64	10.31	1.74	-	12.05	17.58	19.33
Elect. Installation	29.09	-	-	29.09	9.21	1.72	-	10.93	18.16	19.88
Mobile Instrument	3.44	-	-	3.44	1.71	0.48	-	2.19	1.25	1.73
Loom Accessories	17.99	-	-	17.99	11.43	0.48	-	11.91	6.09	6.57
Air Conditioner	4.35	-	-	4.35	3.54	0.19	-	3.73	0.62	0.81
Furniture &Fixture	24.61	-	-	24.61	14.96	2.47	-	17.43	7.18	9.66
Office Equipments	2.52	-	-	2.52	2.37	0.03	-	2.40	0.12	0.15
Air Cooler	0.56	-	-	0.56	0.53	-	-	0.53	0.03	0.03
Motor Car	23.67	15.19	-	38.86	11.47	7.40	-	18.87	19.99	12.19
Computer System	5.31	1.35	-	6.66	4.62	0.64	-	5.26	1.40	0.69
T O T A L	**1625.52**	**114.02**	**15.23**	**1724.31**	**444.68**	**106.77**	**12.84**	**538.61**	**1185.70**	**1180.84**

DETAILS OF LONG TERM LOANS & ADVANCES **ANNEXURE – XV**

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Unsecured but Considered Good					
Due by Directors, Their Relatives and Associates	-	-	-	5.00	-
Security Deposits	21.15	21.15	21.59	9.14	35.27
TOTAL	**21.15**	**21.15**	**21.59**	**14.14**	**35.27**

DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED **ANNEXURE – XVI**

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Long Term Receivable	90.88	6.61	4.72	2.00	-
TOTAL	**90.88**	**6.61**	**4.72**	**2.00**	**-**

DETAILS OF INVENTORIES AS RESTATED **ANNEXURE – XVII**

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Closing Inventory					
1.Raw Material					
Yarn Stock	637.49	534.53	375.98	309.31	186.84
2.Work in Process					
Grey Cloth Stock	437.92	329.61	333.77	384.95	311.80
3.Finished Goods/Trading Goods					
Finish Cloth Stock	46.54	95.42	145.60	45.87	25.47
4.Stores and Spares					
Stores and Spares Stock	2.02	27.13	18.76	30.23	13.22
TOTAL	**1,123.97**	**986.69**	**874.11**	**770.36**	**537.33**

DETAILS OF TRADE RECEIVABLES AS RESTATED **ANNEXURE – XVIII**

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Unsecured, considered good					
Less than six months	1,323.73	857.70	953.58	573.44	772.47
More than six months	0.97	34.76	29.58	7.08	37.26
TOTAL	**1,324.70**	**892.46**	**983.16**	**580.52**	**809.73**

DETAILS OF TRADE RECEIVABLES FROM RELATED PARTIES

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
From					
Key Management Persons	-	-	-	-	85.19
Relative of Key Management Persons	-	-	-	-	-
Associate Concerns	17.33	-	51.77	77.91	-
TOTAL	**17.33**	**-**	**51.77**	**77.91**	**85.19**

DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED **ANNEXURE - XIX**

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Balance with Banks					
- In Current Accounts	6.75	2.76	5.16	0.37	0.11
Cash On Hand	0.73	1.93	5.54	13.00	10.96
TOTAL	**7.48**	**4.69**	**10.70**	**13.37**	**11.07**

DETAILS OF SHORT-TERM LOANS AND ADVANCES AS RESTATED **ANNEXURE - XX**

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Advance to supplier	36.82	16.61	49.06	0.77	-
Balances with Government Authorities	140.30	158.43	135.64	125.37	48.36
Advance to Staff	2.24	1.23	1.47	1.75	0.34
Advance to Others	0.17	0.39	0.22	0.14	31.49
Prepaid Expenses	8.86	9.82	6.72	7.18	1.32
TOTAL	**188.39**	**186.48**	**193.11**	**135.21**	**81.51**

DETAILS OF SHORT TERM LOANS AND ADVANCES TO RELATED PARTIES:

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
From					
Key Management Persons	-	-	-	-	-
Relative of Key Management Persons	-	-	-	-	-
Associate Concerns	36.82	15.52	-	5.00	5.00
TOTAL	**36.82**	**15.52**	**-**	**5.00**	**5.00**

DETAILS OF OTHER CURRENT ASSETS AS RESTATED **ANNEXURE - XXI**

(Rs. In lakhs)

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Accrued Income	1.22	20.86	1.45	3.21	3.23
MAT Credit	22.17	37.44	24.05	11.42	-
TOTAL	**23.39**	**58.30**	**25.50**	**14.63**	**3.23**

DETAILS OF REVENUE FROM OPERATIONS AS RESTATED

ANNEXURE – XXII

(Rs. In lakhs)

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
A. Sales					
-Cloth sales	3,971.30	3,154.67	3,825.43	1,629.47	2,042.26
-Yarn sales	133.77	0.33	0.31	10.11	-
-Traded goods	1,139.47	1,367.22	1,293.27	1,779.13	1,011.71
B. Service Charge Income					
Sale of Services	104.58	129.10	56.74	3.32	1.21
Export Subsidy & Sale of Export Benefit License	28.02	44.03	58.51	71.08	64.72
Other Operating Income	-	-	-	0.85	0.22
TOTAL	**5,377.15**	**4,695.33**	**5,234.26**	**3,493.96**	**3,120.12**

DETAILS OF OTHER INCOME AS RESTATED

ANNEXURE - XXIII

(Rs. In lakhs)

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Other income	23.77	5.75	32.99	1.37	8.04
Net Profit Before Tax as Restated	224.73	85.46	66.25	58.37	26.03
Percentage	**10.58%**	**6.73%**	**49.81%**	**2.34%**	**30.87%**

SOURCE OF OTHER INCOME

Particulars	For the Year ended March 31					
	2018	2017	2016	2015	2014	
Export Subvention Income	-	-	-	-	6.56	Non-Recurring and related to business activity
Sundry Balances Written off	0.06	0.20	-	-	-	Non-recurring and related to business activity
Interest received from Others	1.61	2.16	4.08	0.70	0.57	Recurring and not related to business activity
Profit on Sales of Fixed Assets	4.11	3.13	28.91	-	-	Non-Recurring and Non-related to business activity

Input Stock Credit - Trans 1	16.57	-	-	-	-	Non-Recurring and related to business activity
Other Misc. Income	1.42	0.26	-	0.67	0.91	Recurring and related to business activity
Total Other Income	**23.77**	**5.75**	**32.99**	**1.37**	**8.04**	

DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED **ANNEXURE – XXIV**

(Rs. In lakhs)

Particulars	For the Year ended March 31				
	2018	2017	2016	2015	2014
Purchases of Trading Goods	1,323.71	1,585.24	2,115.64	1,936.29	1,043.36
Opening Stock	534.52	375.98	309.31	186.84	235.34
Add: Purchases	3,005.05	2,322.55	2,386.78	1,267.33	1,425.18
Less: Closing Stock	(637.49)	(534.52)	(375.98)	(309.31)	(186.84)
Less: VAT Subsidy	(23.91)	(41.87)	(21.11)	-	-
TOTAL	**2,878.17**	**2,122.14**	**2,298.99**	**1,144.86**	**1,473.67**

DETAILS OF PURCHASE OF TRADING GOODS AS RESTATED **ANNEXURE – XXV**

(Rs. In lakhs)

Particulars	For the Year ended March 31				
	2018	2017	2016	2015	2014
Purchases of Trading Goods	1,323.71	1,585.24	2,115.64	1,936.29	1,043.36
TOTAL	1,323.71	1,585.24	2,115.64	1,936.29	1,043.36

DETAILS OF CHANGES IN INVENTORIES OF GOODS TRADED AS RESTATED

ANNEXURE – XXVI

(Rs. In lakhs)

Particulars	For the Year ended March 31				
	2018	2017	2016	2015	2014
Opening Stock	425.04	479.37	430.82	337.27	366.89
Less: Closing Stock	484.47	425.04	479.37	430.82	337.27
TOTAL	(59.43)	54.33	(48.55)	(93.55)	29.62

DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED — ANNEXURE – XXVII

(Rs. In lakhs)

Particulars	For the Year ended March 31				
	2018	2017	2016	2015	2014
Salary & Wages	182.10	154.54	155.04	120.90	83.17
Directors' Remuneration	19.20	19.20	19.20	19.20	19.20
Contribution to Provident & Pension/Other Funds	2.44	1.96	3.28	6.30	4.92
Staff Welfare Expenses	1.42	2.31	0.31	0.35	0.29
Employee Gratuity	2.70	1.76	0.07	(1.30)	5.77
TOTAL	**207.86**	**179.77**	**177.90**	**145.44**	**113.35**

DETAILS OF FINANCE COSTS AS RESTATED — ANNEXURE – XXVIII

(Rs. In lakhs)

Particulars	For the Year ended March 31				
	2018	2017	2016	2015	2014
Interest to Banks	99.10	122.46	127.49	48.82	88.44
Interest to Others	48.54	43.99	33.70	15.08	25.98
Bank Charges	8.47	3.82	6.72	5.60	3.78
Interest on Taxes	-	0.32	0.02	0.16	0.07
TOTAL	**156.11**	**170.59**	**167.93**	**69.66**	**118.27**

DETAILS OF DEPRECIATION AND AMORTISATION AS RESTATED — ANNEXURE – XXIX

(Rs. In lakhs)

Particulars	For the Year ended March 31				
	2018	2017	2016	2015	2014
Depreciation & Amortization	106.77	104.22	103.32	38.97	68.01
TOTAL	**106.77**	**104.22**	**103.32**	**38.97**	**68.01**

DETAILS OF OTHER EXPENSES AS RESTATED — ANNEXURE – XXX

(Rs. In lakhs)

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
I. DIRECT EXPENSES					
Carting Expense	-	1.05	1.98	1.89	0.95
Factory Expense	3.70	2.51	1.75	2.47	2.65
Job Work Charges	137.72	141.45	79.44	17.04	40.53
Stores & Spares Expense	89.02	30.25	34.41	23.93	23.13
Repair & Maintenance Machinery	8.27	6.27	4.30	4.65	4.07
Power & Fuel Expense	158.31	105.84	165.09	64.00	63.38

Total	**397.02**	**287.37**	**286.97**	**113.98**	**134.71**
II. ADMINISTRATIVE, SELLING & OTHER EXPENSES					
Electricity Expenses	1.72	1.16	1.20	1.04	1.54
Income Tax Expense	-	-	-	1.53	0.71
Packing Charges	12.23	14.60	8.61	1.15	0.88
Rates & Taxes	46.86	12.50	11.75	5.93	7.64
Auditors Remuneration	0.65	0.75	0.74	0.84	0.62
Telephone & Mobile Expenses	1.05	1.32	1.96	1.16	1.18
Conveyance Expenses	5.28	7.06	4.82	4.63	2.77
Travelling Expenses	4.87	1.90	4.99	2.43	2.37
Foreign Travelling Expenses	2.73	1.93	3.50	3.22	3.57
Vehicle & Vehicle Repairing Expenses	1.02	0.60	0.53	0.33	0.24
Insurance Expenses	3.81	3.20	3.07	2.60	1.92
Office Expenses	3.17	5.06	3.67	2.23	2.36
Legal & Professional Fees	7.38	3.35	4.38	7.01	5.26
Postage & Courier	0.46	0.85	1.21	1.10	0.56
Printing & Stationary	1.50	0.97	0.78	1.21	0.57
Service Tax Expense	-	1.07	-	-	-
Sundry Balance Written off	-	-	-	0.10	-
Subscription Expenses	1.75	0.65	1.27	0.63	0.44
Commission Charges	34.32	27.37	16.97	21.59	20.63
Advertisements	0.11	0.12	0.02	-	0.11
Sales Promotion Expenses	1.73	2.51	2.71	4.23	1.69
Transport Charges-Outward	29.39	18.87	16.37	9.61	7.75
Deferred Revenue Expenditure W/off	-	-	-	-	38.90
Loss on Forex Derivatives	-	-	-	-	9.04
Clearing & Forwarding Expense	4.16	6.12	10.00	8.71	10.05
Loss on Sale of Vehicle	-	-	-	-	0.29
Other Expenses	1.80	-	0.27	0.01	0.03
TOTAL	**165.98**	**111.96**	**98.82**	**81.29**	**121.12**

DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED **ANNEXURE - XXXI**

Name of Relative	Nature of Relation
Key Management Personnel	
Pradeepkumar Shrikrishna Agrawal	Director
Rukmani Pradeepkumar Agrawal	Director
Relatives of Key Management Personnel	
Chinmay Pradeepkumar Agrawal	Relative of Key Management Personnel
Pradeepkumar Shrikrishna Agrawal HUF	HUF of Key Management Personnel
Shree Krishna Agrawal HUF	Relative of Key Management Personnel
Madhu R Gupta	Relative of Key Management Personnel
Manisha P. Agrawal	Relative of Key Management Personnel

Name of Relative	Nature of Relation
Associate Concerns	
Aar Pee Enterprise	Proprietorship of HUF of Key Management Personnel
Tatvam Infocom Pvt. Ltd	Relative of Key Management Personnel
Neotex Exports Inc	Relative of Key Management Personnel
Texaco Synthetics	Proprietorship/ Firm of Key Management Personnel
Chinmay Fabrics	Proprietorship/ Firm of Key Management Personnel

