

DRAFT RED HERRING PROSPECTUS

Dated: June 29, 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**Exclusive Fibers Limited**

Our Company was incorporated as "Exclusive Fibers Private Limited" at New Delhi as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 16, 2004 bearing Corporate Identity Number U74999DL2004PTC125846 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extraordinary General Meeting of our Company held on March 25, 2014 and the name of our company changed to "Exclusive Fibers Limited" vide Fresh Certificate of Incorporation dated April 17, 2014 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana. The Corporate Identification Number of our Company is U74999DL2004PLC125846. 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 195 of this Draft Red Herring Prospectus.

Registered Office: 31/3203, Beadonpura, Karol Bagh, New Delhi – 110005, India. **Tel. No.:** 011 - 28725281; **Fax No.:** NA

Corporate Office: C-203, Greater Kailash Part-1, New Delhi – 110048, India. **Tel. No.:** 011 - 46512000; **Fax No.:** NA

Contact Person: Ritu Dhingra, Company Secretary and Compliance Officer **E-mail:** investorgrievance@efpl.co.in **Website:** www.efpl.co.in

PROMOTERS OF OUR COMPANY: RAJEEV KUMAR AGGARWAL AND MEENU AGGARWAL

THE ISSUE	
<p>INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF UPTO 44,96,000* EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. [•] PER EQUITY SHARE) AGGREGATING UP TO RS. [•]** LAKHS (THE "ISSUE"), OF WHICH UPTO [•] EQUITY SHARES OF FACE VALUE OF 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 LE ISSUE OF UPTO [•] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE AGGREGATING RS. [•] LAKHS IS HEREINAFTER REFERRED 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.</p> <p>Our Company is considering a Pre-IPO Placement of up to 5,50,000 Equity Shares for an amount aggregating upto Rs. 450.00 lakhs. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public in compliance with Rule 19(2)(b) of SCRR, 1957 and shall be subject to lock in period of one year from the date of Allotment pursuant to the Issue.</p> <p>THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [•], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER [•] AND [•] EDITIONS OF THE REGIONAL NEWSPAPER, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON ITS WEBSITE.</p> <p>In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the 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 change on the website of the BRLM and the terminals of the Syndicate Members.</p> <p>In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only 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 336 of this Draft Red Herring Prospectus. A copy of the Red Herring Prospectus/Prospectus will be delivered for registration to the Registrar as required under Section 32 and Section 26 of the Companies Act, 2013 respectively.</p> <p>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 SECTION TITLED 'ISSUE INFORMATION' BEGINNING ON PAGE 325 OF THIS DRAFT RED HERRING PROSPECTUS.</p> <p>In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in accordance with chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations") wherein [•] % of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"). Further 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10/- each. The Floor Price is [•] times the face value and the Cap Price is [•] times the face value. The Issue Price (as will be determined and justified by our Company in consultation with the BRLM as stated in "Basis for Issue Price" on page 131) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 21 of this Draft Red Herring Prospectus.</p>	
ISSUER'S ABSOLUTE RESPONSIBILITY	
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Issuer and this Issue, which is material in the context of the Issue; that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares of our Company issued through this Draft Red Herring Prospectus are proposed to be listed on the 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 for using its name in the Issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.</p>	
BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p>PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India Tel: +91-22 6194 6700 Fax: +91-22 2659 8690 Website: www.pantomathgroup.com Email: ipo@pantomathgroup.com Investor Grievance Id: ipo@pantomathgroup.com Contact Person: Hardik Bhuta / Unmesh Zagade SEBI Registration No: INM000012110</p>	 <p>BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059, Maharashtra, India Tel: +91 22 62638200 Fax: +91 22 62638299 Email: ipo@bigshareonline.com Website: www.bigshareonline.com Investor Grievance Id: investor@bigshareonline.com Contact Person: Srinivas Dornala SEBI Registration Number: INR000001385</p>
BID/ISSUE PROGRAMME	
BID/ISSUE OPENS ON: [•]	BID/ISSUE CLOSES ON: [•]

*Number of shares may need to be adjusted for lot size upon determination of issue price

**Subject to finalisation of basis of allotment

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

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

SECTION I – GENERAL

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.

Term	Description
“Exclusive Fibers Limited” or “EFL” or “the Company” or “our Company”, or “Issuer” or the “Issuer Company”	Unless the context otherwise requires, refers to Exclusive Fibers Limited, a Public Limited Company incorporated under the Companies Act, 1956 vide Certificate of Incorporation dated April 16, 2004 issued by the Registrar of Companies, N.C.T of Delhi & Haryana and having it’s Registered Office at 31/3203, Beadonpura, Karol Bagh, New Delhi-5 Delhi – 110005
“We”, “our”, “us” or “Group”	Unless the text otherwise indicates or implies, refers to our Company

COMPANY/ISSUER RELATED TERMS

Term	Description
Articles/ Articles of Association	The Articles of Association of Exclusive Fibers Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the 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 Rajvanshi & Associates, Chartered Accountants
Bankers to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled “ <i>General Information</i> ” on page 85 of this Draft Red Herring Prospectus.
Board of Directors/ the Board / our Board	The Board of Directors of our Company, as duly constituted from time to time, including Committee(s) thereof.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Ritu Dhingra.
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each fully paid up.
Group Companies	Such Companies as are included in the chapter titled ‘ <i>Our Group Companies</i> ’ beginning on page 218 of this Draft Red Herring Prospectus
ISIN	International Securities Identification Number. In this case being INE659Q01011
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee was reconstituted on March 3, 2018
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA and who a citizen of India or a Person of Indian Origin is as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.

Term	Description
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review Certificate in our case being M/s Rajvanshi & Associates, Chartered Accountants.
Pre-IPO Placement	Our Company is considering a Pre-IPO Placement of up to 5,50,000 Equity Shares for an amount aggregating upto Rs. 450.00 lakhs. The Pre-IPO placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public in compliance with Rule 19(2)(b) of SCRR, 1957 and shall be subject to lock in period of one year from the date of Allotment pursuant to the Issue.
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 214 of this Draft Red Herring Prospectus.
Promoter, Promoters or our Promoters	Promoters of our Company being Rajeev Kumar Aggarwal and Meenu Aggarwal.
Quarter	A period of 3 (three) continuous months.
Registered Office	The Registered office of our Company is situated at 31/3203, Beadonpura, Karol Bagh, New Delhi – 110005, India.
Roc / Registrar of Companies	Registrar of Companies, Delhi, at A) 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019
Shareholders	Shareholders of our Company, unless otherwise specified
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as the Company’s Stakeholders’ Relationship Committee in accordance with Section 178 of the Companies Act, 2013 on March 3, 2018
Stock Exchange	National Stock Exchange of India Limited
you, your or yours	Prospective investors in this Issue

ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid
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.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.

Term	Description
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
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 Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
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.
Banker(s) to the Issue/ Public Issue Bank(s)	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 ICICI 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 “ <i>Issue Procedure</i> ” beginning on page 336 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
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 Collecting Intermediaries	<ol style="list-style-type: none"> 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)
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 Red Herring Prospectus
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall

Term	Description
	be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the [●] 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 [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the [●] 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 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 pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., 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
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 Book Running Lead Manager to the Issue namely Pantomath capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited
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 finalised and above which no Bids (or a revision thereof) will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
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

Term	Description
	circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch / Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company 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.
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details
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
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated CDP Locations	Such centres 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
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 may give delivery instructions for the transfer of the respective Issued Shares.
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 centres of the RTAs where Bidder can submit the Bid cum 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 Exchange (www.nseindia.com) and updated from time to time
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated June 29, 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
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended)

Term	Description
	registered with SEBI under applicable laws in India.
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
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
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 and included in “Issue Procedure” on page 336 of this Draft Red Herring Prospectus
Issue	The Initial Public Issue of upto 44,96,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] Lakhs comprising the Fresh Issue.
Issue Agreement	The agreement dated April 21, 2018 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
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 BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Issue 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” on page 115 of this Draft Red Herring Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock 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 [●] 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.
Market Making Agreement	Market Making Agreement dated April 21, 2018 between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of upto [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs by our Company
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see “Objects of the Issue” on

Term	Description
	page 115 of Draft Red Herring Prospectus.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have applied for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
NSE	National Stock Exchange of India Limited
NSE Emerge/ SME Exchange	The EMERGE Platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter XB of the SEBI (ICDR) Regulations
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
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
Pre –IPO placement	Our Company is considering a Pre-IPO Placement of up to 5,50,000 Equity Shares for an amount aggregating upto Rs. 450.00 lakhs. The Pre-IPO placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public in compliance with Rule 19(2)(b) of SCRR,1957 and shall be subject to lock in period of one year from the date of Allotment pursuant to the Issue.
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.

Term	Description
	The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM 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 [●] edition of the [●] newspaper [●], each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise 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. ICICI Bank 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.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement dated June 21, 2018 entered amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid 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.
Red Herring Prospectus or RHP	<p>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 addendum or corrigenda thereto.</p> <p>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</p>
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 ICICI 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 NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.bseindia.com/membership/dynaContent/find_a_br

Term	Description
	oker.htm & http://www.nseindia.com/membership/dynaContent/find_abroker.htm
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited, Bharat Tin Works Building, 1 st Floor, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Maharashtra
Registrar Agreement	Agreement dated April 21, 2018 entered into among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
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
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i>), who apply for an amount less than or equal to Rs 2,00,000
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)
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
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
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 Agreement	Agreement dated April 21, 2018 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate

Term	Description
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, April 21, 2018
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
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 Bidder as proof of registration of the Bid
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated April 21, 2018 entered into between the Underwriter and our Company
Working Day	(i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; (ii) 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 TERMS

TERM	DESCRIPTION
ASEAN	Association of Southeast Asian Nations
BTRA	The Bombay Textile Research Association
CAGR	Compound Annual Growth Rate
CCEA	The Cabinet Committee on Economic Affairs
CPI	Consumer Price Index
CSO	Central Statistics Office
DGFT	The Directorate General of Foreign Trade
EV	Electric Vehicle
GAV	Gross Value Added
GDP	Gross Domestic Product
GST	Goods And Services Tax
HVAC	Heating Ventilation and Air-Conditioning
IBC	Insolvency And Bankruptcy Code
IBEF	India Brand Equity Foundation
ICAC	International Cotton Advisory Committee
IIP	Index Of Industrial Production
IMF	International Monetary Fund
KVIC	Khadi and Village Industries Commission
MEIS	Merchandise Exports from India Scheme
MoU	Memorandum of Understanding
M-SIPS	Modified Special Incentive Package Scheme
MSME	Micro Small and Medium Enterprises
MSP	Minimum Support Price
NBFCs	Non-Banking Financial Company
NSSF	National Small Savings Fund
OMO	Open Market Operations
PMP	Phased Manufacturing Programme

TERM	DESCRIPTION
SAATHI	Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries
SANKALP	Skills Acquisition and Knowledge Awareness for Livelihood Promotion
SASMIRA	The Synthetic and Art Silk Mills' Research Association
SEZ	Special Economic Zone
SITP	Scheme for Integrated Textile Parks
SITRA	The South India Textile Research Association
STRIVE	Skill Strengthening for Industrial Value Enhancement
TUFS	Technology Upgradation Fund Scheme
UNIDO	United Nations Industrial Development Organisation
WEO	World Economic Outlook

CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

Term	Description
A.Y./AY	Assessment Year
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as - Category I foreign portfolio investors under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as - Category III foreign portfolio investors under the SEBI FPI Regulations
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Cm	Centimetre
CMD	Chairman and Managing Director
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
CST	Central Sales Tax

Term	Description
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); 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	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
F.Y./FY	Financial Year
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 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 the SEBI Act,1992
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI / Government	Government of India

Term	Description
HNI	High Networth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
Key Managerial Personnel / KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 200 of this Draft Red Herring Prospectus
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ltd.	Limited
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NI Act	Negotiable Instruments Act, 1881
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

Term	Description
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
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 AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	EMERGE Platform of National stock Exchange Limited
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number

Term	Description
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US/ U.S. / USA / United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
UV	Ultraviolet
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

Notwithstanding the following: -

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 389 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “*Financial Statements*” beginning on page 224 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “*Risk Factor*” beginning on page 21 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 134 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 269 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 224 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 1st of each year and ends on March 31st of the next year. All references to a particular fiscal year are to the 12 month period ended March 31st of that year. In this 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 224 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 publically 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” beginning on page 21 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 Industry which we operate;
- Factors affecting the 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;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 21 and 269 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, Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

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

To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 159, “Our Industry” beginning on page 137 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 269 respectively, of this Draft Red Herring Prospectus as well as other financial information contained herein.

Materiality:

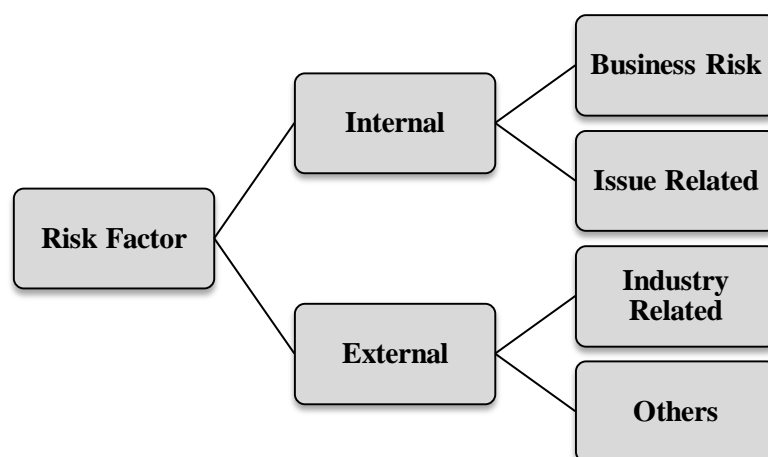
The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

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

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Draft Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

In this Draft Red Herring Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

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



INTERNAL RISK FACTORS:

A. BUSINESS RELATED RISKS:

- Our Company, Promoters, Directors and Group Company are currently involved in certain litigation which is pending at various stages. Our Company is also involved in criminal, civil and certain other tax related proceedings; any adverse decision in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations. There is a criminal revision petition filed against one of our Promoter-Director in the capacity of joint-owner to a property and there are certain criminal proceedings initiated by our Promoters-Director; any adverse decision in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations.*

For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company and Subsidiaries see the chapter titled “Outstanding Litigation and Material Developments” on page 292 of this Draft Red Herring Prospectus.