DETAILS OF TRANSACTIONS AND OUTSTANDING BALANCES

(Rs. In lakhs)

Name of the Related Party	Nature of Transactions	2017-18		2016-17		2015-16		2014-15		2013-14	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the year Ended March 31, 2018	As At March 31, 2018	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014
Aar Pee Enterprise	Purchase of Goods	106.26	-	423.64	-	479.66	-	19.41	-	51.09	-
	Sale of Goods	-	-	-	-	9.96	-	334.10	-	66.97	-
Chinmay Fabrics	Purchase of Goods	79.49	-	384.33	-	472.82	6.67	2.54	-	43.91	-
	Sale of Goods	-	-	-	-	30.01	-	290.14	-	87.35	-
Tatvam Infocom	Loan And Advances	-	-	-	-	(5.00)	-	-	5.00	5.00	5.00
	Sale of Goods	155.00	-	-	-	-	-	-	-	-	-
	Job Work Income	95.46	-	-	-	-	-	-	-	-	-
Texaco Synthetics	Rent Paid	-	-	-	-	-	-	0.40	-	2.40	0

Name of the Related Party	Nature of Transactions	2017-18		2016-17		2015-16		2014-15		2013-14	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the year Ended March 31, 2018	As At March 31, 2018	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014
Neotex Export Inc	Sale of Goods	-	-	-	-	39.05	-	-	-	-	-
	Purchase of Goods	-	-	67.01	-	436.80	-	-	-	-	-
Mr. Pradeepkumar Shrikrishna Agrawal	Loan Taken	335.05	194.12	54.64	21.76	63.29	55.67	148.32	84.57	90.47	2.67
	Loan Repaid	171.27	-	90.82	-	97.10	-	66.42	-	97.25	-
	Rent Paid	1.80	-	1.80	-	1.80	-	1.80	-	1.80	-
	Interest Paid	9.65	-	2.50	-	5.47	-	1.56	-	-	-
	Director's Remuneration	12.00	-	12.00	-	12.00	-	12.00	-	12.00	-
Mrs. Rukmani Pradeepkumar Agrawal	Loan Taken	19.36	21.84	4.61	3.91	9.36	1.35	68.19	62.83	5.97	0.59
	Loan Repaid	2.22	-	2.32	-	70.84	-	5.95	-	0.12	-
	Rent Paid	1.80	-	1.80	-	1.80	-	1.80	-	1.80	-
	Interest Paid	0.87	-	0.30	-	0.82	-	0.32	-	0.57	-
	Director's Remuneration	7.20	-	7.20	-	7.20	-	7.20	-	7.20	-

Name of the Related Party	Nature of Transactions	2017-18		2016-17		2015-16		2014-15		2013-14	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the year Ended March 31, 2018	As At March 31, 2018	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014
Mr. Chinmay Pradeepkumar Agrawal	Loan Taken	5.75	7.39	2.58	2.64	2.08	-	4.98	-	32.61	0.11
	Loan Repaid	1.74	-	0.10	-	2.08	-	5.10	-	32.65	-
	Interest Paid	0.81	-	0.18	-	0.03	-	0.36	-	0.11	-
	Salary	3.60	-	3.60	-	3.14	-	2.88	-	-	-
Pradeepkumar Shrikrishna Agrawal HUF	Loan Taken	0.45	-	-	-	-	-	-	-	55.91	10.21
	Loan Repaid	0.45	-	-	-	-	-	-	-	45.85	-
	Interest Paid	-	-	-	-	-	-	0.57	-	0.21	-
Shree Krishna Agrawal HUF	Loan Taken	3.12	-	-	-	-	-	25.60	-	33.40	0.27
	Loan Repaid	3.12	-	-	-	-	-	25.87	-	33.33	-
	Interest Paid	-	-	-	-	-	-	1.55	-	0.12	-
Manisha Agrawal	Loan Taken	1.46	1.63	0.30	1.07	4.49	1.99	8.11	-	6.74	0.32
	Loan Repaid	1.10	-	1.50	-	2.50	-	8.43	-	7.09	-
	Loan And Advances	-	-	-	-	-	-	-	0.04	-	-
	Interest Paid	0.20	-	0.32	-	0.11	-	0.69	-	0.17	-

Name of the Related Party	Nature of Transactions	2017-18		2016-17		2015-16		2014-15		2013-14	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the year Ended March 31, 2018	As At March 31, 2018	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014
	Salary	6.60	-	6.60	-	6.31	-	4.78	-	0.19	-
Mrs. Madhu Gupta	Loan Taken	-	-	-	-	4.49	90.00	-	-	-	-
	Loan Repaid	50.00	-	48.91	50.00	2.50	-	-	-	-	-
	Interest Paid	1.79	-	9.90	-	1.36	-	-	-	-	-

DETAILS OF SIGNIFICANT ACCOUNTING RATIOS AS RESTATED ANNEXURE - XXXII

(Rs. In lakhs, except No. of shares data)

Ratios	For the year ended March 31				
	2018	2017	2016	2015	2014
Restated PAT as per P& L Account	145.33	68.50	38.14	48.73	(4.59)
Weighted Average Number of Equity Shares at the end of the Year	4,832,100	4,832,100	4,832,100	4,711,480	2,265,880
No. of shares outstanding at the end of the year	48,32,100	48,32,100	48,32,100	48,32,100	38,65,000
Bonus Issue (09.08.2018) (Note 6)	48,32,100	48,32,100	48,32,100	48,32,100	48,32,100
Weighted Average Number of Equity Shares post Bonus Issue	96,64,200	96,64,200	96,64,200	95,43,580	70,97,980
Net Worth	1,014.68	869.68	800.66	761.49	550.95
Earnings Per Share					
Basic & Diluted (Pre-Bonus Issue)	3.01	1.42	0.79	1.03	(0.20)
Basic & Diluted (Post-Bonus Issue)	1.50	0.71	0.39	0.51	(0.06)
Return on Net Worth (%)	14.32%	7.88%	4.76%	6.40%	-0.83%
Net Asset Value Per Share (Rs)	21.00	18.00	16.57	15.76	14.25
Net Asset Value Per Share (Rs) Post Bonus Issue	10.50	9.00	8.28	7.98	7.76
Nominal Value per Equity share (Rs.)*	10.00	10.00	10.00	10.00	10.00

1. The Ratios have been computed on the basis of the Restated Summary Financial Statements.
2. The Ratio have been computed as per the following formulas:

Sr. No.	Particulars	Formula
a.	Basic Earnings Per Share (Rs.)	Restated Profit/(Loss) After Tax for the Year Attributable to Equity Shareholders / Weighted Average Number of Equity Shares Outstanding During Year
b.	Diluted Earnings Per Share (Rs.)	Restated Profit/(Loss) After Tax for the Year Attributable to Equity Shareholders / Weighted Average Number of Equity Shares Outstanding During Year
c.	Return on Net Worth (%)	Restated Profit/(Loss) After Tax for the Year Attributable to Equity Shareholders / Net Worth as at the end of the year
d.	Net Assets Value Per Share (Rs.)	Net Worth as at the end of the year / No. of shares outstanding at the end of the year

3. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.
4. Net worth for ratios mentioned represents sum of share capital and reserves and surplus (surplus in the statement of profit and loss).
5. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.
6. Bonus Shares were issued in the ratio of 1:1 on 09.08.2018. Thereby, EPS and Net Asset Value per share are provided pre bonus issue and post bonus issue.

CAPITALISATION STATEMENT AS AT MARCH 31, 2018 **ANNEXURE - XXXIII**

(Rs. In lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	740.21	[•]
Long Term Debt (B)	741.78	[•]
Total debts (C=A+B)	1,481.99	[•]
Shareholders' funds		
Equity share capital (D)*/^	483.21	[•]
Reserve and surplus - as restated (E)	531.47	[•]
Total shareholders' funds (F=D+E)	1,014.68	[•]
Long term debt / shareholders funds	**0.73**	[•]
Total debt / shareholders funds	**1.46**	[•]

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.
2. The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.
3. A short term debt represents borrowings due within 12 months from the date of balance sheet.
4. A long term debt represents borrowings due after 12 months from the date of balance sheet and includes current maturities of long term debts.
5. Long Term Debts/ Equity has been computed as: $\frac{\text{Long Term Debts}}{\text{Total Shareholders' Fund}}$
6. Total Debts/ Equity has been computed as: $\frac{\text{Total Debts}}{\text{Total Shareholders' Fund}}$

STATEMENT OF TAX SHELTERS **ANNEXURE - XXXIV**

(Rs. In lakhs)

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Restated Profit before tax as per books (A)	**224.73**	**85.46**	**66.25**	**58.37**	**26.03**
Tax Rates					
Income Tax Rate (%)	33.06%	30.90%	30.90%	30.90%	30.90%
Minimum Alternate Tax Rate (%)	20.39%	19.06%	19.06%	19.06%	19.06%
Adjustments :					
Income considered separately					
Total Income considered separately (B)					
Timing/Permanent Differences (C)					
Book Depreciation	106.77	104.22	103.32	38.97	68.01
Effects of Other Allowance/Disallowance	(1.92)	(2.00)	1.26	1.70	1.10
Preliminary Expense Disallowed	-	-	-	-	38.90
Preliminary Expense Allowed	(7.78)	(7.78)	(7.78)	(7.78)	(7.78)
Unpaid Gratuity	2.70	1.76	0.07	(1.30)	5.77
Loss of Earlier Year Set-off	-	(27.37)	-	-	(1.54)
Income Tax Depreciation Allowance	(139.69)	(144.92)	(164.00)	(116.45)	(60.32)
Total Timing/Permanent Differences (C)	**(39.92)**	**(76.09)**	**(67.13)**	**(84.86)**	**44.14**
Net Adjustments D = (B+C)	**(39.92)**	**(76.09)**	**(67.13)**	**(84.86)**	**44.14**
Tax expense / (saving) thereon	**(13.20)**	**(23.51)**	**(20.74)**	**(26.22)**	**13.64**
Taxable Income/(Loss) (A+D+E+F)	184.80	9.37	(0.88)	(26.49)	70.18
Income Tax on above	**61.10**	**2.90**	**(0.27)**	**(8.19)**	**21.68**
VIII. Book Profit					
Profit/(Loss) Before Tax As Restated	**224.73**	**85.46**	**66.25**	**58.37**	**26.03**
Add: Income Tax Expense	**-**	**-**	**-**	**1.53**	**0.71**
Restated Profit/(Loss) As Per Section 115JB	**224.73**	**85.46**	**66.25**	**59.90**	**26.74**
MAT on Book Profit	**45.82**	**16.29**	**12.63**	**11.42**	**5.10**
Tax paid as per normal or MAT	Normal	MAT	MAT	MAT	Normal

Notes:

1. The Permanent and Timing Differences and other adjustments have been computed based on the return of income filed by the company for the respective years as adjusted for restatement effects.
2. The Tax Rates include basic rate, applicable surcharge, education cess and secondary & higher secondary education cess as applicable for respective years.
3. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

RESTATED STATEMENT OF CONTINGENT LIABILITIES **ANNEXURE XXXV**

(Rs. In Lakhs)

Particulars	As At March 31,				
	2018	2017	2016	2015	2014
Claims against the Company not acknowledged as debt	-	10.00	10.00	10.00	10.00
T O T A L	**-**	**10.00**	**10.00**	**10.00**	**10.00**

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT 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 200 *of this Draft Red Herring 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

Texaco Synthetics Ltd is an **ISO 9001:2015** certified Company engaged in the business of Textile Manufacturing, Trading and Exports. Our Company is engaged in the manufacture and export of grey fabrics and finished fabrics for suiting and shirting. We have obtained a certificate of Importer Exporter Code (IEC) from Ministry of Commerce and Industry, Government of India vide IEC number 0899010555. Further, we have obtained a registration as a Manufacturer Exporter with The Synthetic and Rayon textiles export promotion council vide registration number SR/MFG/16117/2016 – 17 which is valid upto March 31, 2021. We are also registered with Powerloom Development & Export Promotion Council as Manufacturer exporter, Merchant exporter & Merchant cum Manufacturer exporter vide registration number PLMR/MFR/23161/2014 – 2015 which is valid upto March 31, 2019. Owing to the sustained export turnover in the past years we were awarded a Certificate of Recognition as One Star Export House (Status Holder No. 08/1/4025/20151210) from Directorate General of foreign trade, Government of India for a period of 5 years beginning from 2015 to 2020. Our company has been recognized as leading textile manufacturing company in the country by The Panchkuva Cloth Merchants' Association. The Association has selected top 10 textile manufacturers of the country and we were one of them.

We manufacture diverse varieties of fabrics ranging from Cotton, Cotton – Polyster, Cotton – Modal, Cotton – Tensil, Polyester Viscose and Terry Rayon Suitings. All these fabrics types are manufactured in Lycra and Non-Lycra variants. Owing to the high demand of our quality products in the peak season and full utilization of our manufacturing facilities, we purchase approximately 15–20% of the sales requirement from the third-party vendors. Our Company also undertakes corporate orders for Grey Fabrics and Finished Fabrics for export markets and as well as for corporate brands such as Arvind, etc. in the domestic markets. Finished Fabric requires further processing like dyeing and finishing which are outsourced to the third parties on job work basis after which it is sent to our Packing and Storage unit. We carry out the process of checking, grading and packing before final dispatch of the finished fabric to our clients.

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 Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring 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.

KEY FACTORS THAT MAY AFFECT OUR RESULTS OF OPERATIONS:

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*", "*Our Industry*" and "*Our Business*" beginning on page 20, 127 and 146 respectively of this Draft Red Herring 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 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, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time and the Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India.

Revenue recognition

All income and expenses are accounted on accrual basis. The Company recognised Sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. The revenue in respect of service contract is recognized based on order/ contract with the parties.

Use of estimates

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates.

Fixed assets

Fixed Assets are stated at cost of acquisition/ construction (less Accumulated Depreciation, if any). The cost of Fixed Assets comprises of their purchase price, including freight, duties, taxes

or levies and directly attributable cost of bringing the assets to their working conditions for their intended use. Subsequent expenditures on Fixed Assets have been capitalised only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance.

Depreciation

In respect of FY 2014-15, 2015-16, 2016-17 and 2017-18

Depreciation of Fixed Assets is provided on original cost of the asset on written down value method and in the manner prescribed in Schedule II of the Companies Act, 2013. Accordingly, the unamortized carrying value is being depreciated over remaining useful life by Written down value method

Except for some class of asset whose useful lives were more than the life prescribed in schedule II of the act, the useful life in respect of such class of asset were derived based on technical evaluations out by the management with consultation from chartered engineer.

In respect of FY 2013-14

Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 on single shift working.

Inventories:

The inventories of intermediate finished goods and finished goods have been valued at cost or net realizable value, whichever is lower. The Costs in respect of all items of inventories have been computed on FIFO basis. The cost of inventories comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. The purchase price does not include CENVAT/VAT/GST credit availed of by the Company during the year.

Foreign Currency Transactions:

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions. The difference arising on the settlement/restatement of the foreign currency denominated Current Assets/ Current Liabilities into Indian rupees has been recognized as expenses/ income (net) of the year and carried to the statement of profit and loss.

Borrowing Costs:

Borrowing cost attributable to acquisition of qualifying assets for the period such asset is put to its commercial use, is capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit and loss account.

Taxes on Income:

Taxes on income comprises of current tax and deferred tax. Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income taxes are determined for future consequences attributable to timing differences between financial determination of income and income chargeable to tax as per the provisions of Income Tax Act, 1961. Deferred tax liability has been worked out using the tax rate and tax laws that were in force as on the date of balance sheet and has not been discounted to its present value after giving effects of carried forward balances of unabsorbed depreciation, unabsorbed business losses as per the Income Tax Act, 1961 and other timing differences as at the Balance Sheet date.

The MAT Credit available as per the Income Tax Act, 1961 has been recognized as assets where there is convincing evidence that the asset can be realized in future for adjustment against the income tax liabilities are being reviewed as at each Balance Sheet date for reasonableness of its realization.

Impairment of Assets:

As at each balance sheet date, the carrying values of assets are reviewed for impairment if any indication of impairment exists.

Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognized.

Cash and Cash Equivalents – For the Purpose of Cash Flow Statements:

For the purpose of Cash Flow Statements, cash and cash equivalents include Cash on Hand and Balances with Banks in the Current Account as well as Fixed Deposits account.

Operating Cycle:

Based on the activities of the company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non – current.

Earnings Per Share:

The earnings per share as per AS – 20 "Earning Per Share" has been computed on the basis of net profit after tax divided by the weighted average number of shares outstanding during the year.

DISCUSSION OF 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 & export of grey fabric and finished fabric.

Other Income:

Our other income mainly includes interest income, profit on sale of fixed assets etc.

(Amount in Rs. Lakhs)

Particulars	As at March 31		
	2018	2017	2016
Income			
Revenue from Operations	5,377.15	4,695.33	5,234.26
As a % of Total Revenue	99.56%	99.88%	99.37%
Other Income	23.77	5.75	32.99
As a % of Total Revenue	0.44%	0.12%	0.63%
Total Revenue	**5,400.92**	**4,701.08**	**5,267.26**

Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of input supply, purchase of trading goods, 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 grey fabric manufacturing process such as direct expenses on manufacturing etc. purchase of stock in trade which includes the cost of yarn 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 funds, gratuity expenses staff welfare expenses and bonus charged amongst others.

Finance Costs

Our finance costs mainly include bank commission & charges, bank loan interest, cash credit facility, 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, motor car, loom accessories, office equipment etc. and amortization of intangible assets like computer software.

Other Expenses

Other expenses mainly include expenses such as job work charges, power & fuel expenses, stores & spares expenses, packing charges, rates & taxes, payment to auditor, travelling expenses, legal & professional fees, commission charges, transportation charges, 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	5,377.15	4,695.33	5,234.26
As a % of Total Revenue	99.56%	99.88%	99.37%
Other Income	23.77	5.75	32.99
As a % of Total Revenue	0.44%	0.12%	0.63%
Total Revenue (A)	**5,400.92**	**4,701.08**	**5,267.26**
Variance/ Growth	14.89%	-10.75%	50.69%
EXPENDITURE: -			
Cost of Material Consumed	2,878.17	2,122.14	2,298.99
As a % of Total Revenue	53.29%	45.14%	43.65%
Purchase of Stock in Trade	1,323.71	1,585.24	2,115.64
As a % of Total Revenue	24.51%	33.72%	40.17%
Change in Inventories of FG &WIP	-59.43	54.33	-48.55
As a % of Total Revenue	-1.10%	1.16%	-0.92%
Employee Benefits Expenses	207.86	179.77	177.90
As a % of Total Revenue	3.85%	3.82%	3.38%
Finance Costs	156.11	170.59	167.93
As a % of Total Revenue	2.89%	3.63%	3.19%
Depreciation and Amortization Expense	106.77	104.22	103.32
As a % of Total Revenue	1.98%	2.22%	1.96%
Other Expenses	563.00	399.33	385.79
As a % of Total Revenue	10.42%	8.49%	7.32%
Total Expenses (B)	**5176.19**	**4,615.62**	**5,201.01**
As a % of Total Revenue	95.84%	98.18%	98.74%
Profit/ (Loss) before tax (A-B)	**224.73**	**85.46**	**66.25**

As a % of Total Revenue	4.16%	1.82%	1.26%
Less:- Tax Expense:-			
(i) Current Tax	61.10	16.29	12.63
(ii) MAT Credit	-	-13.39	-12.63
(iii) Deferred Tax	18.30	14.07	28.11
Total Tax Expense	**79.40**	**16.97**	**28.11**
Profit/ (Loss) for the year	**145.33**	**68.50**	**38.14**
PAT Margin	2.69%	1.46%	0.72%

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	5,377.15	4,695.33	14.52%

During FY 2017 – 18 the revenue from operations (net) of our company increased to Rs. 5,377.15 Lacs as against Rs. 4,695.33 Lacs in FY 2016–17, representing an increase of 14.52%. This increase is majorly due to increase in production and better product mix. The production increased from 30,55,095 Metres in 2017 to 30,61,557 in 2018 an increase of 0.21%.

Other Income

During FY 2017 – 18 the other income of our company increased to Rs. 23.77 Lacs as against Rs. 5.75 Lacs in FY 2016–17, representing an increase by 313.39%. In FY 2017–18, the increase was primarily on account of input stock credit of Rs. 16.57 lacs.

Expenditure

Total Expenses

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Total Expenses	5,176.19	4,615.62	12.15%

The total expenditure for FY 2017 – 18 increased to Rs. 5,176.19 Lacs from Rs. 4,615.62 Lacs in FY 2016-17, representing an increase of 12.15%.

Cost of Material Consumed

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Cost of Material Consumed	2,878.17	2,122.14	35.63%

There was 35.63% increase in cost of material consumed from Rs. 2,122.14 Lacs in FY 2016–17 to Rs. 2,878.17 Lacs in FY 2017 – 18. This was mainly due to the manufacturing of comparatively heavier grey fabric in FY 2017-18. The heaviness of the fabric depends on the how closely the yarns are bound together. The density of the fabric is measured by picks per inch (PPI). Higher the PPI, heavier will be the fabric and vice versa. Higher PPI consumes more yarn as compared to lower PPI fabric and consequently, the sale price of high PPI fabric is also higher than the lower PPI fabric.

Employee benefits expenses

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Employee Benefits Expenses	207.86	179.77	15.63%

The employee benefit expense comprises of salaries & wages amongst other things. Our Company has incurred Rs. 207.86 lacs as employee benefit expenses during the FY 2017-18

as compared to Rs. 179.77 Lacs during FY 2016-17 reflecting an increase of 15.63% accounting for increase in number of employees and rise in wages levels.

Finance Cost

These costs were Rs. 156.11 for FY 2017-18 as against Rs. 170.59 Lacs during FY 2016-17. The decrease of 8.49% as compared to previous year is due to efficient working capital management and repayment of borrowings during the year.

Depreciation and Amortization expense

Depreciation for FY 2017 – 18 stood at Rs. 106.77 Lacs and the same was Rs. 104.22 Lacs for FY 2016-17 showing an increase of 2.45%. Depreciation has increased due to the addition of fixed assets during the financial year 2017 – 18.

Other Expenses

Our Company has incurred Rs. 563.00 lacs during FY 2017 – 18 as other expenses as compared to Rs. 399.33 lacs during FY 2016 – 17. The increase of 40.99% is majorly due to increase in Selling expenses, Administrative expenses and other 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	224.73	85.46	162.97%

For FY 2017-18 the profit stood at Rs 224.73 lacs as against the profit of Rs. 85.46 Lacs for FY 2016-17. The increase of 162.97% is due to higher production and turnover including increase in other income. Higher production led to higher sales and manufacturing costs but there was no increase in the existing fixed costs which increased our operating margin substantially.

Provision for Tax and Net Profit

(Amount in Rs. Lakhs)

Particulars	2017 – 18	2016 – 17	Variance in %
Taxation Expenses	79.40	16.97	367.88%
Profit after Tax	145.33	68.50	112.16%

Our profit after tax increased from Rs. 68.50 Lacs in FY 2016 – 17 to Rs. 145.33 Lakhs in FY 2017 – 18 showing an increase of 112.16%.

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	4,695.33	5,234.26	(10.30%)

During FY 2016-17 the revenue from operations (net) of our company declined to Rs. 4,695.33 Lacs as against Rs. 5,234.26 Lacs in FY 2015 – 16, representing a decrease of 10.30%. This decrease is due to the fact that during the year we have done a substantial amount of job work on our plant and machinery which reduced our margins during the financial year. A considerable part of our revenue was in the form of job charges.

Other Income

During FY 2016-17 the other income of our company declined to Rs. 5.75 Lacs as against Rs.32.99 Lacs for FY 2015-16, representing a decrease of 82.57% due to profit of 28.71 lakhs on sale of fixed assets in the FY 2015–16.

Expenditure

Total Expenses

The total expenditure for the financial year 2016-17 decreased to Rs. 4,615.62 Lacs from Rs. 5,201.01 Lacs in FY 2015-16, representing a decrease of 11.26%. As we have said earlier that we have done a major piece of job work in the financial year 2016 – 17 we have not incurred the raw material costs as the entire material was supplied by the party for which the job work was done.

Cost of Material Consumed

(Amount in Rs. Lakhs)

Particulars	2016 – 17	2015 – 16	Variance in %
Cost of Material Consumed	2,122.14	2,298.99	(7.69%)

There was a decline in cost of material consumed from Rs. 2,298.99 in FY 2015-16 to Rs. 2,122 in FY 2016-17. This was mainly owing to the fact that we have done job work in the financial year 2016 – 17 and the material cost was borne by the party for which we have done the job work.

Employee benefits expenses

(Amount in Rs. Lakhs)

Particulars	2016 – 17	2015 – 16	Variance in %
Employee Benefits Expenses	179.77	177.90	1.05%

The employee benefit expense comprises of salaries & wages. Our Company has incurred Rs. 179.77 lacs as employee benefit expenses during FY 2016-17 as compared to Rs. 177.90 lacs during FY 2015-16 showing a marginal increase of 1.05% due to increase in the wage rate levels.

Finance Cost

These costs for the FY 2016-17 increased by 1.58% to Rs.170.59 Lacs as against Rs. 167.93 Lacs during FY 2015-16. This was mainly because the company has taken a car loan from HDFC during the financial year 2016-17 and there was an increase of Rs. 42.31 Lakhs in the Export Packing Credit (EPC) Facility availed by the company.

Depreciation and Amortization expense

Depreciation & amortization for FY 2016-17 stood at Rs. 104.22 Lacs and the same was Rs.103.32 Lacs for FY 2015-16 showing an increase of 0.87%. The marginal increase was due to the addition of fixed assets during FY 2016–17.

Other Expenses

Our Company has incurred Rs. 399.33 lacs during the FY 2016-17 on other expenses as compared to Rs. 385.79 lacs during FY 2015-16 indicating an increase of 3.51% mainly on account of commission expenses, job work charges, etc.