A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
Company							
By the Company	2	1	Nil	Nil	Nil	Nil	Not Ascertainable
Against the Company	Nil	2	4	Nil	Nil	Nil	3.77
Promoters							
By the Promoter	4	5	Nil	Nil	Nil	Nil	8.85
Against the Promoter	1	6	Nil	Nil	Nil	Nil	0.50**
Group Companies							

By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	4	1	Nil	Nil	1.58**
Directors other than promoters							
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil	

Note – The above-mentioned amount is subject to change depending upon the final order passed in the matters.

*** The amount involved in one of the cases are common to Promoter and Group Company since both are involved in the matter.*

2. *Our cost of production is exposed to fluctuations in the prices of our major raw material i.e. Bulk Continuous Filament (BCF) Yarn.*

We are exposed to fluctuations in the prices of our major raw material Bulk Continuous Filament (BCF) Yarn which we import from Turkey. Thus, we may be unable to control factors affecting the price directly or indirectly at which we procure our raw material, particularly as we typically do not enter into any supply agreements with our suppliers. We may also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Particularly, we face the risk of our products becoming unaffordable for a segment of the demography, if we pass on the increase of the cost of production to our customer through a corresponding increase in the price of our products in order to maintain our historical margins. Upward fluctuations in the prices of raw materials may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations.

3. *Our Company has ventured into Carpet Manufacturing in the year 2015 and earlier engaged into trading of different types of Textile Fibers and other textile related materials; leading to a very limited operating history of our manufacturing operations and making it difficult for investors to evaluate our historical performance or future prospects.*

Incorporated in the year 2004, we were engaged in trading of different types of Textile Fibers and other textile related materials including Bulk Continuous Filament (BCF) Yarn until year 2015. Subsequently, we decided to foray into Carpet Manufacturing (Weaving). Our Company was allotted a leased land of approx. 54,457.96 square meters in Dahej Industrial Estate, Gujarat to set up a manufacturing facility for manufacturing of Carpets and Yarns in the year 2012. We decided to set-up facility in two phases in the allotted land and consequently started construction of Phase I unit in the year 2012. We commissioned our first commercial production in Phase I unit in year 2015. The manufacturing facility of Phase I has an installed capacity of 4,50,000 square meters per annum for weaving carpets.

Given our Company's limited operating history as a manufacturing concern, we may not have sufficient experience to address the risks frequently encountered by early stage manufacturing companies, including our ability to successfully complete our orders or maintain adequate control of our costs and expenses. Further, we often may not have complete information about our competitors and accordingly we may underestimate supply in the market. If we are unsuccessful in addressing such risks, our business may be materially and adversely affected. Accordingly, investors should consider our business and prospects in light of the risks, losses and challenges that we face

as an early-stage company and should not rely on our results of operations for any prior periods as an indication of our future performance.

Further, In Phase II the Company proposes to enhance the carpet manufacturing capacity and to set up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic/export market. In Phase II Our Company proposes to set up 6,00,000 square meters per annum capacity of Carpets weaving and 1,800 Tons/per annum capacity of BCF yarn. For further details, refer the chapter titled “Objects of the Issue” beginning on page 115 of the Draft Red Herring Prospectus. Investors should understand that an investment in a business with limited operating history as manufacturing concern is significantly riskier than an investment in a business with any significant operating history.

4. *Traditionally hand-made carpets are preferred over machine-made carpets.*

Owing to the aesthetic feel and design of Indian hand-made carpets, overseas demand for hand-made carpets is huge. For machine-made carpets, Turkey is the leader in the global market while for hand-made carpets, India dominates the market. Regions like USA and Europe prefer hand-made carpets over machine-made carpets even if the products are comparatively costlier as it gives them the feel of real human touch. Though the share of hand-made carpets in overall global carpet market is less than 15%, increasing government focus, like branding of hand-made carpets and other promotional activity poses a threat to machine-made carpets in both domestic and international market. Further, machine-made carpets require raw material like BCF Yarn, which is not available in India and is required to be imported from Turkey which is costlier consequently leading to higher cost of production reducing the ability to compete with other manufacturers, particularly Turkey. While hand-made carpets can be manufactured by using yarn and cotton available widely in India reducing the dependency on overseas suppliers.

5. *Evolution of new flooring alternatives to carpets may affect our business significantly.*

Carpets form part of Home Tech Textile Industry. Carpets have been used as a flooring option across the globe since centuries. Interior decoration with a traditional touch has always been preferred decoration idea among the households. With the change of demography, modernization and sophisticated house-designs, there have been a continuous evolution of new flooring alternatives which is now being widely accepted to give a luxurious look. Vinyl flooring and Wool made carpets are two of the most popular flooring alternatives to machine-made carpets manufactured by using BCF Yarn. These are cheaper alternatives as well as ideal for use in household areas. Other benefits such as easy cleaning, simplicity and quality is adding the demand for alternatives. Such evolution and change in customer’s preferences may lead to under-performance of our business which is solely into manufacturing of carpets using BCF Yarn.

6. *Our top 10 customers contribute majority of our revenues from operations for the period ended December 31, 2017 and year ended March 31, 2017. Any loss of business from one or more of them may adversely affect our revenues and profitability.*

We derive our operational revenues from sale of machine-made carpets in the domestic as well as overseas market. We depend on a limited number of customers for a significant portion of our revenues. Our top 10 and top 5 customers contributed 79.56 % and 74.09 % of our revenues for the period ended December 31, 2017. Further, our top 10 and top 5 customers contributed 71.72 % and 65.41 % of our revenues for the year ended March 31, 2017. However, our top customers may vary from period to period depending on the demand and the complete schedule of projects and thus the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. While we are constantly striving to increase our customer base and reduce dependence on any one particular customer, there is no assurance that we will be able to broaden our customer base in any future periods. Since our business is concentrated among

relatively few significant customers, we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business we obtain from them is reduced for any reason, including as a result of a dispute or disqualification.

7. *Our Company has not complied with certain statutory provisions under Companies Act. Such non-compliances/lapses may attract penalties.*

Our Company has not complied with certain statutory provisions such as the following:

- Non Compliance with provisions of Section 42(6) of Companies Act, 2013 w.r.t. further allotment dated February 7, 2017 for 2,83,330 Equity shares.
- Company had allotted equity shares to then minor shareholder i.e. Krrish Aggarwal vide allotment dated February 19, 2014. However the said shareholding was duly converted into dematerliased form with Meenu Aggarwal as guardian.

No show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent. Such delay/noncompliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned.

8. *There have been some instances of non-filing/ delays /incorrect filings in the past with certain statutory authorities. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.*

In the past, there have been some instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC, which have subsequently been filed along with the payment of additional fees, as specified by RoC. Except as mentioned in this Draft Red Herring Prospectus, till date, there has been no penalty levied on the Company for such delays/defaults. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company or its Directors / Officers in relation to the same, our business, financial condition and results of operations could be adversely affected.

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

Modernization and technology up gradation is essential to provide better services to customers. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in up grading our technology could be significant which could in technology might place our competitors at an advantage in terms of costs, efficiency and timely delivery of the final products.

10. *Failure to comply with the conditions applicable under Integrated Technology Upgradation Fund Scheme (I-TUFS) and Gujarat Textile Policy, 2012, being availed by us, may render our Company ineligible for interest or capital subsidies.*

Our Company presently avails Subsidy facilities under the Integrated Technology Upgradation Fund Scheme (I-TUFS) and Gujarat Textile Policy, 2012. The term loans have been sanctioned under I-TUFS and Gujarat Textile Policy, 2012 to our Company. These benefits include 5% interest subsidy under I-TUFS and 6% interest subsidy by Gujarat Government on loan amount sanctioned for specified Plant & Machinery and VAT incentive in terms of 100% VAT reimbursement under Gujarat Textile Policy, 2012. Thus, such government incentives gives Company an operating leverage over the units located in other states. Such interest or capital subsidies are allowed subject

to fulfilment of conditions provided therein. If we fail to comply with the conditions stipulated under these policies, our Company may be denied the interest or capital subsidy, making its operations less cost effective.

11. Reduction or termination of policies instituted to promote growth of the textile sector may adversely affect our business.

The Government of India has instituted several policies to promote the growth of the Indian textile sector. These include interest rate subsidies, Power duty Exemptions and Power Tariff Benefits. We are located in the state of Gujarat and enjoy benefits of various incentives provided by central and state government which includes 5% interest subsidy under TUFs and 6% interest subsidy by Gujarat Government on loan amount sanctioned for specified Plant & Machinery and VAT incentive in terms of 100% VAT reimbursement under Gujarat Textile Policy, 2012. Thus, such government incentives gives Company an operating leverage over the units located in other states. Our Company avails certain benefits under such promotional policies, the brief of which is provided under chapter titled “Key Industry Regulations and Policies” on page 178 of this Draft Red Herring Prospectus. Termination of or variation in the terms of such policy (ies) can adversely impact our profitability and/ or our business operations.

12. Carpets and yarns are highly flammable commodity. Any fire, or such mishaps or accidents at the Company’s facilities could lead to property damages, property loss and accident claims.

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

13. Technical Textile Industry is an extremely competitive industry and we face risk of duplication of our products which may affect demand for our products.

We are engaged into manufacturing of Carpets and forms part of technical textile industry specifically Home Tech Textile Industry. Our products are based on fashion trends as well specific needs of customers. We also undertake research activities with our suppliers to ensure that varied range of products are produced. Our purchase and sales model include various intermediaries who may connect with our competitors and share details of the specialties of our products. We may not be able to protect our trade secrets and may also not be able to defend them. We have not entered into any non-disclosure agreements with our intermediaries and thus our efforts towards our marketing and manufacturing research activities may be leaked to other players in the market. This may affect the demand and exclusivity of our products and make us subject to fierce competition thereby adversely affecting our business, financial condition and results of operations.

14. The Company has not placed complete orders for plant & machinery for our proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement of plant & machinery may delay our implementation schedule and may also lead to increase in price of these plant & machinery, further affecting our revenue and profitability.

As on date of the Draft Red Herring Prospectus, we have not placed complete orders for plant & machinery required to be set up in Phase II Unit. Our Company has made advance payment of Rs. 1112.19 Lakhs towards the same out of internal accruals. Further, we have identified the type of plant and machinery required to be bought for our proposed unit. However, we are yet to place orders for 49.96 % of the total Plant & Machinery worth Rs. 2384.78 Lakhs as detailed in the “Objects of the Issue” beginning on Page 115 of this Draft Red Herring Prospectus. These are based

on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management's views of the desirability of current plans, change in supplier of equipments, among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machinery, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of the Project, which would have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 115 of this Draft Red Herring Prospectus.

15. Underutilization of capacity of our proposed Carpet and BCF Yarn manufacturing facility may adversely affect our business, results of operations and financial condition.

In Phase II the Company proposes to enhance the carpet manufacturing capacity and to set up a plant to manufacture Bulk Continuous Filament (BCF) Yarn. The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic/export market. In Phase II, Our Company proposes to set up 6,00,000 square meters per annum capacity of Carpets weaving and 1,800 Tons/per annum capacity of BCF yarn. Hence, the total installed capacity of Carpet Manufacturing unit has been estimated at 10,50,000 square meters per annum. We will incur significant capital expenditure on setting up the same. We cannot assure that we shall be able to utilize our proposed manufacturing facility to their full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition. Even use of the proposed facility is subject to several variables like availability of raw material, power, water, proper working of machinery, orders on hand, supply/demand, manpower, etc. While setting-up of our proposed facility we would take into consideration all the factors required for optimum utilization of installed capacity, there cannot be any assurance that the proposed capacity would be utilized to its full extent.

16. Delay in schedule of the setting up of proposed Carpet Manufacturing and BCF Yarn Manufacturing facility may subject our Company to risks related to time and cost overrun which may have a material adverse effect on our business, results of operations and financial condition.

In Phase II the Company proposes to enhance the carpet manufacturing capacity and to set up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic/export market. In Phase II Our Company proposes to set up 6,00,000 square meters per annum capacity of Carpets weaving and 1,800 Tons/per annum capacity of BCF yarn. For further details regarding to our proposed facility, please refer the chapter titled our "Objects of the Issue" and "Our Business" on page 115 and 159 respectively of this Draft Red Herring Prospectus. We may face risks relating to the commissioning of our facility for reasons including delays to construction timetables, failure to complete the projects within our estimated budget, failure of our contractors and suppliers to adhere to our specifications and timelines, and changes in the general economic and financial conditions in India and other jurisdictions in which we operate.

We have limited control over the timing and quality of services, equipment or other supplies from third party contractors and/or consultants appointed by us, and we may be required to incur additional unanticipated costs to remedy any defect or default in their services or products to ensure that the planned timelines are adhered to. Further as and when we commission our planned manufacturing facilities, our raw material requirements and costs as well as our staffing requirements and employee expenses may increase and we may face other challenges in extending our financial and other controls to our new units as well as in realigning our management and other resources and managing our consequent growth.