Profit/ (Loss) Before Tax

(Amount in Rs. Lakhs)

Particulars	2016–17	2015–16	Variance in %
Profit/(Loss) Before tax	85.46	66.25	29.00%

For FY 2016-17 the profit before tax stood at Rs.85.46 lacs as against the profit of Rs. 66.25 Lacs for FY 2015-16. The increase of 29.00% is due to higher decline in total expenses as against decrease in revenues on account of increase in efficiency.

Provision for Tax and Net Profit

(Amount in Rs. Lakhs)

Particulars	2016–17	2015–16	Variance in %
Taxation Expenses	**16.97**	**28.11**	(39.63%)
Profit after Tax	**68.50**	**38.14**	79.60%

Our profit after tax increased from Rs. 38.14 Lakhs in FY 2015-16 to Rs. 68.50 Lakhs in FY 2016-17 showing an increase of 79.60% due to increasing efficiencies in business. In the FY 2016-17 we have received a MAT credit of 13.39 Lakhs which has reduced our net tax expense and increase our profits after tax.

OTHER MATTERS

1. **Unusual or infrequent events or transactions**

   Except as described in this Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on 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 grey fabric. Relevant industry data, as available, has been included in the chapter titled- Our Industry beginning on page 127 of this Draft Red Herring 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 Draft Red Herring Prospectus. For details of our new projects or business segments please refer to the chapter titled — Our Business beginning on page 146 of this Draft Red Herring 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 **(%)**	48.65%	44.77%
Top 10 **(%)**	63.45%	58.07%

10. Competitive Conditions

We face competition from existing and potential organized 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 146 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 146 of this Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and financial institutions from time to time for conducting its business operations.

As on March 31, 2018 our company has total outstanding secured borrowings from banks and financial institutions aggregating to Rs. 1,328.37 Lakhs.

Set forth below is the brief summary of our aggregate secured borrowings from banks and financial institutions on a standalone basis as on March 31, 2018**:**

Type of borrowing	Sanctioned Amount (In. Rs. Lakhs)	Outstanding Amount (In. Rs. Lakhs)
Term Loan I (SBI)	370.00	**95.99**
Term Loan II (SBI)	625.00	**403.72**
Term Loan III (SBI)	81.00	**71.71**
CC Limit (SBI)	750.00	**740.21**
Letter of Credit (SBI)	175.00	**0.00**
Vehicle Loan I (ICICI)	8.75	**0.38**
Vehicle Loan II (HDFC)	12.00	**10.68**
Vehicle Loan III (HDFC)	10.91	**5.68**
TOTAL SECURED LOANS	**2,032.66**	**1,328.37**

SECURED LOANS

Name of lender	Facility	Interest rate (% p.a. unless otherwise specified)	Tenor/ repayment schedule	Security details
State Bank of India	Term Loan I	One Year MCLR + 1.50% Current Effective Rate is 9.50%	Repayable in 78 Monthly Installments of Rs. 4,74,000/- each. **Start Date:** June, 2013 **End Date:** November, 2019	**Primary – Term Loan I, II & III:** • Hypothecation of Plant and Machinery. • Factory Land and Building at Survey No. 119, Paiki, Plot No. 403, GIDC Estate, Phase – I, Opposite JRJ Foods Pvt. Ltd., Chhatral, Taluka, Kalol (NG), Gandhinagar admeasuring 2,391.11 Sq. Yds. **Primary – For CC Limit/ LC:** • Hypothecation of entire Current Assets including Inventory (RM/ WIP/ FG/ Stores), Book Debts, Receivables and Other Current Assets. **Collateral for all facilities:** 1.) Residential Premises at Flat no. A– 903, 9th Floor, FP no.– 187, TPS no.– 6, Bageshree Complex, Opposite Fun Republic, Satellite Cross road,
State Bank of India	Term Loan II	One Year MCLR + 1.50% Current Effective Rate is 9.50%	Repayable in 77 Monthly Installments of Rs. 8,02,000/- each and last installment of Rs. 7,46,000/-. **Start Date:** December, 2015 **End Date:** May, 2022	

State Bank of India	Term Loan III	One Year MCLR + 1.50% Current Effective Rate is 9.50%	Repayable in 30 Monthly (excluding moratorium period of 12 months) Installments as follows: - 12 Installments of Rs. 1,00,000/- each. - 4 Installments of Rs. 2,00,000/- each. - 4 Installments of Rs. 2,50,000/- each. - 4 Installments of Rs. 5,00,000/- each. - 5 Installments of Rs. 5,00,000/- each. - 1 Installment of Rs. 6,00,000/- **Start Date:** April, 2018 **End Date:** September, 2020	near Ramdev Nagar, Satellite, Ahmedabad, admeasuring 400 Sq. Yds. (Super Built Up Area) and owned by Mr. Pradeepkumar Shrikrishna Agrawal and Mrs. Rukmani Pradeepkumar Agrawal. 2.) C – 209, 2nd Floor, TPS no. 2, FP No. 192 to 195, Block – C, Sumel Business Park – II, Behind Ambica Mill Compound, Near Vanijya Bhawan, Kankaria Road, Ahmedabad, admeasuring 46.23 Sq. Mtr. (Super Built Up Area) and owned by Mr. Pradeepkumar Shrikrishna Agrawal. 3.) C – 210, 2nd Floor, TPS no. 2, FP No. 192 to 195, Block – C, Sumel Business Park – II, Behind Ambica Mill Compound, Near Vanijya Bhawan, Kankaria Road, Ahmedabad, admeasuring 46.23 Sq. Mtr. (Super Built Up Area) and owned by Mrs. Rukmani Pradeepkumar Agrawal. **Personal Guarantors:** 1.) Mr. Pradeepkumar Shrikrishna Agrawal 2.) Mrs. Rukmani Pradeepkumar Agrawal
State Bank of India	CC Limit	One Year MCLR + 1.50% Current Effective Rate is 9.50%	Repayable on Demand **Start Date:** October, 2017 **End Date:** On Demand	
State Bank of India	Letter Of Credit	Inland LC opening Charges are 1.10% p.a. subject to a minimum of Rs. 2,000/-	**Start Date:** October, 2017 **End Date:** On Demand	
ICICI Bank	Vehicle Loan I	11%	Repayable in 60 Monthly Installments of	Secured by Hypothecation of Motor Vehicle – Skoda Rapid.

			Rs. 19,023/- each. **Start Date:** June, 2013 **End Date:** May, 2018	
HDFC Bank	Vehicle Loan II	8.51%	Repayable in 60 Monthly Installments of Rs. 24,626/- each. **Start Date:** August, 2017 **End Date:** July, 2022	Secured by Hypothecation of Motor Vehicle – Skoda Rapid (New)
HDFC Bank	Vehicle Loan III	13.07%	Repayable in 36 Monthly Installments of Rs. 36,805/- each. **Start Date:** September, 2016 **End Date:** August, 2019	Secured by Hypothecation of Motor Vehicle – Hyundai Santa Fe.

Restrictive Covenants: -

The Company shall give 60 days prior notice to bank for undertaking any of the following activities to enable the bank to take a view. If, in the opinion of the bank, the move contemplated by the borrower is not in the interest of the bank, the bank will have the right of veto for the activity. Should the borrower, still go ahead, despite the veto, the bank shall have the right to call up the facilities sanctioned:

1.) Formulation of any scheme of amalgamation or reconstruction or merger or demerger.

2.) Any new project or scheme of expansion or acquisition of fixed assets if such investment results in breach of financial covenant(s) or diversion of working capital funds for financing long term assets.

3.) Investment by way of share capital or loan or advance funds to or place deposits with any other concern (including group companies). Further, such investment should not result in breach of financial covenants relating to TOL/Adj. TNW and Current Ratio agreed upon at the time of sanction.

4.) Entering into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits which increases indebtedness beyond permitted limits, stipulated if any at the time of sanction. (This covenant will not be applicable for NBFC's).

5.) Issuing any guarantee or Letter of comfort in the nature of guarantee on behalf of any other company (including group companies).

6.) Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default is subsisting in any repayment obligations to the bank.

7.) Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons.

8.) Sell, Assign, mortgage or otherwise dispose of any of the fixed assets charged to the Bank. However, fixed assets to the extent of 5% of Gross Block may be sold in any financial year, provided, such sale does not dilute FACR below minimum stipulated level (not applicable for unsecured loans).

9.) Entering into any contractual obligation of a long term nature (i.e., 2 years or more) or which, in the reasonable assessment of the bank, is an unrelated activity and is detrimental to Lender's interest.

10.) Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc. except where mandated by any legal or regulatory provisions.

11.) Transfer of controlling interest or making any drastic change in the management set – up including resignation of promoter directors (including key managerial personnel).

12.) Payment of commission to the guarantors for guaranteeing the credit facilities sanctioned by the bank.

This is an indicative list and there may be additional covenants under the various borrowing arrangements entered into by the company.

UNSECURED LOANS

Set forth below is the brief summary of our company's unsecured borrowings: -

Lender	Outstanding amount (in. Rs. Lakhs)
From Directors	**224.97**
From Others	**100.00**

Note: Loans from Directors and Others are unsecured and terms of repayment in respect of these loans are not fixed.

For further details please refer to Annexure *XXXI – Details of Related Party Transactions as restated* of chapter titled – "Financial Statements as Restated" beginning on Page 200 of this Draft Red Herring Prospectus.

SECTION VI- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

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 Draft Red Herring 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

NIL

5. Litigation involving Taxation

i. Outstanding Direct Tax Proceedings

a) For assessment year 2011-12, income tax return was filed by our Company in which a total income of Rs. 38,48,318/- was declared. Thereafter, on 07.01.2012 the Centralised Processing Centre Income Tax Department issued an intimation u/s 143(1)(a) of the IT Act to our Company *vide* Communication Reference No. CPC/1112/16/1111816782. As per the said intimation, the income of our Company under the head '*income from business and profession*' was computed u/s 143(1) at Rs. 50,24,607/- and accordingly, a demand of Rs. 3,67,958/- was raised against our Company. The said demand is outstanding till date.

b) Outstanding demand appearing on www.tdscpc.gov.in website against our Company with respect to default in TDS compliances, is as under:

S. No.	F.Y.	Period	Demand Amount (Rs.)	Demand Details	Current Status
1	2007-08	Q2	310.00	Interest on Late Payment of TDS - Rs. 190/- .	Demand is outstanding, TDS return is pending for revision.
2	2010-11	Q1	9,080.00	a. Short Payment of TDS - Rs. 6430/-. b. Short Deduction of TDS - Rs. 450/-. c. Interest on Short Payment of TDS - Rs. 1440/-. d. Interest on Late Payment of TDS - Rs. 560/-. e. Interest on Short Deduction of TDS - Rs. 80/-.	Demand is outstanding, TDS return is pending for revision.
3	2010-11	Q2	53,920.00	a. Short Payment of TDS – Rs. 28160/-. b. Short Deduction of TDS - 1420/-. c. Interest on Short Payment of TDS – Rs. 18320/-.	Demand is outstanding, TDS return is pending for revision.

				d. Interest on Late Payment of TDS – Rs. 4450/-. e. Interest on Short Deduction of TDS – Rs. 620/-.	
4	2010-11	Q3	14,790.00	a. Short Deduction of TDS - Rs. 7500/-. b. Interest on Late Payment of TDS - Rs. 4450/-. c. Interest on Short Deduction of TDS - Rs. 1580/-.	Demand is outstanding, TDS return is pending for revision.
5	2010-11	Q4	20,760.00	a. Short Deduction of TDS - Rs. 18050/-. b. Interest on Short Deduction of TDS - Rs. 2710/-.	Demand is outstanding, TDS return is pending for revision.
6	2011-12	Q3	290.00	Additional Late Payment interest against the processing of latest correction - Rs. 290/-.	Demand is outstanding, TDS return is pending for revision.
7	2011-12	Q4	420.00	Additional Late Payment interest against the processing of latest correction - Rs. 420/-.	Demand is outstanding, TDS return is pending for revision.
8	2012-13	Q4	89,720.00	a. Short Deduction of TDS - Rs. 54081.09/-. b. Interest on Short Deduction of TDS - Rs. 35640/-.	Demand is outstanding, TDS return is pending for revision.
9	2013-14	Q4	7,150.00	a. Short Deduction of TDS - Rs. 3848.94/-. b. Interest on Late Payment of TDS - Rs. 892/-. c. Interest on Short Deduction of TDS - Rs. 2014/-. d. Interest u/s 220(2) – Rs. 400/-.	Demand is outstanding, TDS return is pending for revision.