In the event that the risks and uncertainties discussed above or any other unanticipated risks, uncertainties, contingencies or other events or circumstances limit or delay our efforts to use the Net Proceeds to achieve the planned growth in our business, the use of the Net Proceeds for purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of your investment in our Equity Shares.

17. We have not yet started recruiting manpower for our proposed project of Phase II Unit.

In Phase II the Company proposes to enhance the carpet manufacturing capacity and to set up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The proposed project will require total employee strength of 65 which is divided as follows: 12 Skilled, 31 Unskilled, 20 Semi-Skilled and 2 Managerial. As on the date of this Draft Red Herring Prospectus, we have not commenced the recruitment process for the required manpower. If we fail identify and recruit required employees, our business operations at Phase II Unit could be materially affected.

18. 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 labour, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- Environment (Protection) Act, 1986
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974
- Hazardous Waste Management & Handling Rules, 2008
- Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Gujarat

which 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.

19. We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of EXCLUSIVE FIBERS LIMITED from EXCLUSIVE FIBERS PRIVATE LIMITED pursuant to conversion and 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 may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. We were a private limited company in the name of “EXCLUSIVE FIBERS PRIVATE LIMITED”. After complying with the relevant and the applicable provisions and procedures of Companies Act, 2013 as applicable, the Company was converted into a public limited Company in the year 2014 followed by a change of name of the company to “EXCLUSIVE FIBERS LIMITED”. We have taken necessary steps for transferring the approvals in the new name of our Company. In case we fail to transfer/ obtain the same in new name of the Company, the same may adversely affect our business operations.

We are undertaking expansion project in the same premises where our existing Phase I Unit is situated. Hence no specific Government and Statutory approval is required for Phase II Unit. We have obtained necessary Approvals such as Factory License, Consent to Establish from Gujarat Pollution Control Board which are required for our operations at Unit. We will apply for addition of Phase II unit or intimate such new Phase II unit to the respective Government Authority for all current licenses/ approvals as are obtained by us.

Any failure to apply for and obtain the required approvals, licenses, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licenses, registrations and permits would result in a delay in our business operations which could otherwise adversely affect our financial condition, results of operations and future prospects of the Company. We cannot assure you that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business and results of operations.

For further details, please refer the Chapter “Government and other Statutory Approvals” on page 307 of this Draft Red Herring Prospectus.

20. We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain. We have a logo which is used for our business purpose and the same has not been applied for Registration with Trademark Authorities.

Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. Currently, we do have registered trademarks for our corporate name and logo under the Trade Marks Act, 1999. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the twelve products of our Company, which are currently pending. There is no guarantee that the application for registration of our logos will be accepted in favour of the Company. This may affect our ability to protect our trademark in the event of any infringement of our intellectual property. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects.

In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

The material approvals, licences or permits required for our business include trade licence, tax laws, environment laws and shops and establishment licences, as applicable. Please See “Government and other Statutory Approvals” on page 307 of this Draft Red Herring Prospectus for further details on the required material approvals for the operation of our business.

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

Our business is working capital intensive. A significant portion of our working capital is utilized towards trade receivables and trade payables. We intend to continue growing by reaching out to new customers and also increasing sales to the existing customers and thereby reaching to other geographical areas. This may result in increase in the quantum of current assets particularly trade receivables and trade payables. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital 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 115 of this Draft Red Herring Prospectus.

Summary of our working capital position is given below:-

Amount (Rs. In lakhs)

Particulars	For the year ended 31 st Dec, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
A. Current Assets						
Inventories	1,087.81	551.90	399.45	9.27	8.13	5.85
Trade Receivables	1,352.45	538.89	217.74	16.27	11.66	0.54
Cash and Cash Equivalents	56.45	33.81	46.80	120.96	9.33	6.07
Short Term Loans & Advances	91.45	31.78	31.37	9.14	205.03	-
Other Current Assets	200.41	169.89	50.11	34.47	6.06	3.76
B. Current Liabilities						
Trade Payables	1,271.26	631.09	319.50	264.42	179.98	122.02
Other Current Liabilities	385.29	500.53	464.68	34.67	172.23	193.61
Short Term Provisions	211.54	30.48	-	7.22	0.22	0.19
Working Capital (A-B)	920.47	164.17	(38.71)	(116.20)	(112.22)	(299.60)
Trade receivables as % of total current assets	48.50%	40.63%	29.21%	8.56%	4.85%	3.33%
Trade payables as % of total current liabilities	68.05%	54.31%	40.74%	86.32%	51.07%	38.64%

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

Our Company had negative cash flows from our operating, investing and financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under:

Amount (Rs. In lakhs)

Particulars	For the year ended 31 st Dec, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Cash Flow from / (used in) Operating Activities	389.36	913.68	823.76	144.03	(157.44)	315.34

Particulars	For the year ended 31 st Dec, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Cash Flow from / (used in) Investing Activities	(661.09)	(1,276.71)	(751.66)	(2,772.75)	(531.30)	(609.03)
Cash Flow from / (used in) Financing Activities	294.38	350.04	(146.25)	2,740.35	691.99	275.42

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

23. *Our promoters i.e. Rajeev Kumar Aggarwal and Meenu Aggarwal have limited experience in Carpet Manufacturing industry.*

Our Promoters, Rajeev Kumar Aggarwal and Meenu Aggarwal are shareholders of our Company since Incorporation and looking after overall operations of our Company. Our promoters were engaged in trading of different types of Textile Fibers and other textile related materials including Bulk Continuous Filament (BCF) Yarn until year 2015 since incorporation of the Company in the year 2004. Subsequently, they decided to foray into Carpet Manufacturing (Weaving). Though our Promoters hailed from textile industry background, they did not have much exposure in the Carpet Manufacturing industry. However, since then our Promoters have gained a good amount of experience and an understanding of market dynamics of our respective industry. Although they have been successfully running the business operations which are evidenced by the growth in our operations and turnover and our profit after tax, lack of vintage experience to address the risks frequently encountered by Carpet Manufacturing industry, may adversely affect our operations.

24. *Our promoters have pledged their equity shares for availing the finance facilities provided to us by the lender.*

As on the date of this Draft Red Herring Prospectus, our Promoters, Rajeev Kumar Aggarwal and Meenu Aggarwal have pledged 10,79,271 equity shares and 8,38,860 equity shares respectively with Punjab National Bank Limited against its loan obligation. In the event of any default in servicing of the debt obligations incurred by our Company, the pledge may be invoked and the pledged shares of our Promoters may be taken over by the lender which in turn may further dilute their shareholding in our Company, which may adversely affect our business, prospects, financial condition and results of operations. For further details, please refer chapter titled – “Financial Indebtedness” beginning Page no. 288 of this Draft Red Herring Prospectus.”

25. *Our Company exports our products to countries majorly The United Arab Emirates, Australia, Malaysia and Hong Kong etc. Any adverse events affecting these countries could have a significant adverse impact on our results from operations.*

Our Company derives a significant part of its revenue from export operations. Our Company exports its products to countries namely The United Arab Emirates, Australia, Malaysia and Hong Kong etc. For details of country wise exports made by our Company during for the period ended December 31, 2017 please refer chapter titled — Our Business beginning on page 159 of this Draft Red Herring Prospectus. Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries, etc. would directly impact our revenues and results

from operations. In the event of change in policies or laws in these regions with respect to our industry, quality standards, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

26. We generally do business with our customers on purchase order basis and do not enter into long-term contracts with most of them.

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers nor has any marketing tie up for our products. Further, our Company has not appointed any exclusive agents for handling its operations. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

27. Our Company does not have any formal long-term arrangements with the suppliers and customers. Any significant variation in the supply & demand may adversely affect the operations and profitability of our Company.

Major raw materials used for manufacturing of Carpets include, BCF Yarn, Poly Cotton, Jute and Latex. BCF Yarn is currently imported from Turkey. Poly Cotton is majorly procured from dealers in Gujarat and Jute is procured majorly from Kolkata. Latex is also procured from domestic market. For the procurement of abovementioned Raw materials, we are dependent on external suppliers and we do not have any formal long-term arrangements with our suppliers which oblige them to maintain their business with us. Our ability to maintain close and satisfactory relationships with our suppliers may impact our supplies and affect our production process. We also have not entered into any long term agreements with our customers. In the event of any change in the preference or production schedule of the customer, our customer may terminate the orders which may affect our Company's business, results of operations and revenues. Also, there is no assurance that the suppliers will continue to supply raw materials to us and these customers will continue to purchase products from us. This could impact the financial performance of our Company and affect our financial condition.

28. Our dependence on few suppliers puts us at risk of interruptions in the availability of raw materials, which could adversely affect our business, financial condition and results of operations.

Major raw materials used for manufacturing of Carpets include, BCF Yarn, Poly Cotton, Jute and Latex. BCF Yarn is currently imported from Turkey. Poly Cotton is majorly procured from dealers in Gujarat and Jute is procured majorly from Kolkata. Latex is also procured from domestic market. Our Company is dependent on third party suppliers i.e. domestic as well as foreign for procuring the raw materials which we use in our manufacturing process. We procure our products from various domestic and international suppliers depending upon the price and quality. However, our Top 10 suppliers contribute significantly. Our top 10 and top 5 suppliers contributed 91.88 % and 80.42 % of our revenues for the period ended December 31, 2017. Further, our top 10 and top 5 suppliers contributed 78.83 % and 68.26% of our revenues for the year ended March 31, 2017.

There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. If we were to experience a significant or prolonged shortage of such raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our execution schedules and to deliver products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations. We also cannot assure you that a particular supplier will continue to supply the required raw materials to us in the future. Any change

in the supplying pattern of our raw materials can adversely affect our business and profits. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our execution cycles and delivery schedules, which may result in the loss of our customers and revenues.

29. We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.

We export our products and receive sale proceeds in foreign currency. Further we also import our major Raw Material i.e. Bulk Continuous Filament (BCF) from Turkey. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our Company to the extent of sales in foreign currency terms. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

30. Our Group Companies have incurred losses in the previous financial years.

Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers, etc., which may affect our credibility and business operations. Our Group Companies, Exclusive Overseas Private Limited and Exclusive Carpets Private Limited, have incurred losses in previous years.

Financial Performance of Exclusive Overseas Private Limited (Amount in Rs. Lakhs)

Particulars	For The Year Ended		
	2017	2016	2015
Paid up Capital	649.83	619.00	533.00
Reserves & Surplus	424.32	258.43	218.10
Networth	1,073.15	877.43	751.10
Sales and other income	4001.02	3,409.41	3,616.00
Profit/loss after tax	19.71	(0.17)	14.57

Financial Performance of Exclusive Carpets Private Limited (Amount in Rs. Lakhs)

Particulars	For The Year Ended		
	2017	2016	2015
Paid up Capital	1.00	1.00	1.00
Reserves & Surplus	(0.75)	(0.82)	(0.57)
Networth	0.25	0.18	0.43
Sales and other income	0.21	-	-
Profit/loss after tax	0.07	(0.25)	(0.34)

There can be no assurance that our Group Companies, will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses.

31. We operate in a highly competitive environment and face competition in our business from organized and unorganized players, which may adversely affect our business operations and financial condition.

The Technical Textile industry in which the Company operates is highly and increasingly competitive and unorganised and our results of operations and financial condition are sensitive to, and may be materially adversely affected by competitive pricing and other factors. Competition may

result in pricing pressures, reduced profit margins, lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations.

The domestic segment which we cater to is fragmented and continues to be dominated by unorganised suppliers. At present, there are many players who compete against each other in a highly sensitive industry, leading to a very low margin. Further, the unorganised sector forms majority portion of the industry. We compete primarily on the basis of quality, customer satisfaction and marketing. Further, some of our competitors are large domestic and international companies. Thus some of our competitors may have certain other advantages over us, including established track record, superior product offerings, larger product portfolio, technology, research and development capability and greater market penetration, which may allow our competitors to better respond to market trends. They may also have the ability to spend more aggressively on marketing and distribution initiatives and may have more flexibility to respond to changing business and economic conditions than we do.

We believe that in order to compete effectively, we must continue to maintain our reputation, be flexible and prompt in responding to rapidly changing market demands and customer preferences, and offer customer a wide variety of products at competitive prices. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

32. Our Company is dependent on third party transportation for the delivery of our finished products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.

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

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

33. Conflicts of interest may arise out of common business undertaken by our Company and that of our Group Companies and one of our Promoter Group entities.

Our Group Companies Exclusive Overseas Private Limited and Exclusive Carpets Private Limited and one of our Promoter Group Entities MR Poly-Yarns Private Limited are authorised to carry similar activities as those conducted by our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, and our Group Companies or Promoter group entity in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other Company in which our Promoters have interests. There can be no assurance that our Promoters or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

34. *Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.*

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

35. *Our business is dependent on the adequate and uninterrupted supply of electrical power at a reasonable cost. Failure on account of unavailability of electrical power may restrict us in utilizing our full capacity and hence, may impact our business and results of operation.*

Adequate and cost effective supply of electrical power is critical to our operations, which entails significant consumption of electrical power. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high in view of increasing oil prices and other constraints. Currently, we source power requirements by purchasing electricity from Dakshin Gujarat Vij Company Limited at Dahej Unit at GIDC Gujarat. Further, we also have 1,600 KVA transformer to provide electricity in case of absence Power. There can be no assurance that electricity supplied will be sufficient to meet our requirements or that we will be able to procure adequate and interrupted power supply in the future at a reasonable cost. Further, if the per unit cost of electricity is increased by the state electricity boards, our power costs will increase and it may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. This could adversely affect our business, financial condition and results of operations.

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

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

37. *Our manufacturing facility is located at Dahej Industrial Estate, GIDC, Gujarat. Any delay in production, or shutdown, or any interruption for a significant period of time, in this facility may in turn adversely affect our business, financial condition and results of operations.*

Our Company has its manufacturing facility located at Dahej Industrial Estate, GIDC, Gujarat. Our success depends on our ability to successfully utilize these manufacturing facilities to its utmost capacities and deliver our products in order to meet our customer demands in a timely manner. Our manufacturing facilities are susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, plant and machinery, power supply or processes, performance below expected levels of output or efficiency, obsolescence, terrorist attacks, acts of war, break-ins, natural disasters such as earthquakes and industrial accidents and other similar events beyond our control. Further, our manufacturing facility is also subject to

operating risks 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 due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

38. *We do not own the land where our registered office, corporate office and Manufacturing Facility are located, which we have taken on lease. Further the land on which proposed project will be set up is also on lease. Any termination of lease agreements may require us to vacate such premises and adversely affect our business operations.*

The Registered Office of the Company situated at New Delhi is taken on lease from one of our Promoters Rajiv Kumar Aggarwal. Our Company has its Corporate Office located at New Delhi which is taken on lease from third party. Further, the Manufacturing Unit, Warehouse and Raw Material Storage of our Company is situated at Dahej Industrial Estate, Bharuch, Gujarat which is taken on lease from GIDC for 99 years. Company also has residential premises for employees at Atali Housing Industrial Estate, Bharuch, Gujarat which is taken on lease from GIDC for 99 years.

If any such lease agreement under which we occupy the premises is not renewed on terms and conditions that are favorable to us, or at all, we may suffer a disruption in our operation which could have a material adverse effect on our business, financial condition and results of operations. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on our operations and there can be no assurance that renewal of lease agreement with the owner will be entered into. In the event of non-renewal of lease, we may be required to shift our office or facility to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one.

For more details on properties taken on lease by our Company, please refer section "Land and Properties" in the chapter titled — "*Our Business*" beginning on page 159 of the Draft Red Herring Prospectus.

39. *We do not have any offshore office or business place to look after our export operations.*

We sell our products to both domestic as well as international markets. A significant portion of our revenue from operations is derived from international markets. However, we do not have any offshore office as a result of which we may not be able to capitalize on opportunities offered by the evolving international markets in a timely manner. The business operations of our Company are mainly handled from our registered office and corporate office located at New Delhi and manufacturing unit located at GIDC Gujarat. Apart from this, our Company does not have any place of business overseas either in the nature of liaison office or corporate office. Due to this, we may not be able to expand our business effectively in the international market, thereby affecting the results of operations and profitability.

40. *Any defects in our products could make our Company liable for customer claims, which in turn could affect our Company's results of operations.*

Our Company is bound by the terms and conditions as stated in the purchase order placed by its customers. There are no specific regulations governing the supply of the same, other than the general law of contracts. Any claims made by these customers for defects in the products, would be subject to these terms and conditions, which are in the nature of normal contractual obligations in India. Any violation of these obligations could impact our Company's results of operations and financial conditions.

41. The industry in which we operate is labour intensive and our operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees.

Our industry being labour intensive is dependent on labour force for carrying out its 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.

42. 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.

43. 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.

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

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

products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

45. We have not entered into any technical support service for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.

Our manufacturing processes involve daily use of technical equipment's and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our company has not entered into any technical support service agreements with any competent third party. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and results of operations.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. 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.

47. Our operations may be adversely affected in case of industrial accidents at our production facility.

Usage of heavy machinery, handling of sharp parts of machinery by labour during production process or otherwise, lifting of heavy rolls of carpets by humans, short circuit of power supply for machines, etc. may result in accidents and fires, which could cause indirect injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further, our plant and machinery and personnel may not be covered under adequate insurance for occurrence of particular types of accidents which could adversely hamper our cash flows and profitability.

48. The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.

Our Promoters average cost of acquisition of Equity Shares in our Company could be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title “*Capital Structure*” beginning on page 97 of this Draft Red Herring Prospectus.

49. We have issued Equity Shares in the last twelve months, the price of which may be lower than the Issue Price.

We have issued equity shares in the last twelve months at a price which may be lower than the Issue Price. Details of such issuance are given in the table below:

Date of Allotment	No. of Equity Shares	Issue Price (In Rs.)	Nature of Allotment
March 03, 2018	34,94,486	10	Bonus Issue

For further details of Equity Shares issued, please refer to chapter titled, ‘*Capital Structure*’ beginning on page 97 of this Draft Red Herring Prospectus.

50. *Our insurance coverage may not be adequate.*

Our Company has obtained insurance coverage in respect of certain risks. We have taken insurance policies such as Standard Fire and Special Perils Policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, losses due to terrorism, etc. Further there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details, please refer chapter titled “*Our Business*” beginning on page 159 of this Draft Red Herring Prospectus.

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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 4554.55 lakhs as on December 31, 2017. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the Financial Indebtedness please refer to page 288 of this Draft Red Herring Prospectus.

52. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.*

Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “*Financial Indebtedness*” on page 288 of the Draft Red Herring Prospectus.

Though these covenants are restrictive to some extent to the Company however it ensures financial discipline, which would help the Company in the long run to improve its financial performance.

53. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.*

Since, the Issue size is less than Rs.10,000 lakh and as per the provisions of Regulation 16 (1) of the SEBI ICDR Regulations, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

54. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 115 of this Draft Red Herring Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirements and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.*

We intend to use entire Issue Proceeds towards setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat; Repayment/Pre-payment of certain secured borrowings availed by our Company; Funding the working capital requirements of our Company and General corporate purposes. Such deployment is based on certain assumptions and strategy which our Company believes to implement in near future. The funds raised from the 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 115 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 is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “*Objects of the Issue*” beginning on page 115 of this Draft Red Herring Prospectus, the Management of the Company will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors along with the Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue.

However, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of special resolution and other compliances as applicable in this regard. Our Promoters and controlling shareholder shall provide 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.

55. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 115 of this Draft Red Herring Prospectus.

56. *Our Promoter 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 [●] % of the Equity Shares. As a result, our Promoter 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 AoA. 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 Promoter 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.

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

As at December 31, 2017 our Company has unsecured loans amounting to Rs. 11.89 lakhs from directors and their relatives that are repayable on demand to the relevant lenders. Such loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lenders 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 unsecured loans of our Company, please refer chapter titled “*Financial Statements*” beginning on page 224 of this Draft Red Herring Prospectus.

However, as on the date of this Draft Red Herring Prospectus, the entire unsecured loan from Directors and their relatives have been repaid.

58. Our future funds requirements, in the form of 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 issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

59. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 223 of this Draft Red Herring Prospectus.

60. Our success depends largely upon the services of our Directors, Promoters 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 success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel (“KMP”). 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. Demand for KMP in the industry is intense. 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.

61. 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 (“KMP”) 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 KMP 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 97 and 200, respectively, of this Draft Red Herring Prospectus.

62. We have taken guarantees from Promoters and members of Promoter Group in relation to debt facilities provided to us.

We have taken guarantees from Promoters and members of Promoter Group in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees 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 288 of this Draft Red Herring Prospectus.

63. Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be impaired.

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to inadequate stamping may adversely affect our operations.

64. Negative publicity could adversely affect our revenue model and profitability.

Our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations. Further, our brand may also be affected if there is any negative publicity associated with our products.

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

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

please refer to section “Related Party Transactions” in Chapter “*Financial Statements*” beginning on page 224 of this Draft Red Herring Prospectus.

66. Industry information included in this Draft Red Herring Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although, we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective 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 for other economies 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 may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

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

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

ISSUE SPECIFIC RISKS

68. There are restrictions on daily/weekly/monthly movements in the price of the Equity Shares, which may adversely affect a shareholders’ 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 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.

69. 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 Textile 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.

70. 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 will be determined by Book Built method. This price is based on numerous factors (For further information, please refer chapter titled "*Basis for Issue Price*" beginning on page 131 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.

71. 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 the applicable Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this 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 from investors.

72. *QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

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

Any instance of disinvestments of equity shares by our Promoters 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 RISKS

74. *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

75. *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 Red Herring Prospectus under chapter "Financial Statements as restated" beginning on page 224, the financial statements included in this Draft Red Herring 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 Red Herring 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.

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a Stock Exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian Stock Exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised Stock Exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a Stock Exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, Section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1st day of October 2004 shall be available only if the acquisition of share is chargeable to STT under Chapter VII of the Finance (No 2) Act, 2004. In this case, this provision becomes effective, sale shares acquired on or after 1st day of October 2004 on which STT was not charged will attract tax under provisions of Long Term Capital Gains.

As per Finance Bill 2018, exemption under section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April 2018 if the long term capital gains exceeds Rs. 1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April 2018 in excess of Rs. 1,00,000/- p.a. shall be chargeable at the rate of 10%.

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a 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 for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "*Key Industry Regulations and Policies*" on page 178 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results

of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

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

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

78. 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.

79. 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 GoI 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 deregulation policies could adversely affect business

and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

80. 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.

81. 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.

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

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

83. 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.

84. 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.

85. *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. Initial public offer consisting of fresh issue of upto 44,96,000 equity shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. [●] per equity share (the "issue price") (including a share premium of Rs. [●] per equity share) aggregating up to Rs. [●] lakhs (the "issue"), of which [●] equity shares of face value of 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. issue of [●] equity shares of face value of Rs.10/- each for cash at a price of Rs. [●]/- per equity share, aggregating Rs. [●] lakhs is hereinafter referred 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.
2. Our Company is considering a Pre-IPO Placement of upto 5,50,000 Equity Shares for an amount aggregating upto Rs. 450.00 lakhs. The Pre-IPO placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public in compliance with Rule 19(2)(b) of SCRR,1957 and shall be subject to lock in period of one year from the date of Allotment pursuant to the Issue.
3. 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 and the Company Secretary & Compliance Officer, please refer to chapter titled "*General Information*" beginning on page 85 of this Draft Red Herring Prospectus.
4. The pre-issue net worth of our Company was Rs. 2,348.02 lakhs as on December 31, 2017 and Rs. 1,632.48 Lakhs for the year ended March 31, 2017. The adjusted book value per Equity Share was Rs 22.40 as on December 31, 2017 and Rs. 15.92 as on March 31, 2017 as per the restated financial statements of our Company after giving effect of bonus shares allotted on March 03, 2018. For more information, please refer to section titled "*Financial Statements as restated*" beginning on page 224 of this Draft Red Herring Prospectus.
5. 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.)
Rajeev Kumar Aggarwal	42,77,531	4.13
Meenu Aggarwal	33,38,366	3.21

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “*Capital Structure*” beginning on page 97 of this Draft Red Herring Prospectus.

6. Our Company has entered into related party transactions during the previous years. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer “*Related Party Transaction*” under chapter titled “*Financial Statements as restated*” beginning on page 224 of this Draft Red Herring Prospectus.
7. 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 332 of this Draft Red Herring Prospectus.
8. Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoter and Promoter Group*”, “*Our Management*”, “*Related Party Transaction*” and “*Group Companies*” beginning on pages 97, 214, 200, 222 and 218 respectively, of this Draft Red Herring Prospectus, none of our Promoter, Group Companies, Directors or Key Management Personnel has any interest in our Company.
9. Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 97 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
10. There has been revaluation of assets in the year 2012. However, equity shares have not been issued out of the revaluation reserves created thereby.
11. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
12. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 131 of the Draft Red Herring Prospectus.
13. 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.
14. Our Company was incorporated as “Exclusive Fibers Private Limited” at New Delhi as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 16, 2004 bearing Corporate Identification Number U74999DL2004PTC125846 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extra-ordinary General Meeting held on March 25, 2014 and the name of our Company was changed to “Exclusive Fibers Limited” vide a fresh Certificate of Incorporation dated April 17, 2014 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Corporate Identification Number of our Company is U74999DL2004PLC125846. 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 195 of this Draft Red Herring Prospectus.
15. Except as stated in the chapter titled “*Our Group Companies*” beginning on page 218 and chapter titled “*Related Party Transactions*” beginning on page 222 of this Draft Red Herring Prospectus, our Group Companies have no business interest or other interest in our 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” and related notes beginning on page 21 and 224 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

INTRODUCTION TO TEXTILE INDUSTRY

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 US\$ 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: Indian Textile Industry India Brand Equity Foundation - www.ibef.org)

INTRODUCTION TO TECHNICAL TEXTILE INDUSTRY

Technical textiles are defined as textile materials and products used primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics. Other terms used for defining technical textiles include industrial textiles, functional textiles, performance textiles, engineering textiles, invisible textiles and hi-tech textiles. Technical textiles are used individually or as a component/part of another product. Technical textiles are used individually to satisfy specific functions such as fire retardant fabric for uniforms of firemen and coated fabric to be used as awnings. As a component or part of another product, they are used to enhance the strength, performance or other functional properties of that product. Technical textiles have been slowly but steadily gaining ground due to one or more of the reasons such as: functional requirement, health & safety; cost effectiveness; durability; high strength; light weight; versatility; customization; user friendliness; eco friendliness; logistical convenience etc. Unlike conventional textiles used traditionally for clothing or furnishing, technical textiles are used basically on account of their specific physical and functional properties and mostly by other user industries.

(Source: *Technical Textiles*, Indian Technical Textile Association- www.ittaindia.org)

GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach \$61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings—rapid growth, ultra-low interest rates—at a late stage in the economic cycle have produced the rarest of combinations: record-high high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from China's unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago.