10	2014-15	Q2	9,300.00	a. Short Deduction of TDS - Rs. 6332.36/-. b. Interest on Late Payment of TDS - Rs. 10.50/-. c. Interest on Short Deduction of TDS - Rs. 2961/-.	Demand is outstanding, TDS return is pending for revision.
11	2014-15	Q3	10,910.00	a. Short Deduction of TDS - Rs. 7307.76/- b. Interest on Late Payment of TDS - Rs. 123.50/-. c. Interest on Short Deduction of TDS - Rs. 3431/-. d. Interest u/s 220(2) – Rs. 43/-.	Demand is outstanding, TDS return is pending for revision.
TOTAL			**2,14,205.15**		

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) Our Company received a Show Cause Notice No. DRI/AZU/INV-13 dated 28.03.2008 ("**SCN**") from Customs Department, through which it was asked to show cause as to why machines valued Rs. 25,31,857/- should not be confiscated u/s 111(d) of the Customs Act, 1962("**Customs Act**") and penalty u/s 112 of the Customs Act should not be imposed. The SCN further proposed personal penalty u/s 112(b) of the Customs Act. After due process of adjudication, Commissioner of Customs (Imports)passed Order-in-Original("**OIO**") bearing no. 88/08 CC(1)JNCH dated 12.05.2008 in which confiscation of seized machines of our Company was ordered and the company was given option of paying redemption fine of Rs. 10,00,000/- in lieu of confiscation u/s 125 of the Customs Act. Further, penalty u/s 112(b) of the Customs Act of Rs. 2,00,000/- was imposed on Mr. Pradeepkumar Shrikrishna Agrawal, Managing Director of our Company. Aggrieved by the OIO, our Company preferred an appeal before Customs, Excise and Service Tax Appellate Tribunal, Mumbai Bench ("**CESTAT**"). After hearing both the parties, CESTAT passed order bearing no. A/89655-89669/17/SMB dated 21.09.2017 in which it remanded the matter back to the office of the Adjudicating Authority ("**AA**") for passing a fresh order. At present, our Company has not received any notice of hearing from the AA regarding the remand back proceedings and the matter is still pending.

b) As per Gujarat Value Added Tax Act, 2003, provisional assessment proceedings are pending for the month of October 2016, December 2016 and April 2017, against our Company and demand (if any) may arise upon conclusion of the said proceedings.

6. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

B. LITIGATION BY OUR COMPANY

1. Litigation involving Civil Laws

i. A case titled as *Texaco Synthetics Pvt. Ltd. vs. Ms. Padma Enterprises* bearing case registration number 717/2002 was disposed by the City Civil and Sessions Court, Ahmedabad on February 12, 2002 by transferring the same to the Small Cause Court.

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 AGAINSTOUR 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:

NIL

ii. Outstanding Indirect Tax Proceedings:

a) Mr. Pradeepkumar Shrikrishna Agrawal

As stated under the ***Outstanding Indirect Tax Proceedings*** against our Company at page No. 262, the Commissioner of Customs (Imports), in pursuance of the Show Cause Notice No. DRI/AZU/INV-13 dated 28.03.2008, passed an Order-in-Original ("**OIO**") dated 12.05.2008 in which apart from the confiscation of seized machines and penalty against our company, penalty u/s 112(b) of the Customs Act of Rs. 2,00,000/- was also imposed on Mr. Pradeepkumar Shrikrishna Agrawal. Aggrieved by the OIO, our Company preferred an appeal before Customs, Excise and Service Tax Appellate Tribunal, Mumbai Bench ("**CESTAT**"). After hearing both the parties, CESTAT passed order bearing no. A/89655-89669/17/SMB dated 21.09.2017 in which it remanded the matter back to the office of the Adjudicating Authority ("**AA**") for passing a fresh order. At present, our Company has not received any notice of hearing from the AA regarding the remand back proceedings and the matter is still pending.

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, Small & Medium Enterprises	Not Available*
2.	Total Outstanding dues to creditors other than Micro, Small & Medium Enterprises	1,092.41
	Total	1,092.41

***Note:** *With respect to the outstanding dues to Micro, Small & Medium Enterprises, our Company has initiated the process of collecting information from our creditors as to their status under the Micro, Small & Medium Enterprises Development Act, 2006. However, till date no such information has been received by the Company and accordingly the outstanding dues to Micro, Small & Medium Enterprises cannot be determined.*

PART VI-MATERIAL DEVELOPMENTS

Except as stated in "Management's Discussion and Analysis of Financial Condition and Results of Operation" on page no. 243 of the Draft Red Herring Prospectus, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring 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

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

I. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Fresh Issue:

a. The Board of Directors has, pursuant to resolution passed at its meeting held on 16th July, 2018 authorized the Issue, subject to the approval by the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act. Subsequently, the Board of Directors approved this Draft Red Herring Prospectus at their meeting held on [●].

b. The Equity Shareholders of our Company have authorized the Issue, pursuant to a special resolution passed at the extra ordinary general meeting of our Company held on 18th July, 2018, under Section 62(1) (c) of the Companies Act.

c. Our Company has obtained in-principal approval from SME Platform of National Stock Exchange of India Limited by way of a letter dated [●] in this Draft Red Herring Prospectus for listing of Equity Shares on the SME Exchange of National Stock Exchange of India Limited

d. NSDL/CDSL: ISIN No.: INE01JN01011

AGREEMENTS WITH NSDL AND CDSL

1. The Company has entered into an agreement dated August 31, 2018 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is, Link Intime India Private Limited for the dematerialization of its shares.

2. Similarly, the Company has also entered into an agreement dated 05th September,2018 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.

II. APPROVALS/ LICENSES/ PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS

A. **Incorporation Related Approvals**

S. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation as 'Texaco Synthetics	04-11613 of 1988- 1989	Issued under Companies Act, 1956.	Registrar of Companies, Gujarat	09.12.1988	23.05.2018

	Private Limited'					
2.	Certificate of Incorporation as 'Texaco Synthetics Limited'	U17119GJ1988PLC011613	Issued under Companies Act, 2013	Registrar of Companies, Gujarat	23.05.2018	Valid till cancelled

B. **Taxation Related Approvals**

S. No.	Nature of Registration /License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Expiry
1.	Permanent Account Number (PAN)	AAACT7419F	Income Tax Act, 1961	Income Tax Department	Valid till cancelled
2.	TAN (Tax Deduction Account Number)	AHMT00157D	Income Tax Act, 1961	Income Tax Department	Valid till cancelled
3.	Service Tax Registration	AAACT7419FST001	Finance Act, 1994	Central Board of Excise and Customs.	Valid till cancelled
4.	Value Added Tax Registration Certificate	24060101150	Gujarat Value Added Tax Act, 2003	Commercial Tax Department	Valid till cancelled
5.	Central Sales Tax Registration Certificate	24060101150	The Central Sales Tax Act, 1956	Commercial Tax Department	Valid till cancelled
6.	Registration under Goods & Service Tax (GST) for Principal Office (211, GIDC, Phase 1, Chhatral, Gandhinagar-382729, Gujarat)	24AAACT7419F1ZI	Central Goods and Service Tax Act, 2017 and Gujarat Goods and Service Tax Act, 2017	Government of India and Government of Gujarat	Valid till cancelled
7.	Profession Tax Payer Enrollment Certificate	PEC010309002030	Gujarat State Tax on profession, trade, calling and employment Act,1976	Assistant Manager, Prof Tax, SWM, S & E (South Zone)	Valid till cancelled
8.	Central Board Registration Certificate for Principal Office	AAACT7419FXM001	Central Excise Act, 1944 and Central Excise Rules, 2002	Deputy Commissioner of Central Excise	Valid till cancelled

	(211, GIDC, Phase 1, Chhatral, Gandhinagar-382729, Gujarat)				

C. **Labour Law Related & Other Approvals**

S. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Expiry
1.	Registration under Employees' Provident Funds (EPF)	GJAHD0019233000	Employee's Provident Funds & Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organisation	Valid till cancelled
2.	Registration under Employees' State Insurance	37000199350000199	Employees' State Insurance Act, 1948	Employees' State Insurance Corporation	Valid till cancelled
3.	Registration under Shop & Establishment Act for Principal Office (C/209/SF Samuel Business Park-2, B/H Vanijybhavan, Kankaria, Ahemdebad-380022)	PII/ABDD/2900005/0121056	Gujarat Shops and Establishments Act, 1948	Deputy Municipal Commissioner	Valid till cancelled
4.	Certificate of Importer – Exporter Code (IEC)	0899010555	The Foreign Trade(Development & Regulation) Act, 1992	Assistant Director General of Foreign Trade/	Valid till cancelled

D. **Technical & Business Approvals:**

S. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Expiry
1.	Factory License for (403, GIDC, Phase 1, Chhatral, Kalol, Gandhinagar)	25421	Factories Act, 1948	Deputy Director Industrial Safety and Health, Gandhinagar	31.12.2023
2	Consolidated Consent and authorization under Water (Prevention	WH-s93129	Water (Prevention and control of pollution) Act, 1974 Hazardous &	Gujarat Pollution Control Board	04.04.2023

	& Control of Pollution) Act-1974, Air (Prevention and Control of pollution) Act, 1981 and Hazardous & Other Wastes (Management & handling & Trans Boundary Movement) Rules 2016 for grey fabrics		Other Wastes (Management & handling & Trans Boundary Movement) Rules 2016		
6.	District Industries Centre Registration certificate	Entrepreneurs Memorandum Number (Part II): 24-006-12-01639	Entrepreneurs Memorandum for setting up Micro, Small or Medium Enterprises	General Manager, District Industries Center, Ahmedabad	Valid till cancelled

E. **Intellectual Property Rights**

I. **The Details of Trademark/ Copyright/ Patent/ Design Applied for Registration in the Name of the Company:**

S. No.	Application No.	Class	Trademark Name and Logo	Owner	Application Status
1.	3646811	24		Texaco Synthetics Private Limited	Registered

II. **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.	www.texacosynthetics.com	PDR Ltd. & 303	Mr. Pradeepkumar Shrikrishna Agrawal and Texaco Synthetics Private Limited	25.02.2013	25.02.2023
2.	www.texacogroup.com	ENOM INC.& 48	Mr. Chinmay Pradeepkumar Agrawal and Texaco Synthetics Private Limited	04.07.2011	04.07.2020

*****As per the undertaking of Mr.* Pradeepkumar Shrikrishna Agrawal *and Mr.* Chinmay Pradeepkumar Agrawal *dated 15th September,2018, the Company is the sole and exclusive owner of all of the aforesaid domain names and the name of Mr.* Pradeepkumar Shrikrishna Agrawal *and Mr.* Chinmay Pradeepkumar Agrawal*, as the case may be, as 'Registrant Name' appear due the technical/procedural requirements of purchasing /registration of the domain names and they have no right, title or interest in the said domain names*

F. **Certifications**

S.No	Nature of Certification/ Issuing Authority	Registration/ License No.	Issuing Authority	Date of Expiry
1.	**ISO/9001:2015 for:** Principal Office (211, GIDC, Phase 1, Chhatral, Gandhinagar-382729, Gujarat)	171QAK98	ROHS Certification Private Limited	07.09.2020
2.	Registration cum Membership Certificate under The Synthetic & Rayon Textiles Export Promotion Council	SR/MFG/16117/2016-17	The Synthetic & Rayon Textiles Export Promotion Council	31.03.2021
3.	Membership of Power loom Development & Export Promotion Council	Membership No. PLMR/W/MEM/21901/2014-15 RCMC No. PLMR/MFR/23161/2014-2015	Power loom Development & Export Promotion Council	31.03.2019
4.	Eligibility Certificate for VAT Concession	No.IC/Salt Tex/ 587057/147/11Th05	Industries Commissionerate, Government of Gujarat	01.04.2023

G. **Recognitions:**

S. No.	Nature of Registration/ License	Registration/License No.	Category	Applicable Laws	Issuing Authority	Date of Expiry
1.	Certificate of Recognition	**08/1/4025/20151210**	One Star Export House	Foreign Trade Policy 2015-2020	Director General of Foreign Trade/ Development Commissioner (SEZ)	For a period of five (5) years effective from 2015 to 2020

OTHER REGULATORY AND STATUTORY APPROVALS

Authority for the Issue

The Board of Director(s), pursuant to a resolution passed at their meeting held on 16th July, 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 18th July, 2018, authorized the Issue.

Our Company has obtained in-principle approval from the SME Platform of NSE for using its name in the DRHP pursuant to an approval letter dated [•]. 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 willful 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 their 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 [•]. For the purposes of this Issue, NSE shall be the Designated Stock Exchange;

c. Our Company has entered into the tripartite agreements with 05th September,2018 & 31st August,2018 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 Draft Red Herring Prospectus.

Further, in compliance with Regulation 4 (5) of the SEBI (ICDR) Regulations, none of our Company, Promoters or Director(s) is a willful defaulter, as on the date of this DRHP.

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 Book Running Lead Manager 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 67 of DRHP.

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 Draft Red Herring Prospectus with SEBI nor has SEBI issued any observations on our Prospectus. Also, we shall ensure that our Book Running Lead Manager submits the copy of Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus with Stock Exchange and the Registrar of Companies.

d. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Book Running Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of market making please refer to the section titled *"General Information – Details of the Market Making Arrangements for this Issue"* on page 68.