In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become “an obsession in search of a justification.” Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labor markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the “Cry of Wolf” trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of “This Time is Different” (stock valuations are sustainable this time because interest rates will remain at historic lows).

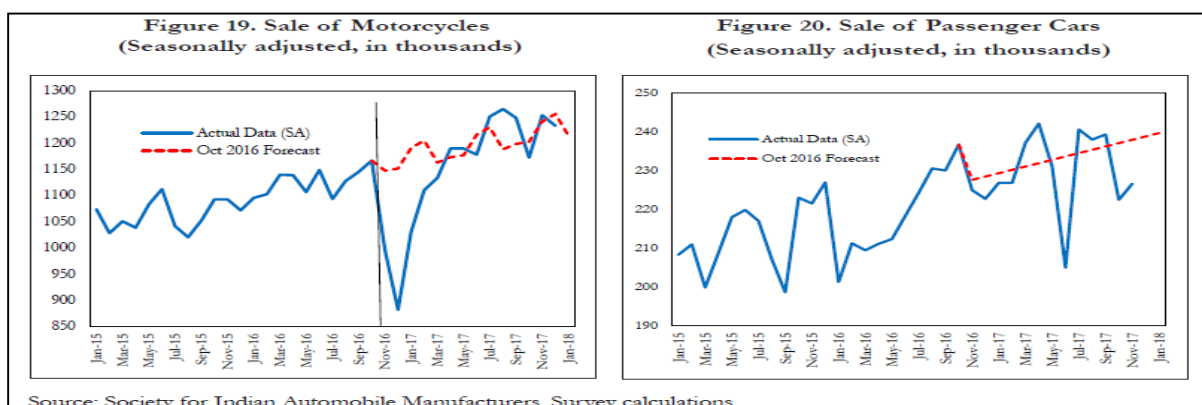
(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OVERVIEW OF INDIA'S ECONOMIC PERFORMANCE IN 2017-18

Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

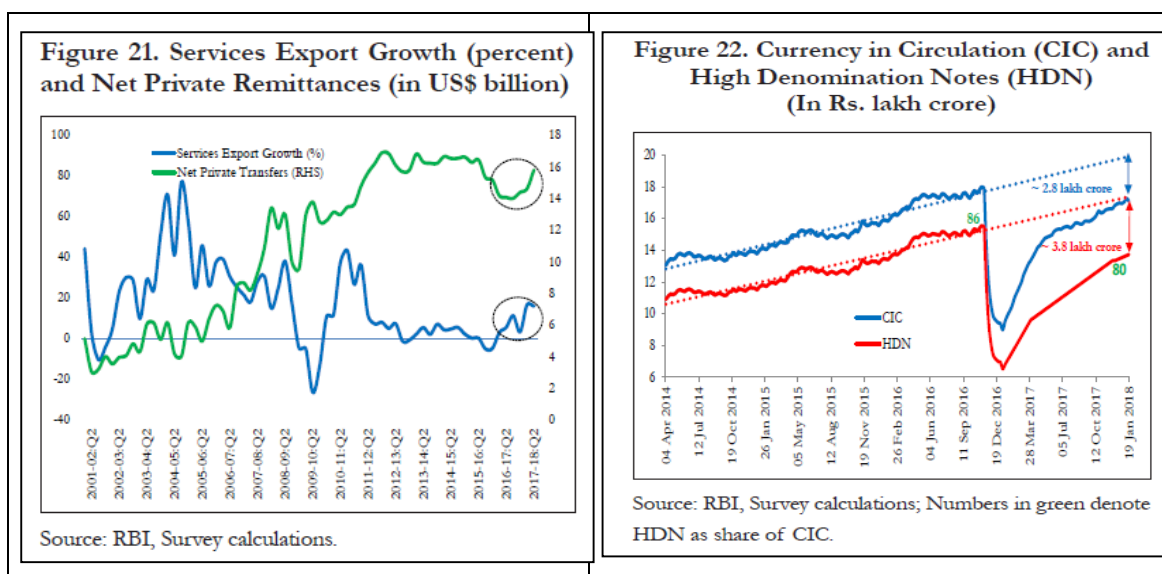
Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).



Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6

percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

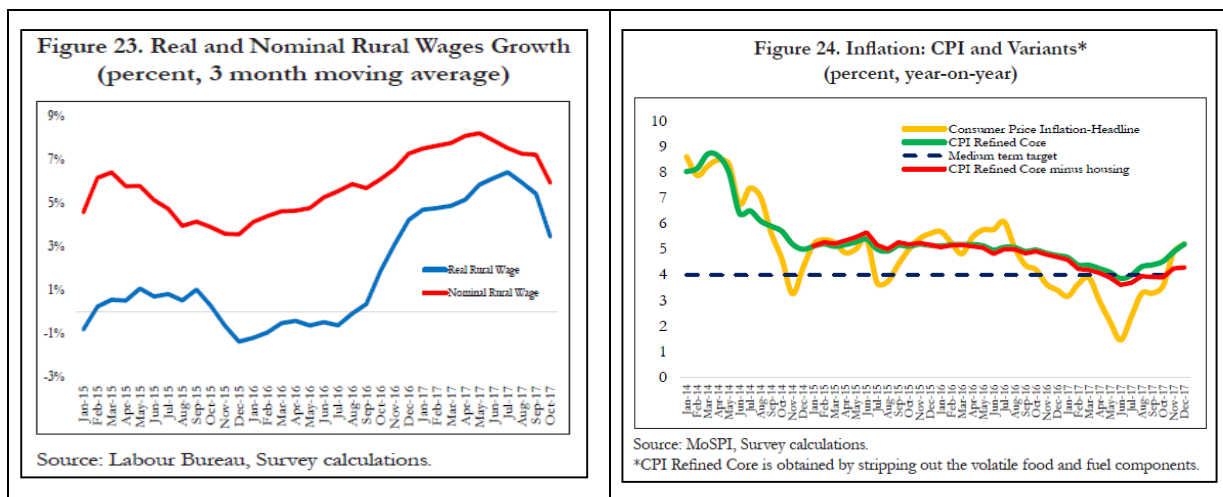


A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments at remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and rabi, reducing the demand for labor. The acreage for kharif and rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.



Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private capex cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spending—assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices requires tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the world's fastest growing major economy. This forecast is subject to upside potential and downside risks. The biggest source of upside potential will be exports. If the relationship between India's exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another ½ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market “sudden stall” induced by sharp corrections to elevated stock prices. (Box 9 suggests that India's stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

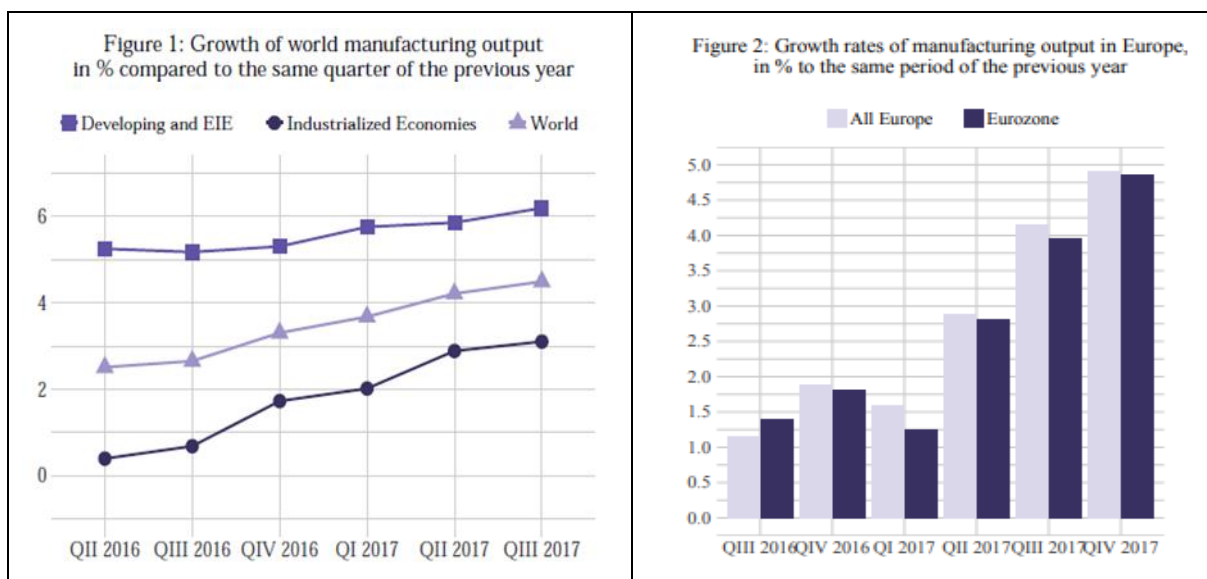
Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

GLOBAL MANUFACTURING INDUSTRY

World Manufacturing Growth

World manufacturing production continued to grow in the fourth quarter of 2017, maintaining the upward trend that has been observed since the beginning of the year. Industrialized economies gained further strength in manufacturing production and confirmed their dynamic growth. Developing and emerging industrial economies achieved a much higher growth of manufacturing output than industrialized economies. Industrialized economies account for most of the global industrial output. The increased growth pace in these countries has a positive impact on the global economy as a whole. Signs of recovery in the manufacturing sectors of industrialized economies are likely to boost the growth prospects in developing economies. The growth trend observed in the first half of 2017 was largely maintained in the second half of the year. Steady progress over several consecutive quarters contributed to sustained global industrial growth in subsequent periods (Figure 1). Improvements in business conditions, rising consumer spending and promising investment plans are some of the driving forces behind the positive developments in global manufacturing. On the other hand, risks to global growth arising from the uncertainty of the Brexit negotiations, changes in global trade arrangements or high geopolitical uncertainty have not yet dissipated. Global manufacturing output rose by 4.7 per cent in the fourth quarter of 2017 compared to the same quarter of the previous year. This impressive gain was attributable to strong growth since the beginning of the year. The disaggregated data highlight the thriving performance of major industrialized economies with a significant share in global manufacturing output, particularly the United States, Japan, Germany, Italy as well as France.



Industrialized economies as a whole registered a relatively high growth rate of 3.5 per cent in the fourth quarter of 2017 compared to the same period of 2016. This was the highest growth performance of manufacturing output in a year-by-year comparison in the post-crisis period. Such growth was attributable to Europe's dynamic recovery, which recorded a 4.9 per cent growth rate. At the same time, the manufacturing output in the North America region rose by 2.6 per cent compared to the fourth quarter of 2016. An impressive growth rate was also observed in East Asia's industrialized economies, which had a very positive impact on the overall manufacturing growth of industrialized countries. The manufacturing output of these economies increased by 3.2 per cent in the last quarter of 2017. The manufacturing output of developing and emerging industrial economies increased by 6.1 per cent in the fourth quarter of 2017 in comparison to the same period of the previous year. The growth rate was slightly down from 6.3 per cent of the previous quarter. Asia's

developing economies recorded a high growth rate of 6.5 per cent in the fourth quarter. China, the world's largest manufacturer, contributed most to Asian economies' growth. Latin America continued its recovery from the third quarter of 2017 in a year-by-year comparison. Brazil's economy has had a considerable impact on Latin America's recovery in the fourth quarter. The region experienced positive growth of 0.7 per cent compared to the previous quarter. Growth estimates based on limited data showed positive growth for Africa's manufacturing output. The growth of manufacturing production was observed across all industrialized and developing regions in the last quarter of 2017 compared to the same period of the previous year, which confirms the sustained recovery of manufacturing production both in advanced and in emerging economies.

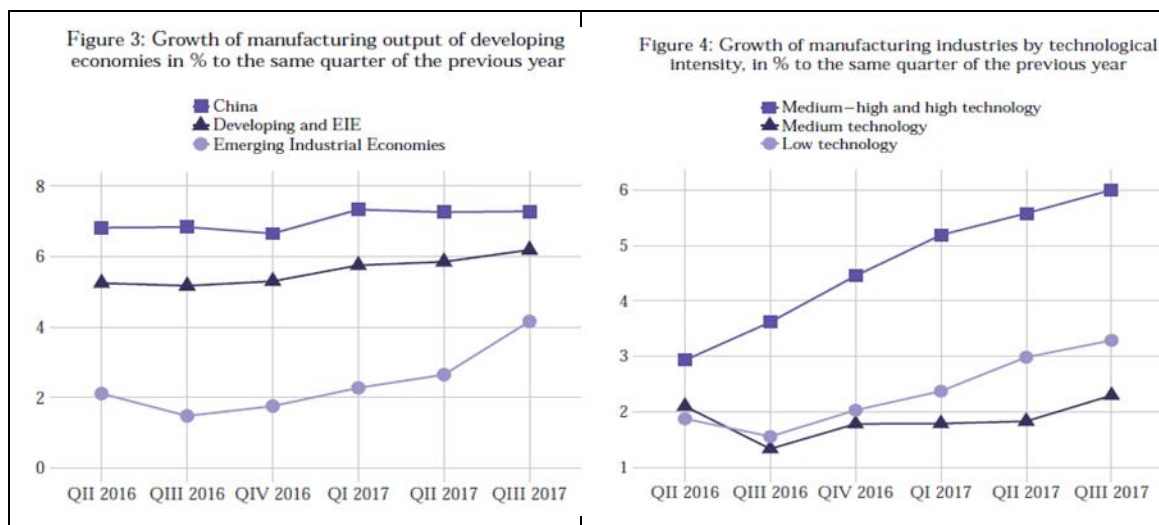
The manufacturing output of industrialized economies has maintained strong growth rates over the last quarters. All industrialized regions, namely East Asia, Europe and North America, recorded positive growth rates and helped strengthen the overall upward trend in industrialized economies in the fourth quarter. Among the industrialized country group, Europe's manufacturing showed a strong growth rate of 4.9 per cent in the fourth quarter of 2017 compared to the same period of the previous year. It experienced the strongest growth in the last six years. An investment-led domestic upturn and rising consumer confidence further supported the expansion of demand and accelerated production in European economies. The growth rate in the eurozone countries followed the same trend as overall Europe. The disaggregated data indicated strong growth in the last quarter of 2017, when year-by-year growth figures are compared among the leading eurozone economies. Manufacturing output increased by 5.5 per cent in Germany, 5.0 per cent in France and Spain, and 4.3 per cent in Italy. The manufacturing production in other economies of the single currency block continued to witness positive growth figures. Strong growth of over 11.5 per cent was recorded by Slovenia followed by Lithuania with 10.1 per cent, while a fairly robust rate was observed by Estonia (6.3 per cent), Austria (4.9 per cent), the Netherlands (4.9 per cent), Portugal (4.7 per cent) and Finland (4.3 per cent).

(Source: World Manufacturing Production- Statistics for Quarter IV, 2017; United Nations Industrial Development Organisation - www.unido.org)

Key Findings by Industry Groups

Global manufacturing production maintained a positive growth rate in nearly all industries in the fourth quarter of 2017. Advanced manufacturing such as automation, robotics and digitalization have been steadily expanding at the global level. Structural change represented by shifting from low technology to high technology manufacturing industries plays a key role in promoting innovation in the long term. Investment in new technology is a key component in the generation of innovation shaping the future of manufacturing in both advanced and emerging economies. The medium-high and high-technology industries witnessed solid high growth rates leading to an increase in high value goods and a high level of consumer confidence (Figure 4). UNIDO data largely support this pro-technology approach. Globally, medium-high and high technology manufacturing continued to outperform other industry groups, increasing the year-by-year growth rate to 6.0 per cent in the fourth quarter of 2017. This was largely driven by strong growth rates of over 9 per cent in China and Eastern European developing countries. At the same time, the average growth of medium-high and high-technology manufacturing was considerably lower in African as well as East Asian economies at around 0.7 per cent and 2.0 per cent, respectively. Growth of manufacturing industries by technological intensity, in % to the same quarter of the previous year Overall, the highest growth rate of 9.1 per cent was registered in the production of machinery and equipment, continuing the upward trajectory of the industry over the past couple of years. Growth in the production of capital goods indicated rising consumer confidence in the purchase of durable goods. The manufacturing of computer, electronic and optical products also maintained a steady growth rate of 7.8 per cent. The production of basic pharmaceutical products and pharmaceutical preparations expanded at 5.8

per cent compared to the fourth quarter of 2016. Figure 5 shows that the highest growth rates in these industries were attained by developing and emerging industrial economies.



Medium-technology manufacturing industries recorded a growth rate of 2.7 per cent worldwide in the fourth quarter in a year-by-year comparison. The global manufacturing of rubber and plastic products grew by 4.2 per cent compared to the same quarter in the previous year, followed by the manufacturing of non-metallic mineral products, reaching a growth rate of 2.7 per cent. The manufacturing of basic metals retained a moderate pace of a 1.7 per cent at the global level. The year-by-year growth of low-technology manufacturing industries remained stable at 3.4 per cent in the last quarter of 2017. The strongest growth in this sector occurred in developing countries in Eastern Europe, reaching 6.5 per cent, as well as in the Asia and Pacific region, where a 5.4 per cent growth rate was observed. Global growth in the low-technology manufacturing sector was largely driven by greater output in the production of fabricated metal products of 5.1 per cent, in particular in Eastern Europe. This was followed by the expansion of the manufacturing of basic consumer goods: The industries for food products and beverages grew by 4.5 per cent and 3.7 per cent, respectively.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2017; United Nations Industrial Development Organisation - www.unido.org)

INDIAN MANUFACTURING SECTOR

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Quarterly GVA at basic prices from manufacturing sector grew by 10.92 per cent in the third quarter of FY18. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power.

Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 73.70 billion during April 2000-December 2017.

India has become one of the most attractive destinations for investments in the manufacturing sector.

Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country.

Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on March 01, 2018

(Source: Indian Manufacturing Industry Analysis - India Brand Equity Foundation - www.ibef.org)

INDIAN TEXTILE INDUSTRY

Introduction

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 US\$ 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.

Market Size

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

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

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

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

Investment

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.68 billion during April 2000 to September 2017.

Government Initiatives

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Road Ahead

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025.

The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand*.

Exchange Rate Used: INR 1 = US\$ 0.015 as of January 4, 2018.

References: Ministry of Textiles, Indian Textile Journal, Department s Industrial Policy and Promotion, Press Information Bureau, Union Budget 2017-18

*Note: # - according to Damco, * - according to India Ratings and Research, ^ - according to the International Cotton Advisory Committee (ICAC)*

(Source: Indian Textile Industry - India Brand Equity Foundation www.ibef.org)

OVERVIEW INDIAN TEXTILE INDUSTRY

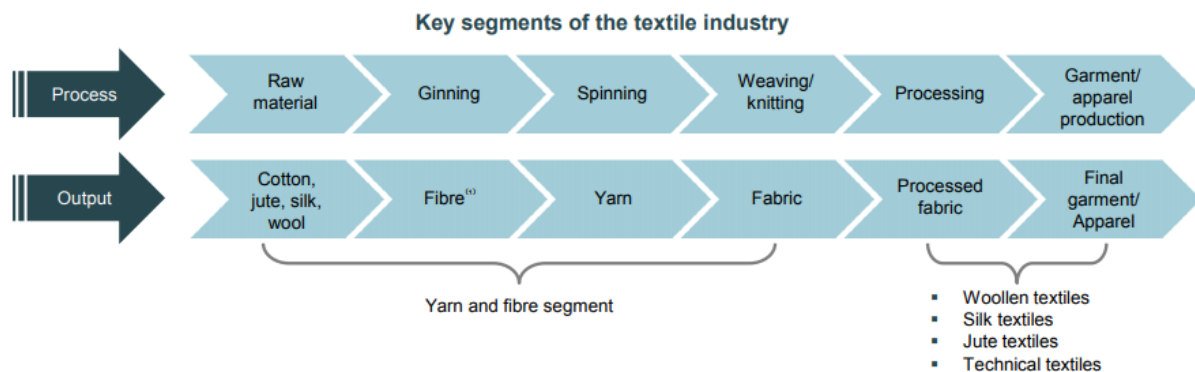
Textile plays a major role in the Indian economy. It contributes 14 per cent to industrial production and 4 per cent to GDP (ii) With over 45 million people, the industry is one of the largest source of employment generation in the country. The industry accounts for nearly 15 per cent of total exports. The size of India's textile market in 2016 was around US\$ 137 billion, which is expected to touch US\$ 226 billion market by 2023, growing at a CAGR of 8.7 per cent between 2009-23E.

As of June 2017, the central government is planning to finalize and launch the new textile policy in the next three months. The policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs. Production of raw cotton in India grew from 28 million bales in FY07 and further increased to 35.1 million bales in FY17. During FY07-17, raw cotton production expanded at a CAGR of 2.3 per cent. During FY16(1), of the overall amount of raw cotton produced in the country, domestic consumption totalled to 30 million bales, while in FY15(1), the domestic consumption of raw cotton stood at 30.4 million bales. Raw cotton and man-made fibres are major segments in this category.

(Source: Indian Textile Industry - India Brand Equity Foundation www.ibef.org)

INDIAN TECHNICAL TEXTILES SEGMENT OVERVIEW

Technical Textiles Segment



(Source: Indian Textiles and Apparel Industry – India Brand Equity Foundation www.ibef.org)

TEXTILE INDUSTRY: ADVANTAGE INDIA

Robust Demand

- Increased penetration of organised retail, favourable demographics and rising income levels to drive textile demand.
- Growth in building and construction will continue to drive demand for non-clothing textiles

Increasing Investments

- Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP)-(US\$ 184.98 million) and Technology Upgradation Fund Scheme (TUFS)-(US\$ 216.25 million released in 2017) to encourage more private equity and to train workforce

Competitive Advantages

- Abundant availability of raw materials such as cotton, wool, silk and jute
- India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to major textile producers

Policy Support

- 100 per cent FDI (automatic route) is allowed in the Indian textile sector
- Under Union Budget 2018-19, the government has allocated Rs 30 crore (US\$ 4.63 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects.
- Free trade with ASEAN countries and proposed agreement with European Union will boost exports

(Source: *Textiles and Apparels Industry – India Brand Equity Foundation* www.ibef.org)

GLOBAL TECHNICAL TEXTILE INDUSTRY

Technical Textiles are welfare textiles used for their diverse and multifunctional properties. Technical textiles offer several advantages in their functional aspects for improving health and safety, cost effectiveness, and durability and strength of textile material. These performance-enhancement products are applicable in the protective clothing, agriculture, medical, infrastructure development, automotive, aerospace, sports, and packaging sectors.

While the global market size of the technical textiles sector was estimated to be US\$ 104,000 million in 2010, this sector is still in nascent stages in India. Based on past trends of growth and estimated end user segment growth, the Working Group on Technical Textiles for 12th Five Year Plan (FYP) projected the market size to reach US\$ 28,727 million by 2016-17 at a year-on-year growth rate of 20% during 12th FYP.

Based on their functional requirements and end-use applications, the diverse range of technical textiles can be grouped into 12 categories, as shown below:

- [Agrotech](#) - Horticulture + landscape gardening, agriculture + forestry, animal keeping
- [Buildtech](#) - Membrane, construction, temporary constructions, interior fittings, earth, water traffic construction, agricultural building
- [Clothtech](#) - Garments, shoes
- [Geotech](#) - Underground, road, dam + waste-dump construction
- [Homotech](#) - Furniture, upholstery + interior furnishing, rugs, floor coverings
- [Indutech](#) - Filtration, cleaning, mechanical engineering, chemical industry
- [Medtech](#) - Hygiene, medicine
- [Mobiltech](#) - Cars, ships, aircraft, trains, space travel
- [Oekotech](#) - Environmental protection, recycling, waste disposal
- [Packtech](#) - Packaging, protective-cover systems, sacks, big bags, container systems
- [Protech](#) - Person and property protection
- [Sporttech](#) - Sport and leisure, active wear, outdoor, sport articles + equipment, sports shoe

(Source: *Technical Textiles* www.technicaltextile.gov.in)

INDIAN TECHNICAL TEXTILE INDUSTRY

The Indian textiles industry, currently estimated at around \$108 billion, is expected to reach \$223 billion by 2021. Expanding in the same proportion as the entire textile industry, the market for technical textiles in India, which stood at Rs 92,499 crore in 2015-16, is expected to grow at 12 per cent CAGR and reach 1, 16,217 crore by 2017-18.

In 2015, technical textiles accounted for around 29 per cent share of the global textile revenues. Demand for technical textiles is expected to stay steady during the period 2015-2020, due to a broadening application in end-use industries, such as automotive, construction, healthcare, and sports equipment etc, said Sanjay Aggarwal, chairman, Industry Affairs Committee, PHD Chamber of Commerce & Industry (PHDCCI), at the recently concluded Technical Textiles Exhibition cum Buyer Seller Meet in New Delhi.

In 2015, the global technical textiles market was valued at around \$153 billion. On back of strong demand, the global technical textiles market is estimated to reach at \$194 billion by 2020, with global consumption expected to surpass 40 million tonnes, said Aggarwal.

Development and industrialisation are the main drivers for the demand of technical textile products in a country, said Aggarwal. “Given the large scale at which emerging nations are industrialising, the market for technical textiles can only be expected to grow in tandem with industrial growth in different parts of the world.”

India is expected to play a key role in shaping the future technical textiles market with consumers spending more on home textile, sportswear products, and medical products. In fact, technical textiles provides new opportunity to the Indian textile industry to have long term sustainable future. Despite achieving high growth rate, the per capita consumption of technical textiles in India is 1.7 per kg vis-a-vis 10-12 kg in developed countries. Globally, the technical textiles contribute to about 29 per cent of textile industry, in some of the western countries its share is around 50 per cent while in India it is a meagre 10 percent only.

(Source: Technical Textiles www.technicaltextile.gov.in)

HOMETECH – TECHNICAL TEXTILES SECTOR

The hometech segment of technical textiles comprises the textile components used in household applications. These products range from blinds used in houses to filter products used in vacuum cleaners, and are also important components in fibre-fills in mattress and pillows. Hometech products are made of both natural and synthetic fibres. Woven fabrics are still used to a significant extent as carpet, furniture backings and curtain header tapes. However, nonwovens such as spun-bond have made significant inroads into these larger markets while various dry-laid and hydro-entangled products are now widely used in household cleaning applications in place of traditional mops and dusters. Indian hometech segment is expected to grow at a rate of 20% to US\$ 3,542 million by 2016-17 as per estimates of the Working Group on Textiles and Jute Industry, Ministry of Textiles, Government of India. Hometech segment includes manufacturing of: Fibre-fill, Carpet backing cloth, Stuffed toys, Blinds, Mattresses and pillows, Flock fabrics, PU coated fabrics

(Source: Technical Textiles www.technicaltextile.gov.in)

SUMMARY OF BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 20 of this Draft Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” beginning on page 21 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 21 and 224, respectively.

OVERVIEW OF THE BUSINESS:

Our Company was incorporated as “Exclusive Fibers Private Limited” at New Delhi as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 16, 2004 bearing Corporate Identification Number U74999DL2004PTC125846 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extra-ordinary General Meeting held on March 25, 2014 and the name of our Company was changed to "Exclusive Fibers Limited" vide a fresh Certificate of Incorporation dated April 17, 2014 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Corporate Identification Number of our Company is U74999DL2004PLC125846.