   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	Year ended March 31, 2017	Year ended March 31, 2016
Distributable Profit[1]	145.33	68.50	38.14
Net tangible Assets[2]	1,865.92	1,495.92	1,751.17
Net Worth[3]	1,014.68	869.68	800.66

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 71 of this DRHP, our Company will have a post issue paid up capital of Rs. 1381.42 lacs

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.texacosynthetics.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 FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, HOLANI CONSULTANTS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MERCHANT BANKER, HOLANI CONSULTANTS PRIVATE LTD. IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HOLANI CONSULTANTS PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

   a) **THE DRAFT RED HERRING 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 DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED 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 DRAFT RED HERRING 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: *NOTED FOR COMPLAINCE***

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 DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS" CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS" CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – *NOT APPLICABLE***

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE 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. – *COMPLIED TO THE EXTENT APPLICABLE.***

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE**

RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE 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 DRAFT RED HERRING 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 DRAFT RED HERRING 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. – *NOTED FOR COMPLIANCE***
14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY (CHECKLIST ENCLOSED)**
16. **WE ENCLOSE STATEMENT ON "PRICE INFORMATION OF PAST ISSUES HANDLED BY BOOK RUNNING LEAD MANAGER" AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – *ATTACHED AS ANNEXURE A***
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 DRAFT RED HERRING PROSPECTUS**

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY BOOK RUNNING LEAD MANAGER 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 DRAFT RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT RED HERRING 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 DRAFT RED HERRING PROSPECTUS- *NOT APPLICABLE***
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, Gujarat, in terms of Section 26 and Section 28 of the Companies Act 2013.

CAUTION – Disclaimer from our Company, our Director(s) and the Book Running Lead Manager

Our Company, its Director(s) and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.texacosynthetics.com, would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the Book Running Lead Manager and our Company dated [●] and the Underwriting Agreement dated [●] entered into between the Underwriter and our Company and the Market Making Agreement dated [●] entered into among the Book Running Lead Manager, the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager 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 centers or elsewhere.

The Book Running Lead Manager 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 authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, 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 Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, 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 of the SME Platform of NSE

As required, a copy of this Issue Document has been submitted to NSE. NSE has given *vide* its letter [•] permission to the Company to use the exchange's name in this Draft Red Herring 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 may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause 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, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

This Draft Red Herring 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 Red Herring Prospectus and Prospectus shall be filed with SEBI at the Corporate Finance Department at their Office situated at: Plot No.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 32 of the Companies Act, 2013 will be delivered for registration with the RoC, Gujarat situated at ROC Bhavan, Vijaynagar, Naranpura, Ahmedabad, Gujarat 380013.

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 [●] to 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 twenty lakh rupees 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	2,199.06	57	May 15, 2018	85/-	33.24% [-10.64%]	52.63% [2.35%]	NA
2.	Lagnam Spintex Limited	2,460.00	41	Sept 18, 2018	41/-	NA	NA	NA

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 Book Running Lead Manager, 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 Red Herring 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 Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except for the reports in the section "*Financial Information of the Company*" and "*Statement of Possible Tax Benefits*" on page 200 and page 120 of this Draft Red Herring 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 Book Running Lead Manager, 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 110 of this Draft Red Herring Prospectus.

Details of Fees Payable

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager (including underwriting fees) will be as per the Issue Agreement and Underwriting Agreement among our Company and the Book Running Lead Manager, 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 [●], 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 71, 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 DRHP, 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 Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Partly Paid-Up Shares

As on the date of this Draft Red Herring 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 Draft Red Herring 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 De-mat 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 **Link Intime India 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, **Link Intime India 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 146 of this DRHP.

Our Company has appointed Apoorva Agarwal, as the Compliance Officer to redress the complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Apoorva Agarwal

C-209, 2nd floor, Block C,

Sumel Business park-II, Behind Vanijya Bahawan

Kankaria road, Ahmedabad

Ahmedabad Gujarat 380022

Tel: +91-9428046161

Email: texacogroup@gmail.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 Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

Disposal of Investor Grievances by Listed Companies under the Same Management as the Company

As on the date of this Draft Red Herring Prospectus our Company does not have any Listed Group Company.

Changes in Auditors during the last three financial years

Since Incorporation, M/s Gattani & Associates are the auditors of the company. There is not been any change in auditors of the company in the past three Financial Years

Capitalization of Reserves or Profits

Save and except as stated in "Capital Structure" on page 71, 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 pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Draft Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock Exchanges, the RBI, RoC and/ or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid cum Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

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 July 16, 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 July 18, 2018 in accordance with provisions of Section 62(1)(c) of the Companies Act, 2013.

RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees 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 337 of this Draft Red Herring 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 199 of this Draft Red Herring Prospectus.

FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10/- each and the Issue Price at the lower end of Price Band is Rs. [•] per Equity share and at the higher end of the price band is Rs. [•] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in all editions of the English national newspaper [•], all editions of the Hindi newspaper [•] and the Gujarati newspaper [•], each with vide circulation, at least five working days prior to the Bid/ Issue Opening Date and shall be made available to the stock exchange for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and the Cap Price, shall be prefilled in the Bid cum Application Forms available on the website of the Stock Exchange.

At any given point of time there shall be only one denomination of Equity Shares.

COMPLIANCE WITH SEBI ICDR REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 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 337 of this Draft Red Herring 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 05th September, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated 31st August, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the equity shares is in dematerialized form, the tradable lot is [•] Equity Shares Allocation and allotment of Equity Shares will be only in electronic form in multiples of [•] Equity Shares subject to a minimum allotment of [•] Equity Shares to the successful applicants in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this issue will be done in multiples of [•] Equity Shares subject to a minimum allotment of [•] Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Jaipur, 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 bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidder, 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/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or 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.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/ issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

BID/ ISSUE OPENING DATE

Bid/ Issue Opened on	[•]
Bid/ Issue Closed on	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Refunds	[•]
Credit of Equity Shares to Demat Accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. 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 Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/ Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the 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 Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the BRLM to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/ Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the BRLM is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the

Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

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

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

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.

In accordance with Regulation106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106 (R) of the SEBI (ICDR) Regulations, our company shall ensure that the number of prospective allotees to whom the Equity Shares will be allotted will not be less than 50 (fifty).

Further, in accordance with Regulation 106 (Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs. 1,00,000 /- (Rupees One Lakh) per application.

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

MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of 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 favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to 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 favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares Issued through this Issue are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (SME 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 60 of this Draft Red Herring Prospectus.

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of [•] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE Platform of National Stock Exchange of India Limited.

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-materialize 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 such as deep discount bonds, debentures, warrants, secured premium notes, etc. 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 71 of this Draft Red

Herring 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 337 of this Draft Red Herring 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 BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring 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 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 282 and 292 of this Draft Red Herring Prospectus.

Present Issue structure:

Initial Public Issue of 41,50,000 Equity Shares of face value of Rs. 10/- each fully paid (the Equity Shares) for cash at a price of Rs. [●] (including a premium of Rs. [●]) aggregating to Rs. [●]. The Issue comprises a Net Issue to the public of 39,40,000 Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute 30.04% and 28.52% of the post-Issue paid up Equity Share capital of our Company.

The issue comprises a reservation of up to 2,10,000 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	39,40,000 shares	2,10,000 shares
Percentage of Issue Size available for allocation	94.94% of the Issue Size	5.06% of the Issue Size
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled "Issue Procedure– Basis of Allotment" on page 325 of the Draft Red Herring 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 [●] Equity Shares such that the Application size exceeds Rs 2,00,000 ***For Retail Individuals:*** [●] Equity Shares	Upto 2,10,000 Equity Shares of Face Value of Rs. 10/- 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. ***For Retail Individuals:*** [●] Equity Shares	Upto 2,10,000 Equity Shares of Face Value of Rs. 10/- each
Mode Of Allotment	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode
Trading Lot	[●] Equity Shares	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
Terms of Payment	The entire Bid Amount shall be blocked at the time of submission of Bid cum Application Form to the members of the Syndicate, except for Anchor Investors. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the Bid cum Application Form	

**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.*

1. *In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;*
2. *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non- Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

WITHDRAWAL OF THE ISSUE

In accordance with the SEBI ICDR Regulations, Our Company in consultation with the BRLM, reserves the right to not to proceed with the Issue after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of

receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non-retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

ISSUE PROGRAMME

Bid/Issue Opened on	[●]
Bid/Issue Closed on	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to Demat Accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 4.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

ISSUE PROCEDURE

All Bidders 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"), and including SEBI circular bearing number CIR/CFD/PLICYCELL/11/2015 dated November10,2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 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 BRLM and would also be made available on the websites of the Stock Exchanges and the BRLM 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 BRLM 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 Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids 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 Draft Red Herring Prospectus.

Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Bidders applying through the ASBA process should carefully read the provisions applicable to such Bids before making their Bid through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Bidders are required to submit Bids 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 Bid cum 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 Bid cum Application Forms shall be provided on www.nseindia.com. 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.

BOOK BUILDING PROCEDURE

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations via book building process wherein 50% of the Net Issue to Public is being issued to the Retail Individual Bidders and the balance shall be issued to QIBs and Non-Institutional Bidders. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid bids being received from them at or above the Issue Price.

All Bidders applying through cheques or demand drafts are required to submit their Bids through the Syndicate.

In accordance with the SEBI Regulations, QIB and Non-Institutional Investors are not allowed to withdraw or lower the size of the Bids (both in terms of number of Equity Shares Bid for and Amount) at any stage. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the National Stock Exchange of India Limited (www.nseindia.com), the SCSB, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/ Issue Opening Date.

All Bidders 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 Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum 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 Bid cum 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*

Designated Intermediaries (other than SCSBs) shall submit/ deliver the Bid cum Application Forms to respective SCSBs where the bidder has a bank account and shall not submit it to any non-SCSB.

Bidders shall only use the specified Bid cum Application Form for making a Bid in terms of the Draft Red Herring Prospectus. The Bid cum Application Form shall contain information about the Bidder 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 recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')

iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

v) a registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application

number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic 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 Draft Red Herring 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, Book Running Lead manager to the Issue and Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of 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 BID?

In addition to the category of Bidders 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 corporate or foreign individuals only under the Non- Institutional Investors (NIIs) category;
- Scientific and/or industrial research organizations authorized in India to invest in the Equity Shares.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) ***For Retail Individual Bidders:***

The Bid must be for a minimum of [●] Equity shares and in multiples of [●] Equity Shares thereafter, to ensure that the Bid Amount payable by the bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

b) ***For Other Bidders (Non-Institutional Bidders and QIbs):***

The Bid cum Application must be for the minimum of such number of Equity Shares such that the Bid Amount exceeds RS. 2,00,000 and in the multiples of [●] Equity Shares thereafter. A Bid cannot be submitted more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage**

and are required to pay the entire Bid amount upon submission of the Bid. The identity of the QIBs applying in the Net Issue shall not be made public during the issue period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 200,000 for being considered for allocation in the Non-Institutional Portion.

INFORMATION FOR THE BIDDERS

1. Our Company will file the Red Herring Prospectus with the ROC at least three days before the Issue Opening Date.
2. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under ICDR Regulations, 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. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date and Issue Closing Date. This advertisement, subject to provisions of Companies Act, shall be in the prescribed format in Part A of Schedule XIII of ICDR Regulations.
3. The price band as decided by the company in consultation with the BRLM is Rs. [●] per Equity Share. The Floor Price of the Equity Share is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum Bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five working days before the Issue Opening date in English and Hindi National Newspaper and one regional newspaper wide circulation.
4. This announcement shall contain relevant Financial Ratios computed for both upper and lower end of the price band. Further, this announcement shall be disclosed on the website of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be prefilled in the Bid cum Application forms available on the website of the stock exchanges.
5. The Issue period shall be for a minimum of three working days. In case the Price Band is revised, the Issue Period will be extended, by an additional three working days, subject to the total Issue Period not exceeding ten working days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspaper and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and the terminals of the member of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic collecting system of the Stock Exchange by the 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.

OPTION TO SUBSCRIBE IN THE ISSUE

a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.

b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in de-mat segment only.

A single Bid cum 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 RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Application Collecting Centres, 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 (www.nseindia.com), at least one day prior to the Bid/ Issue Opening Date.

PARTICIPATION BY ASSOCIATED/ AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS

The BRLM 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 BRLM 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 Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

BIDS BY ELIGIBLE NRI'S

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("***NRE***") accounts, or Foreign Currency Non-Resident ("***FCNR***") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("***NRO***") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non- Residents (blue in colour).

BIDS 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 Bids 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 Bid cum Application Form, failing which our Company reserves the right to reject any Bid 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 Bids 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 Bid cum Application Form, failing which our Company reserves the right to reject any Bid 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% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% 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% 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 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 clients' 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).

BIDS 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 offering.

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 offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF 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 BRLM will not be responsible for loss, if any, incurred by the Bidder 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.

BIDS 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 Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Application in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited

Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Limited liability partnerships can participate in the issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid 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.

BIDS UNDER POWER OF ATTORNEY

In case of Bids 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 Bid 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 Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

b) With respect to Bids 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 Bid cum Application Form.

c) With respect to Bids 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 Bid cum Application Form.

d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum 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 Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running 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 Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid 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 Draft Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS/ PENSION FUNDS

In case of Bids 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 Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Book Running 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 Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Bid 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 Draft Red Herring Prospectus.

BIDS BY BANKING COMPANIES

In case of Bids 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 Bid cum Application Form, failing which our Company reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act 1949, as amended (the "Banking Regulation Act"), and the Reserve bank of India (Financial Services provided by Banks) Directions, 2016, 10% of the paid up capital of the investee company, not being its subsidiary engaged in non-financial services or 10% of the bank's paid up capital and reserve, whichever is lower. Provided investments in excess of 10% but not exceeding 30% of the paid up share capital of such investee company shall be permissible in the following circumstances: (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, 1949; or (ii) the additional acquisition is through restructuring of debt/ corporate debt restructuring/ strategic debt restructuring or to protect the banks' interest on loans/ investments made to a company. The bank shall submit a time bound action plan for disposal of such shares within a specified period to RBI. A Banking Company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a) (v) (c) (i) of the Reserve Bank of India (Financial Services provided by Banks) Directions,2016.