Incorporated in the year 2004, we were engaged in trading of different types of Textile Fibers and other textile related materials including Bulk Continuous Filament (BCF) Yarn until year 2015. Subsequently, we decided to foray into Carpet Manufacturing (Weaving). Our Company was allotted a leased land of approx. 54,457.96 square meters in Dahej Industrial Estate, Gujarat to set up a manufacturing facility for manufacturing of Carpets and Yarns in the year 2012. We decided to set-up facility in two phases in the allotted land and consequently started construction of Phase I unit in the year 2012. We commissioned our first commercial production in Phase I unit in year 2015. The manufacturing facility of Phase I has an installed capacity of 4,50,000 square meters per annum for weaving carpets.

In Phase II, the Company is intending to enhance the Carpet Manufacturing Capacity as well as to set up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic as well as Export Market. Our Company proposes to set up 6,00,000 square meters per annum capacity of Carpets weaving and 1,800 Tons per annum capacity of BCF yarn in Phase II at Dahej. Reducing cost of production is an important aspect to increase the profitability. Manufacturing of Carpets uses BCF Yarn as a major raw material. Cost of material consumed accounts for substantial portion of the total expenses of the Company. With the proposed facility, our Company will be able to meet 100% of its BCF Yarn requirement from in-house production and there would be no need of importing BCF Yarn thereby reducing our costs substantially and generating more revenues. We also intend to set up Carpet Weaving Technology Training Institute.

The Registered Office of the Company is situated at 31/3203, Beadonpura Karol Bagh, New Delhi – 5, Delhi – 110005, India. Our Company has its Corporate Office located at C-203, Greater Kailash Part-1, New Delhi, 110048, India. Further, the Manufacturing Unit, Warehouse and Raw Material Storage of our Company is situated at D-2/E-16, Dahej Industrial Estate, Bharuch, Gujarat – 392130, India.

We are now engaged in the business of manufacturing and trading of Carpets and cater to both domestic as well as foreign markets. Our Company exports its products to countries like United Arab Emirates, Malaysia, Hong Kong and Australia apart from selling in domestic markets. The Company has been recognised as “One Star Export House” by Directorate General of Foreign Trade and holds the valid certificate for the same.

Technology is a crucial aspect of the carpet and BCF yarn industry. The level of advancement determines the productivity of machines and labor, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern technology and processing techniques by virtue of which we are able to ensure quality products. The demand of carpets varies from sizes, design, and quality among others. Our Company manufactures different types of carpets varying in terms of its characteristics. Our customers are mostly distributors and traders who ensure bulk orders.

Our Company is promoted by Rajeev Kumar Aggarwal and Meenu Aggarwal. They have sound knowledge and experience in the industry in which we operate. Our Promoters have knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the Technical textile industry especially Home Tech Domestic Textiles which includes Carpets. They are guiding force behind the operational, strategic and financial decisions of our Company.

We focus on producing quality product to increase customer satisfaction and develop a positive brand image in the industry. Our management and team has enable us to maintain continuing customer relations, ensuring repeat order flows. Promoters having experience in the technical textile industry has maintained close relations with its suppliers and tries to strengthen the same.

FINANCIAL PERFORMANCE:

Financial Snapshot of our Company as per Restated Financial Statements is as under:

(Amount Rs. In Lakhs)

Particulars	For the period ended December 31, 2017	FY 2016-17	FY 2015-16	FY 2014-15
Revenue	3,223.04	2,590.03	1,475.93	1,128.19
EBITDA	1,290.91	892.81	538.51	29.07
Profit After Tax	578.42	148.88	200.88	(22.88)

Geographical Sales for the period ended 31st December, 2017

(Amount in Rs. Lakhs)

Particulars	Amount	% to Revenue
DOMESTIC	2,530.57	78.67%
Delhi	1,298.25	40.36%
Gujarat	904.01	28.10%
Maharashtra	128.16	3.98%
Karnataka	80.85	2.51%
Haryana	31.87	0.99%

Particulars	Amount	% to Revenue
Kerala	22.96	0.71%
Rajasthan	17.66	0.55%
Punjab	15.63	0.49%
Uttar Pradesh	8.99	0.28%
Tamil Nadu	7.22	0.22%
Telangana	4.58	0.14%
Jammu & Kashmir	9.59	0.30%
Chattisgarh	0.80	0.02%
EXPORTS	685.97	21.33%
United Arab Emirates (Dubai)	357.51	11.11%
Australia	188.11	5.85%
Malaysia	85.01	2.64%
Hong Kong	55.36	1.72%
Total Domestic and Exports	3,216.56	100.00%

Top 5 customers for period ended 31st December, 2017

(Amount in Rs. Lakhs)

Sr. No.	Name of Customers	Amount	Percentage to Total Sales
1.	Purewell Impex Pvt. Ltd.	893.13	27.77%
2.	Subhnen Textile & Bullion Pvt. Ltd.	859.27	26.71%
3.	UVA International Trading LLC	357.51	11.11%
4.	Choix Naturel	188.10	5.85%
5.	J.K.Carpet SDN	85.01	2.65%
	Total	2,383.02	74.09%

Top 5 customers for F.Y. 2016-17

(Amount in Rs. Lakhs)

Sr. No.	Name of Customers	Amount	Percentage to Total Sales
1.	Purewell Impex Private Limited	781.24	31.33%
2.	R V International FZC	384.10	15.41%
3.	Ishitek Enterprises Inc	200.87	8.06%
4.	Mid Valley International	186.13	7.47%
5.	Subhnen Textile & Bullion Pvt. Ltd.	78.16	3.14%
	Total	1,630.5	65.41%

OUR PRODUCT:

Product Name	Description
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Carpets

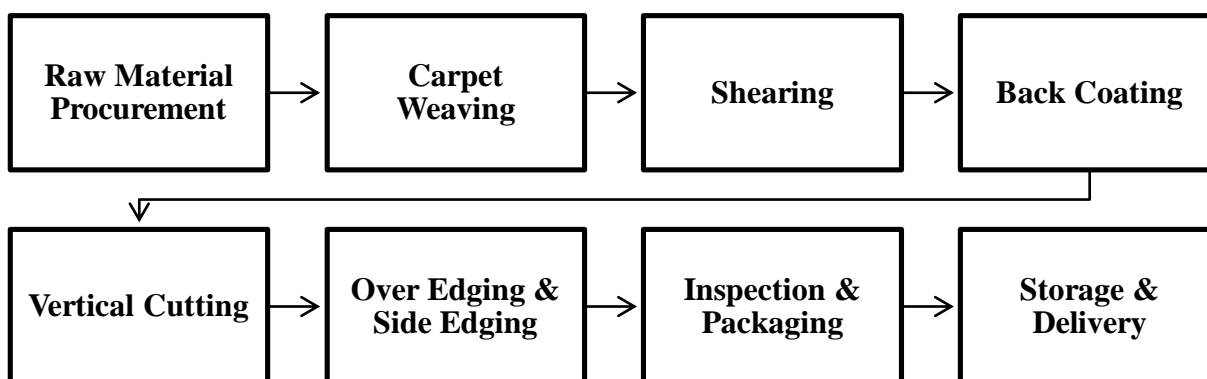


A carpet is textile floor covering typically consisting of an upper layer of pile attached to a backing. Carpet is made up of yarn and cotton available in various designs and sizes. This is widely used in Hotels, Houses, and Mosques among others.

MAJOR RAW MATERIALS:

Major raw materials used for manufacturing of Carpets include, BCF Yarn, Poly Cotton, Jute and Latex. BCF Yarn is currently imported from Turkey. Poly Cotton is majorly procured from dealers in Gujarat and Jute is procured majorly from Kolkata. Latex is also procured from domestic market. Raw Materials are procured for varieties of colours which aid in designing the pattern of the carpets. They are procured as per the order of carpets received from the customers.

OUR CARPET MANUFACTURING PROCESS:



The manufacturing of carpets requires a process in order to obtain the end results. The major steps include:

1. Raw Material Procurement:

We maintain low-cum-sufficient level of inventory which will fulfil our production requirements in timely manner. To achieve this, we plan and forecast our productions and accordingly the raw materials are procured. Major raw materials used in our manufacturing process are BCF Yarn, Poly Cotton, Jute and Latex. Our production team and sales team coordinate with each other and ensure procurement of optimal level of raw materials. Once the raw materials are procured from suppliers, they are stored in our manufacturing facility which has adequate storage capacity.

2. Carpet Weaving Process:



In this process, design of carpet is incorporated into the computer system and accordingly different colour of yarns and poly cotton are installed in the machinery. Once the machine is ready with the required inputs, it is turned on for weaving of carpet exactly as per the design and specified size. All the yarns are weaved together in the manner of design to form carpet structure.

3. Shearing Process:

In shearing process, carpets are made even in structure by cutting the longer piles to a certain level through blades installed in the machine. This aids in getting carpet into right shape and texture.

4. Back Coating Process:

To increase the strength of the carpet, carpets are taken through Back Coating Process. Under this process, adhesive lamination are melt for forming a carpet backing. A variety of additives intended to impart other desirable characteristics to the Finishing of Carpet including resistance to fuzzing, moisture and antibacterial properties.



5. Vertical Cutting Process:

The machines are used in the earlier stages to manufacture carpets which are large in size. However, carpets are required to be cut into the sizes as per the customer's requirement. Depending on the size, generally 3-4 carpets are manufactured together. Hence, a vertical cutting is required to separate all carpets from each other before processing further.

6. Over Edging & Side Edging:

Since the carpets are bisected vertically, it leads to open ends at the side portion of the carpets. Hence they are required to undergo edging process properly. Carpets are then passed through edging machines which ties the ends of the carpets together giving a firm and complete look.

7. Inspection & Packaging:

Fine Carpets are then checked for their quality and finishing. After they meet the quality requirements, they are packed as per the requirements of the customers. Packaging is done keeping in mind the safety of the products.

8. Storage & Delivery:

After proper packaging as per the customer's order is done, the carpets are either directly loaded into trucks for shipment or they are stored in the warehouse inside the manufacturing facility itself. Necessary care is taken to avoid any defects in the products while in transit.

PROPOSED FACILITY: EXPANSION OF CARPET MANUFACTURING FACILITY, MANUFACTURING OF BULK CONTINUOUS FILAMENT YARN (BCF) FACILITY AND SETTING UP CARPET WEAVING TECHNOLOGY TRAINING INSTITUTE

Our Company has obtained Techno-Economic Viability Report (Appraisal Report) for the proposed facility (Phase II Unit) from SAK & Company on June 13, 2018.

According to the report, we are intending to expand our Carpet Manufacturing Facility and set up facility for manufacturing of Bulk Continuous Filament (BCF) Yarn. We also intend to set up Carpet Weaving Technology Training Institute. The project will be partially financed from the proceeds of the Issue.

LOCATION OF THE PROPOSED FACILITY:

The proposed Phase II Unit will be located at our existing manufacturing facility at D-2/E-16, Dahej Industrial Estate, Bharuch, Gujarat - 392130, India. The company has a plot of land measuring around 54,457.96 sq. meters in which the current facility is being operated. The project site is strategically located at around 15 Kms from Dahej Port. It is well connected by road and rail infrastructure and has all the required infrastructural facilities.

PROPOSED FACILITY:

The proposed expansion project includes:

- Enhance production Capacity of Carpet Weaving facility from 4,50,000 Square Meters to 10,50,000 Square Meters by setting up of an additional 6,00,000 square meters per annum capacity manufacturing line.
- Setting up of 1,800 Tons per annum capacity Bulk Continuous Filament (BCF) Yarn Manufacturing Unit.
- Establishment of Carpet Weaving Technology Training Institute.

GOVERNMENT AND OTHER STATUTORY APPROVALS REQUIRED:

We are undertaking expansion project as specified above in the same premises where our existing Phase I Unit is situated. Hence no specific Government and Statutory approval is required for Phase II Unit. We have obtained necessary Approvals such as Factory License, Consent to Establish from Gujarat Pollution Control Board which are required for our operations at Unit. We will apply for addition of Phase II unit or intimate such new Phase II unit to the respective Government Authority for all current licenses/ approvals as are obtained by us. For further details, please refer chapter titled “Government and Statutory Approvals” on page 307 of the Draft Red Herring Prospectus.

RAW MATERIALS:

Major raw materials used for manufacturing of Carpets include, BCF Yarn, Poly Cotton, Jute and Latex. BCF yarn is being imported from Turkey during phase I of the project while in Phase II BCF yarn would be produced in-house. Poly Cotton will be majorly procured from dealers in Gujarat and Jute will be procured majorly from Kolkata. Latex will also be procured from domestic market. Raw materials will be procured as per the order of carpets received from the customers.

POWER:

The total requirement of power is estimated at about 2000 KVA. The power will be supplied from The Gujarat Energy Transmission Corporation Limited (GETCO)/ Power Supply authority of Gujarat through GIDC. The unit being located in an Industrial Estate, Company does not envisage any difficulty in getting supply of required power. GETCO/ Power Supply company will install 220 KV sub-station at their cost after recovery on pro-rata cost on the land earmarked by GIDC. The company shall pay the power cost to the power distribution company. The company will approach GETCO/ Power Supply authority of Gujarat for supply of power. The Company will acquire two DG sets (750 KVA and 500 KVA each) for backup power arrangement to take care of production in case of disruption in power supply from Distribution Company.

WATER:

The project is not water intensive as it does not require water for processing. Water will be required for boiler and chiller Cooling Towers and for human consumption and gardening. As the unit is located in an Industrial Estate, GIDC will provide the required quantity of water, which is estimated at about 10 KLD.