BIDS 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 Bids cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum 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 BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been

allocated Equity Shares in the Issue.

2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

TERMS OF PAYMENT

Terms of Payment

The entire Issue price of Rs. [●] per share is payable on Bid cum 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 Bidders 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 Bidders.

Payment mechanism for Bidders

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum 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 Bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their Bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum 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 Bid cum 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.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

a) Our Company, the BRLM and the Market Maker have entered into an Underwriting Agreement on [●], 2018.

b) A copy of the Red Herring Prospectus and Prospectus will be filed with the ROC in terms of Section 26 and 32 of the Companies Act.

PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, our Company shall, after registering the draft Red Herring 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 Bid Opening Date and the Bid 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.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS

Our company will issue a statutory advertisement after the filing of the Prospectus with RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any Material updates between the date of the Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have bids within the Price Band;
3. Read all the instructions carefully and complete the applicable Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidder's depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum 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 Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum 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 Bids, the Bid cum Application Form should contain only the name of the First Bidder 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 Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid 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 Bids to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
12. Except for Bids (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) Bids 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 Bidders 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 are indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum 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 Bids are liable to be rejected. Where the Bid cum 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 Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum 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 Bid cum 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 Bid cum Application Form; and

The Bid cum 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 Bid size;
2. Do not Bid/ revise Bid Amount less than the Issue Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids 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 Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Applicants);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid 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 Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

15. Do not Bid 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 Bid cum Application Forms per ASBA Account;

The Bid cum 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.

BIDS AT DIFFERENT LEVELS AND REVISION OF BIDS

a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserve the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on the either side. If the revised price band falls within two

different price bands then the minimum lot size should be decided based on the price band in which the higher price falls.

b. Our company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation to Bidders.

c. The bidders can bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, Bidding at Cut-off Price is prohibited for QIBs and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

d. Retail Individual Bidders who Bid at Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application From along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-Off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Bid cum Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders 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 Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

(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 Bid/ 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 Bid/ 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 Bid/ Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the ROC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. If 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.
5. Our company shall not have recourse to the Issue Proceeds until the approval for the listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in

respect of the Issue shall be attended by out Company expeditiously and satisfactorily.

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 05th September,2018 among NSDL, the Company and the Registrar to the Issue;

b. Agreement dated 31st August,2018 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no. INE01JN01011

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Draft Red Herring 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 Bidders 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”).Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue is set out in the RHP/ Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM (s) to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section "Glossary and Abbreviations"

SECTION 2: BRIEF INTRODUCTION TO IPOs ON NATIONAL STOCK EXCHANGE OF INDIA’s EMERGE (SME PLATFORM)

2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an issue of specified securities by an unlisted Issuer to the public for subscription and may include an offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI (ICDR) Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the DRHP.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty-five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

2.2 **OTHER ELIGIBILITY REQUIREMENTS**

In addition to the eligibility requirements specified in paragraphs 2.1, an issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI (ICDR) Regulations, 2009, the Companies Act, 1956 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:

a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLMs has to underwrite at least 15% of the total issue size

b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Issue Document with SEBI nor has SEBI issue any observations on the Issue Document. The Book Running Lead Manager shall submit the copy of Red Herring 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 BRLMs has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares issued in the issue.

e) The company should have track record of at least 3 years

f) 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

g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.

h) The issuer shall mandatorily facilitate trading in demat securities.

i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.

j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company

k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer

l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter 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 (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post Issue face value capital does not exceed Rs. 1000 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India for listing of our Equity Shares.

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 Floor Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Red Herring Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-Issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.3 **ISSUE PERIOD**

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders) and not more than ten Working Days. Bidders are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid /Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLMs, and the advertisement in the newspaper(s) issued in this regard

2.4 **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) **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.**

b) **If the Paid up Capital of the company is more than Rs. 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.**

2.5 **FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows:

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, 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. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1) Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;

2) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name

3) Mutual Funds registered with SEBI;

4) 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;

5) 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);

6) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI

7) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;

8) State Industrial Development Corporations;

9) 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;

10) Scientific and/ or Industrial Research Organizations authorized to invest in equity shares;

11) Insurance Companies registered with IRDA;

12) 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;

13) Multilateral and Bilateral Development Financial Institutions;

14) 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;

15) Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;

16) 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

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP.

Bidders should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of the Bid cum Application (Excluding downloaded forms from SE website)
Resident Indian, Eligible NRIs applying on a non-repatriation	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 **INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM**

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the DRHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:

BID CUM APPLICATION FORM FOR RESIDENT BIDDERS

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : ..... Contact Details: ..... CIN No .....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB BROKER'S / SUB AGENTS STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr / Ms

Address .....

Email .....

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'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. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick ✓)
Option 1					☐
OR Option 2					☐
OR Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND

☐ Hindu Undivided Family* - HUF

☐ Bodies Corporate - CB

☐ Banks & Financial Institutions - FI

☐ Mutual Funds - MF

☐ Non-Resident Indians - NRI (Non-Repatriation basis)

☐ National Investment Fund - 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 ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS) HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED GENERAL PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE REQUIRED UNDERTAKING AS GIVEN AVAILABLE AND ON BEHALF OF JOINT APPLICANTS, IF ANY, HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVER LEAF

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

1) 2) 3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload at Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/DP/RTA

Bid cum Application Form No.

LPID / (CLID)

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr / Ms

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

ASBA Bank A/c No.

Bank & Branch

Acknowledgement Slip for Bidder

Bid cum Application Form No.

4.1.1 **FILLED NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER**

a) Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

b) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/ or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form/ 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 Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

c) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

d) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

- *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447 of the said Act.

e) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST BIDDER

a) PAN (of the sole/ first Bidder) provided in the Bid cum Application Form/ 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 Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders/ Applicants"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in —active status; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

e) Bids by Bidders whose demat accounts have been suspended for credit are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS

a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

b) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.

c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the 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) Bidder is, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the DRHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.

b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

c) Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cutoff Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected**.**

d) **Minimum Bid Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs. 1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.

e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the DRHP or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

a) **For Retail Individual Bidder**

The Bid must be for a minimum of [●] Equity Shares. As the Bid Price payable by the Retail Individual Bidders cannot exceed Rs. 2,00,000, they can make Bid for only minimum size i.e. for [●] Equity Shares. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional

Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.

b) **For Other Bidders (Non-Institutional Bidders and QIBs):**

(i) The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB cannot withdraw its Bid after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Bid. In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion. Bidders are advised to ensure that any single Bid cum Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the RHP/Prospectus.

(ii) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(iii) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

4.1.4.2 Multiple Bids

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

(i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

(ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

(i) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.

(ii) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

(iii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iv) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI (ICDR) Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI (ICDR) Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.

(c) The SEBI (ICDR) Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DRHP.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/ apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Draft Red Herring Prospectus for more details.

(c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.5 FIELD 7: PAYMENT DETAILS

a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorization provided in the ASBA Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the DRHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application

Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount issued, if any.

b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.

c) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.

d) All Bidders can participate in the Issue only through the ASBA mechanism.

e) Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.5.1 Payment instructions for Bidders

a) Bidders may submit the ASBA Form either

(i) In electronic mode through the internet banking facility issued by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

(ii) In physical mode to any Designated Intermediary.

b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.

f) Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e. to the respective member of the Syndicate at 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

g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs

m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.5.2 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 Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

(d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

4.1.5.3 Discount (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts issued in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable). Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non- Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

4.1.5.4 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum 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 Bid/ amount mentioned in the Bid cum Application Form.

(d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.7 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bid 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, the Bidders should contact the Registrar to the Issue.

(ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.

(iii) Bidders may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.

(iv) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.

(v) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker

(vi) In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.

(vii) In case of Bids submitted to the DP, the Bidders should contact the relevant DP.

(c) The following details (as applicable) should be quoted while making any queries –

(i) Full name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.

(ii) Name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Draft Red Herring Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid 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 Bid till closure of the Bid/Issue period.

(c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.

(d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below: Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

Revision Form – R

COMMON BID REVISION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - R | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

Address : .... Contact Details: .... CIN No. ....

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/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 BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'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

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

6. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT | PART PAYMENT

Additional Amount Paid (₹ in figures) | (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

[illegible]

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO | XYZ LIMITED | BID REVISION FORM - INITIAL PUBLIC ISSUE - R | Acknowledgement Slip for Broker/SCSB/ DP/RTA | Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OFSOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION "FROM" AND "TO"

a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/ bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

b) case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.

c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs.200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non- Institutional Category in terms of the DRHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3 FIELD 6: PAYMENT DETAILS

a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount issued, if any.

b) Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 SUBMISSION OF REVISION FORM/BID CUM APPLICATION FORM/ APPLICATION FORM

4.3.1 Bidders may submit completed Bid cum application form / Revision Form in the following manner:-

Mode of Bid	Submission of Bid cum Application Form
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Draft Red herring Prospectus/ Bid cum Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book-built issue procedure for fixed price issue is not applicable.

SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI (ICDR) Regulations, 2009. The Issue Price is finalized after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

6.1 **SUBMISSION OF BIDS**

a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the DRHP.

6.2 **ELECTRONIC REGISTRATION OF BIDS**

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

6.3 **BUILD UP OF THE BOOK**

a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges" on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the

websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

6.4 **WITHDRAWAL OF BIDS**

a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

6.5 **REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

1) The Bids accepted by the Designated Intermediaries,

2) The Bids uploaded by the Designated Intermediaries, and

3) The Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

GROUNDS OF REJECTIONS

Bidders are advised to note that Bids 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;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/ Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or ―qualified institutional buyers‖ as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws; Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid cum Application form

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

The SEBI (ICDR) Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to

each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the DRHP.

b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under subscription applicable to the Issuer, Bidders may refer to the DRHP.

d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	**24**	**500**	**16.67%**
1000	**23**	**1500**	**50.00%**
1500	**22**	**3000**	**100.00%**
2000	**21**	**5000**	**166.67%**
2500	**20**	**7500**	**250.00%**

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The Issuer, in consultation with the BRLMs, may finalize the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any offer for Sale of specified securities). However, in case the Issue is in the nature of offer for Sale only, then minimum subscription may not be applicable.

7.1 **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the SME Platform of National Stock Exchange of India (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) total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).

(b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

(c) Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:

(i) Each successful Bidder shall be allotted [●] equity shares; and

(ii) The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.

(d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.

(e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares issued, 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 DRHP.

(f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:

(i) As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

(ii) The balance net issue of shares to the public shall be made available for allotment to individual bidders other than retails individual investors and other investors, including corporate bodies/ institutions irrespective of number of shares applied for.

(iii) The unsubscribed portion of the net issue to any one of the categories specified in a) or

(g) shall/ may be made available for allocation to bidders in the other category, if so required. 'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs.2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India. The Executive Director/ Managing Director of National Stock Exchange of India – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

7.2 **DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

(a) **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. Bidders **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue**.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) **Issuer will ensure that:** (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders 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 Bidder 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 Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/ Issue Closing Date.

8.2 **GROUNDS FOR REFUND**

8.2.1 **NON-RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/ list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the DRHP/ 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 DRHP.

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 issue 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).

8.2.4 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 Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

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 Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum/or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
ASBA/ Application Supported by Blocked	An application, whether physical or electronic, used by Bidders, to make a Bid authorizing an SCSB to block the Bid Amount in the ASBA Account
Application Supported by Blocked Amount Form/ ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus.
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Draft Red Herring Prospectus.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public issue Account will be opened and in this case being AXIS BANK LIMITED
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled—Issue Procedure beginning on page 292 of this Draft Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form

Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●] and [●] edition of the Hindi national newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Issue Period	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●] and [●] edition of the Hindi national newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Issue Period cum Application form	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Issue namely Holani Consultants Private Limited
Broker Centers	Broker centers notified by the Stock Exchanges, where the Bidders can submit the Bid cum 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.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in

	relation to demat account.
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, which shall be any price within the Price Band finalized by our Company in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut- off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
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
DP	Depository Participant
DP ID	Depository Participant‘s Identification Number
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (except Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum 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 Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, In relation to the Issue.
Designated RTA Locations	Such centers of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTA are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time

Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Red herring prospectus/ Prospectus of the issuer
Designated CDP Locations	Such centers of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI (ICDR) Regulations, 2009.
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated September 28th, 2018 issued in accordance with the SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/ Fixed Price Process/ Fixed Price Method	The Fixed Price process as provided under SEBI (ICDR) Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalized and below which no Bids
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5% of the QIB Category available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DRHP/RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer

NRE Account	Non-Resident External Account
NRI	NRIs 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 DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Issue	The initial public offer of up to 41,50,000 Equity Shares of face value of Rs.10/- each for cash at a price of Rs. [●] each, aggregating up to Rs. [●] Lakhs.
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price band of a minimum price of Rs.[●] per Equity Share (Floor Price) and the maximum price of Rs.[●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Issue Opening

	Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper and Ahmedabad edition of the Gujarati newspaper [●], each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLMs, will finalize the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker to the Issue i.e. AXIS BANK LIMITED under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
RTGS	Real Time Gross Settlement
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being AXIS BANK LIMITED
Refund through electronic transfer of	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of National Stock Exchange of India 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.nseindia.com/membership/dynaContent/find_a_broker.htm
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India

Reserved Category /Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
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 issue the service of making Bids/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
Specified Locations	Bidding centers where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	Agreement dated [●] entered into amongst the BRLMs, the Syndicate Members and our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriter	The Book Running Lead Manager (s) and Syndicate Member (s)
Underwriting Agreement	The agreement dated [●] entered into between the Underwriter and our Company
Working Day	All days other than 2nd & 4th Saturday of the month a Sunday or a public holiday on which commercial banks in Mumbai are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, 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 BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants 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 Applicability.**
	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 TEXACO SYNTHETICS 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	**Gender**

	feminine 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.	(a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	**Authorized Capital.**
	(b) The minimum paid up Share Capital of the Company shall be Rs. 5,00,000/- or such higher sum as may be prescribed in the Act from time to Time	
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may	**Increase of capital by the Company how carried into effect**
	Be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	
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 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital	**Provisions to apply on issue of Redeemable Preference Shares**
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 thereunder.	**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	**New Issue of Shares not to affect rights attached to**

	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.	**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 (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	**Power to issue shares on preferential basis.**
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub- divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	**Shares should be Numbered progressively and no share to be subdivided.**
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	**Acceptance of Shares.**
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	**Directors may allot shares as fully paid-up**
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	**Deposit and call etc. to be a debt payable immediately.**
25.	Every Member, or his heirs, executors, administrators, or legal	**Liability of**

	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.	**Members.**
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	**Registration of Shares.**
	RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	CERTIFICATES	
28.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub- division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. 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 allottees of shares shall, for the purpose	**Share Certificates.**

	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 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.	**Issue of new certificates in place of those defaced, lost ordestroyed.**
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	**The first named joint holder deemed Sole holder.**
	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.	
	(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	**Company not bound to recognize any interest in**

	(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.	**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.**
	UNDERWRITINGAND BROKERAGE	
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	**Commission**
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable	**Brokerage**
	And lawful.	
	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.	**Directorsmaymake 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	**Calls on uniform basis.**

	same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	**Directors may extend time.**
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such	**Calls to carry interest.**
	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.	
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	**Sums deemed to be calls.**
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	**Proof on trial of suit for money due on shares.**
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect	**Judgment, decree, partial payment motto proceed for forfeiture.**
	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.	
44.	(a) The Board may, if it thinks fit, receive from any Member willing to	**Payments in**

	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.	**Anticipation of calls may carry interest**
	LIEN	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and	**Company to have Lien on shares.**
	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	**If call or installment not paid, notice may be given.**
	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.	
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	**Terms ofnotice.**
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	**Notice of forfeiture to a Member**
	Shall forthwith be made in the Register of Members.	
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	**Forfeited shares to be property of the Company and may**

	such terms and in such manner as the Board in their absolute discretion shall think fit.	**be sold etc.**
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, 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 purchaser and allottee of Forfeited shares.**
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the	**Cancellation of share certificate in respect of Forfeited shares.**
	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.	
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	**Validity of sale**

	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.	
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	**Execution of the instrument of shares.**
	Members or Register of Debenture holders in respect thereof.	
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	**Transfer Form.**
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register 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.	**Transfer not to be registered except on production of 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	**Directors may refuse to register transfer.**

	ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	
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 thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	**Closure of Register of Members or debenture holder or other security holders.**
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	**Custody of transfer Deeds.**
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	**Application for transfer of partly paid shares.**
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly	**Notice to transferee.**
	Delivered at the time at which it would have been delivered in the ordinary course of post.	
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.	**Recognition of lega l representative.**

	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.	
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	**Titles of Shares of deceased Member**
	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 72of the Companies Act.	
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 favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	**Registration of persons entitled to share otherwise than by transfer. (Transmission clause).**
75.	Subject to the provisions of the Act and these Articles, the Directors	**Refusal to**

	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.	**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	**Board may require evidence of transmission.**
	Their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	
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, 2013 shall apply in respect of such nomination. ii) No person shall be recognized by the Company as a nominee unless an intimation of the	**Nomination**
	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.	
	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, bonuses or other	**Transmission of Securities by nominee**
	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	**Title of survivors.**

	be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	
	(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	**Power to issue share warrants**
	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.	
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 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.	**Deposit ofshare warrants**
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	**Issue of new share warrant coupons**

	destruction.	
	CONVERSION OF SHARES INTO STOCK	
89.	The Company may, by ordinary resolution in General Meeting.	**Conversion of shares into Stock or reconversion.**
Sr. No	**Particulars**	
	a) convert any fully paid-up shares into stock; and b) Re-convert any stock into fully paid-up shares of any denomination.	
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 ofstock.**
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	**Rights of stock holders.**
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	**Regulations.**
	BORROWING POWERS	
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, 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	**Power to borrow.**
	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	**Issue of discount etc. or with 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.	
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	**Mortgage of uncall ed Capital.**
	and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	
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 loss in respect of such liability.	**Indemnity may be given.**
	MEETINGS OF MEMBERS	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra- ordinary General Meetings.	**Distinction between AGM & EGM.**
100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of 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	**When a Director or any two Members may call**

	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.	**an Extra Ordinary General Meeting**
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	**Meeting not to transact business not mentioned in notice.**
102.	The Chairman (if any) of the Board of Directors shall	**Chairman of General**
	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.	**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. 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.	**Chairman with consen t may adjourn meeting.**
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e- voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	**Chairman'scasting 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	**Members in arrears not to**
	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.	**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	**Postal Ballot**
	of postal ballot, instead of transacting the business in the General Meeting of the Company.	
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	**Votes of joint members.**

	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.	
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	**Members paying money in advance.**
	Presently payable.	
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	**Members not prohibited if share not held for any specified period.**
118.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	**Votes in respect of shares of deceased or insolvent members.**
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	**No votes by proxy on show of hands.**
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	**Appointment of a Proxy.**

	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.	
121.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	**Form of proxy.**
122.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	**Validity of votes given by proxy notwithstanding death of a member.**
123.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	**Time for objections to votes.**
124.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	**Chairperson of the Meeting to be the judge of validity of any vote.**
	DIRECTORS	
125.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	**Number of Directors**
126.	(a) The Subscribers to the Memorandum of Association are the first Directors of the Company (b) The Company in General Meeting may from time to time increase or reduce the number of Directors within the limit fixed as above.	**First Directors**
127.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	**Qualification shares.**
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	**Nominee Directors.**
	(c) 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. (d) 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. (e) 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.	
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 Meetings how 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 to be Chairperson of the meeting.	**Chairperson of Committee Meetings**
141.	a) A committee may meet and adjourn as it thinks fit.	**Meetings of the Committee**
	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.	
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	**Acts of Board or Committee shall be valid**

	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.	**notwithstanding defect in appointment.**
	RETIREMENT AND ROTATION OF DIRECTORS	
143.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	**Power to fill casual vacancy**
	POWERS OF THE BOARD	
144.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	**Powers of the Board**
145.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the	**Certain powers of the Board**
	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	
	(1) Subjectto 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) Subjectto 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	**To erect & construct.**

	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.	
	(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	**To pay for property.**
	or not so charged.	
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	**To insure properties of the Company.**
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	**To open Bank accounts.**
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	**To secure contracts by way of mortgage.**
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	**To accept surrender of shares.**
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	**To appoint trustees for the Company.**
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	**To conduct legal proceedings.**
	(11) To act on behalf of the Company in all matters relating to	**Bankruptcy &**

	bankruptcy insolvency.	**Insolvency**
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	**To issue receipts & give discharge.**
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	**To invest and deal with money of the Company.**
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	**To give Security by way of indemnity.**
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	**To determine signing powers.**
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	**Commission or share in profits.**
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	**Bonusetc.to employees.**
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the 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)	**Transfer to Reserve Funds.**

	as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	**To appoint and remove officers and other employees.**
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits 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	**To appoint Attorneys.**

	Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	**To enter into contracts.**
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	**To make rules.**
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	**To effect contracts etc.**
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	**To apply & obtain concessions licenses etc.**
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	**To pay commissions or interest.**
	(26) To redeem preference shares.	**To redeem preference shares.**
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or	**To assist charitable or benevolent institutions.**
	operation or of public and general utility or otherwise.	
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex- Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by	

	providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other 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.	
	(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. (32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. (33) From time to time to extend the business and	
	undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. (34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate. (35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. (36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit. (37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid. (38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.	

	MANAGING AND WHOLE-TIME DIRECTORS	
	a) Subject to the provisions of the Act and of these	**Powers to appoint**
	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) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.	**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	**Powers and duties of Managing Director or Whole-time Director.**
	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 any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company	

	and may exercise all the powers referred to in these Articles. (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 especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.	
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
	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	**Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer**
	may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; 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 authorizing 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.	
	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 authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such	**Deeds how executed.**

	other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	
	Dividend and Reserves	
152.	(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	**Division of profits.**
	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.	
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	**Interim Dividend.**
	Profits of the company.	
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	**Capital paid up in**

	shall be treated for the purposes of this articles as paid on the share.	**advance not to earn dividend.**
158.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	**Dividends in proportion to amount paid-up.**
159.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	**Retention of dividends until completion of transfer under Articles.**
160.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct 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.	**Effectof 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 cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the	**Dividends how remitted.**
	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.	
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.	**Nointereston 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	**Capitalization.**

	would have been entitled thereto, if distributed by way of dividend and in the same proportions. (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 (2) 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, only 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. (2) The Board shall have full 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 authorize 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.	**Fractional Certificates.**
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	**Inspection of Minutes Books of General Meetings.**

	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 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 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.	**Directors' and others right to indemnity.**
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	**Not responsible for acts of others**
	joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
	SECRECY	
	(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	**Secrecy**

	contained.	
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any	**Access to property information etc.**
	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 Draft Red Herring 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 Draft Red Herring 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 C-209, 2nd Floor, Block-C, Sumel Business Park-II Behind Vanijya Bhavan, Kankaria Road, Ahmedabad Gujarat 380022 India from date of filing the Draft Red Herring Prospectus with RoC to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated [●] between our Company and the BRLM.

2. Registrar Agreement dated [●] between our Company and Link Intime India Private Limited, Registrar to the Issue.

3. Underwriting Agreement dated [●], 2018 between our Company and Underwriters viz. BRLMs

4. Market Making Agreement dated [●], 2018 between our Company, Market Maker and the BRLMs.

5. Bankers to the Issue Agreement dated [●], 2018 amongst our Company, the BRLMs, 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 September 05th 2018

7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated 31st August,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 July 16th,2018 in relation to the Issue and other related matters.

3. Shareholders resolution passed at the Extra-ordinary General meeting dated July 18th,2018 authorizing the Issue.

4. Statement of Possible Tax Benefits dated August 20th, 2018 issued by our Peer Reviewed Auditor, M/s. S.N. Shah & Associates., Chartered Accountants.

5. Report of the Peer Reviewed Auditor, M/s S.N. Shah & Associates., Chartered Accountants, dated July 31st,2018 on the Restated Financial Statements for the period ended March 31, 2017 and 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 [●], to use its name in this Offer document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India.

8. Copy of agreement dated July 18th ,2018 for Appointment and remuneration of our Managing Director and whole Time Director respectively

9. Copy of the Audited financials for the financial years ended as on March 31, 2018, 2017, 2016, 2015 & 2014 of our Company.

Any of the contracts or documents mentioned in the DRHP 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 Draft Red Herring 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 Draft Red Herring Prospectus are true and correct.

Signed by all the Directors of Our Company

Name and Designation	Signature
Pradeepkumar Shrikrishna Agrawal *Chairman and Managing Director*	*Sd/-*
Chinmay Pradeepkumar Agrawal *Whole time Director*	*Sd/-*
Rukmani Pradeepkumar Agrawal *Director*	*Sd/-*
Mahasukh Shantilal Adani *Independent Director*	*Sd/-*
Sanjay Shandilya *Independent Director*	*Sd/-*

Signed by Chief Financial Officer and Company Secretary & Compliance Officer of the Company.

Alpeshkumar Jayantilal Shah
Chief Financial Officer

Apoorva Agarwal
Company Secretary and Compliance Officer

Place: Ahmedabad

Date: 03.09.2018

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.
2.	Lagnam Spintex Limited	2460.00	41	Sep 18, 2018	41/-	[●]	[●]	[●]

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 Book Running Lead manager. However, since only two issues had been handled earlier by Holani Consultants Private Limited, the same has been mentioned.

SUMMARY STATEMENT OF DISCLOSURE OF HOLANI CONSULTANTS PRIVATE LIMITED

Financial Year	Total No. of IPO	Issue Size (lakhs)	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	**2***	**4659.06**	**Nil**	**Nil**	**Nil**	**Nil**	1*	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

**The script of E2E Networks Limited were listed on May 15th, 2018 and the prices of 180th day are not available till date.*

***The script of Lagnam Spintex Limited was listed on September 18th, 2018 and the prices at 30th and 180th day are not available till date.*