FUEL:

Our Company will use diesel or gas for running the boiler. A dual fuel boiler is planned to be installed by our Company.

COMPRESSOR:

Compressed air will be required in the PP/BCF Yarn Plant at high pressure for which we will use the compressor to provide the same.

CHILLER AND COOLING TOWERS:

Chiller and Cooling Towers shall be required as chilled air will be used in the PP BCF Yarn extrusion purpose to cool down the freshly extruded BCF Yarn after spinning.

MANPOWER:

The proposed project will require total employee strength of 65 which is divided into 12 Skilled, 31 Unskilled, 20 Semi-Skilled and 2 managerial.

OUR COMPETITIVE STRENGTHS:

COMPETITIVE STRENGTHS

- Experienced Management
- Locational Advantage
- Government Incentives
- Scalable Business Model
- Customer oriented approach

❖ **Experienced Management**

Our Promoters, Rajeev Kumar Aggarwal who also serves as Executive Director and Meenu Aggarwal who also serves as Managing Director look after overall management of the Company and have experience of more than 10 years and required knowledge of the textile industry in which the Company is operating. They are guiding force behind the operational, strategic and financial decisions of our Company. Further, our company is managed by qualified and experienced personnel who are well versed with our industry and the business undertaken by our Company. We believe that our management team's experience and their understanding of the industry will enable us to take advantage of future market opportunities thus expanding our business horizons.

❖ **Locational Advantage**

The manufacturing facility of the Company is spread over an area of 54,458 square meters at Dahej, Gujarat. The manufacturing facility is located at a distance of approx. 15 kms from Dahej port which will allow the company easy exports of the products. All infrastructure facilities like skilled labour, raw material, technology, Communication, transportation etc. are easily available due to extensive industrialization in the area. Due to the strategic location of our Company, we are able to curtail our freight costs to some extent. Further, procuring raw materials from nearby facilities also helps in reducing the operational costs.

❖ **Government incentives**

We are located in the state of Gujarat and enjoy benefits of various incentives provided by central and state government which includes 5% interest subsidy under I-TUFS and 6% interest subsidy by Gujarat Government on loan amount sanctioned for specified Plant & Machinery and VAT incentive in terms of 100% VAT reimbursement under Gujarat Textile Policy, 2012. Thus, such government incentives gives Company an operating leverage over the units located in other states.

❖ **Scalable Business Model**

Our Business model is customer centric and order driven and requires optimum utilisation of our existing facilities, assuring quality supply of raw materials and achieving consequent economies of scale. The business scale generation is basically due to development of new markets exploring marketing expertise and by maintaining the consistent quality output. We believe that our business model is scalable and further scaling up of the capacities is necessitated

due to the development of new markets, aggressive marketing of the product, meeting customer specific requirements and by maintaining the consistent quality of the product.

❖ **Customer oriented approach**

Customer satisfaction is one of our key success factors. We cater to various domestic as well as international customers. We try to provide customer specific solutions and offer our products not in a standard but in a customized manner so as to best suit their requirements. Loyalty of our existing customers helps us to maintain a long term working relationship with them. Further our approach has also helped us in expanding our present customer base.

OUR BUSINESS STRATEGY:

Our Company intends (i) to create a fully integrated carpet manufacturing facility, deploying state-of-the-art machinery, technical, highly skilled and motivated team; (ii) Producing quality Carpets from Resin enhancing life-style and bringing luxury to all; and (iii) Using latest technology, provide easy direct access to a wide range of affordable carpets and rugs to an expanding cross section of global customers and dealers.

Our vision is to meet the critical success factors of customers and provide superior service through clear, concise two-way communication. The goal is to build relationships through our flexibility to meet our customer's changing needs. Our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing range of products with specific emphasis on the following factors as business and growth strategy:

BUSINESS STRATEGY

- Setting up of Carpet and Yarn Manufacturing Unit (Phase II)
- Increasing our Global Presence
- Setting up Carpet Weaving Technology Training Institute
- Expanding our product portfolio
- Improving Functional Efficiency
- Technology Upgradation
- Leveraging our market skills and relationship

❖ **Setting up of Carpet and Yarn Manufacturing Unit (Phase II)**

Our Company was allotted a leased land of approx. 54,457.96 sq. meters in Dahej Industrial Estate, Gujarat to set up a manufacturing facility for manufacturing of Carpets and Yarns in the year 2012. We decided to set-up facility in two phase in the allotted land and consequently started construction of Phase I unit in the year 2012. Our Company commissioned its first commercial production in year 2015 from its Phase I unit. The manufacturing facility of Phase I has an installed capacity of 4,50,000 square meters per annum for weaving carpets.

In Phase II the Company is enhancing the carpet manufacturing capacity as well as setting up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic/export market. In Phase

II Our Company proposes to set up 6,00,000 square meters per annum capacity of Carpets weaving and 1,800 Tons/per annum capacity of BCF yarn.

Reducing cost of production is an important aspect to increase the profitability. Manufacturing of Carpets uses BCF Yarn as a major raw material. Cost of material consumed accounts for substantial portion of the total expenses for the period ended December 31, 2017. With the proposed facility, our Company will be able to meet 100% of its BCF Yarn requirement from in-house production and there would be no need of importing BCF Yarn reducing our costs substantially and thereby generate more revenue.

❖ **Increasing our Global Presence**

India accounts for sizeable portion of worldwide exports of carpets. Currently, we have presence in certain Asian and Middle East countries. Our revenues from exports for period ended December 31, 2017 is Rs. 685.97 lakhs. Our product portfolio is primarily focused on offering differentiated products based on customer's requirements. Our growth strategy will vary from country to country depending on their specific requirements. We may either form important relationships with companies having strong local presence or alternatively appoint local distributors through which we can undertake our own sales and marketing.

To magnify our foreign operations, we intend to actively participate in foreign trade fairs so as to increase its dealership network in the targeted countries. Further, incorporating trending designs in our production line will allow us to market our product in the respective markets.

❖ **Setting up Carpet Weaving Technology Training Institute**

Carpet manufacturing process requires skilled labour and timely availability of such labour has always been a concern in Indian Carpet Industry. To resolve this issue, we are starting a Carpet Weaving Technology Training Institute which will have a capacity of training around 120 students in a batch over the period of 3-6 months. Once the training is completed, they will be offered a job in our manufacturing facility which will help us to hire and retain skilled talent thereby increasing manufacturing efficiency.

❖ **Expanding our Product portfolio**

We believe that in order to increase the revenue and market share in this competitive industry, we need to continue launching new products with varieties of designs, sizes and quality ahead of our competitors. For that, we have set up an experienced technical team and have our own design studio which will ensure that we continuously keep launching products with newer designs, features and preferences. With an increase in the number of options that our customers have to choose from, we expect better acceptability of our brand.

❖ **Improving functional efficiency**

We understand curtailing cost without compromise on quality is an important factor to be considered. We intend to improve efficiencies to achieve cost reductions and which will give us a competitive edge over our peers. We believe that this can be achieved through detailed analysis of our processes and continuous process improvement along with keeping pace with technology development.

❖ **Technology upgradation**

We continue to develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer

service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control.

❖ **Leveraging our market skills and relationship**

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our market skills and relationships and further enhancing customer satisfaction. We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing.

SWOT ANALYSIS:

<u>Strengths</u> <ul style="list-style-type: none">▪ Experienced Management▪ Location Advantage▪ Technological Advantage	<u>Threats</u> <ul style="list-style-type: none">▪ Raw Materials Price Fluctuation▪ Changing Technology▪ Global Competition
<u>Weaknesses</u> <ul style="list-style-type: none">▪ High Working Capital Requirement▪ Labour Intensive Business	<u>Opportunities</u> <ul style="list-style-type: none">▪ Enhancing Functionl Efficiency▪ Expanding New Geographical Markets

SUMMARY OF FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

Annexure I
(Amount Rs. in Lakhs)

Sr. No.	Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
1)	EQUITY AND LIABILITIES						
	<u>Shareholders Funds</u>						
	a. Share Capital	698.90	676.04	639.38	563.67	541.67	347.17
	b. Reserves & Surplus	1,649.12	956.44	624.22	122.84	(193.12)	203.12)
		2,348.02	1,632.48	1,263.60	686.50	348.55	144.05
2)	Share Application Money Pending Allotment	-	-	-	-	-	142.50
3)	<u>Non-Current Liabilities</u>						
	a. Long Term Borrowings	3,465.25	3,152.25	2,823.24	3,107.67	734.34	130.00
	b. Deferred Tax Liabilities	22.36	15.31	51.06	251.91	222.62	222.81
	c. Other Long term Liabilities	74.11	65.08	45.08	45.08	36.49	-
	d. Long Term Provisions	10.11	8.21	2.71	0.22	0.03	-
		3,571.84	3,240.85	2,922.09	3,404.89	993.48	352.81
4)	<u>Current Liabilities</u>						
	a. Short Term Borrowings	749.52	707.75	443.45	-	1.00	0.85
	b. Trade Payables	1,271.26	631.09	319.50	264.42	179.98	122.02
	c. Other Current Liabilities	385.29	500.53	464.68	34.67	172.23	193.61
	d. Short Term Provisions	211.54	30.48	-	7.22	0.22	0.19
		2,617.62	1,869.85	1,227.63	306.31	353.44	316.68
	TOTAL (1+2+3+4)	8,537.47	6,743.18	5,413.33	4,397.70	1,695.47	956.05

Sr. No.	Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
1)	ASSETS						
	<u>Non-Current Assets</u>						
	i. Tangible Assets	4,543.81	4,822.18	5,313.36	1,476.39	1,656.28	1,649.84
	ii. Intangible Assets	0.38	0.48	0.62	0.06	0.09	0.12
	iii. Intangible Assets under development	-	-	-	-	-	-
	iv. Capital Work in Progress	1,660.47	1,097.26	9.92	3,321.55	508.26	4.30
	less: Revaluation Reserve	(719.44)	(719.44)	(719.44)	(719.44)	(719.44)	(719.44)
	Net Block	5,485.22	5,200.48	4,604.45	4,078.57	1,445.19	934.82
	c. Non-current Investments	246.95	194.73	41.71	107.42	0.98	-
	d. Long Term Loans & Advances	16.73	21.70	21.70	21.60	9.09	5.00
		5,748.90	5,416.91	4,667.86	4,207.59	1,455.26	939.82
	<u>Current Assets</u>						
	a. Inventories	1,087.81	551.90	399.45	9.27	8.13	5.85
	b. Trade Receivables	1,352.45	538.89	217.74	16.27	11.66	0.54
	c. Cash and Cash Equivalents	56.45	33.81	46.80	120.96	9.33	6.07
	d. Short Term Loans & Advances	91.45	31.78	31.37	9.14	205.03	-
	e. Other Current Assets	200.41	169.89	50.11	34.47	6.06	3.76
		2,788.57	1,326.27	745.47	190.11	240.21	16.22
	TOTAL (4+5)	8,537.47	6,743.18	5,413.33	4,397.70	1,695.47	956.05

STATEMENT OF PROFIT AND LOSS AS RESTATED

Annexure-II
(Amount Rs. In Lakhs)

Sr. No.	Particulars	For the period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
A	INCOME						
	Revenue from Operations	3,216.56	2,545.08	1,451.29	1,118.75	985.40	980.33
	Other Income	6.48	44.95	24.64	9.44	12.20	13.03
	Total Income (A)	3,223.04	2,590.03	1,475.93	1,128.19	997.60	993.36
B	EXPENDITURE						
	Cost of materials consumed	2,079.55	1,653.34	251.15	-	-	-
	Purchase of Stock-in-Trade Goods	-	-	689.33	1,037.85	887.61	875.77
	Changes in inventories of finished goods, traded goods and work-in-progress	(402.31)	(260.12)	(198.41)	(1.14)	(2.28)	30.70
	Employee benefit expenses	132.60	170.22	104.26	24.93	29.00	7.92
	Finance costs	164.78	218.97	238.03	2.03	0.84	13.65
	Depreciation and amortization expense	329.12	530.23	300.46	13.42	27.86	28.53
	Other Expenses	122.29	133.78	91.09	37.47	40.25	33.16
	Total Expenses (B)	2,426.03	2,446.42	1,475.91	1,114.56	983.28	989.73
C	Profit before tax	797.01	143.61	0.02	13.62	14.32	3.63
	Prior period items (Net)	-	-	-	-	-	-
	Profit before exceptional, extraordinary items and tax (A-B)	797.01	143.61	0.02	13.62	14.32	3.63
	Exceptional items	-	-	-	-	-	-

Sr. No.	Particulars	For the period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
	Profit before extraordinary items and tax	797.01	143.61	0.02	13.62	14.32	3.63
	Extraordinary items	-	-	-	-	-	-
D	Profit before tax	797.01	143.61	0.02	13.62	14.32	3.63
	Tax expense :						
	(i) Current tax	211.54	30.48	-	7.22	4.22	0.69
	(ii) Deferred tax	7.05	(35.75)	(200.85)	29.29	(0.19)	222.40
	(iii) MAT credit	-	-	-	-	0.30	(0.30)
E	Total Tax Expense	218.59	(5.27)	(200.85)	36.51	4.33	222.79
		-	-	-	-	-	-
F	Profit/ (Loss) for the year/period (D-E)	578.42	148.88	200.88	(22.88)	9.99	(219.15)

STATEMENT OF CASH FLOW AS RESTATED

Annexure-III
(Rs. In Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
<u>Cash flow from operating activities:</u>						
Net Profit before tax as per Profit And Loss A/c	797.01	143.61	0.02	13.62	14.32	3.63
Adjusted for:						
Depreciation & Amortization	329.12	530.23	300.46	13.42	27.86	28.53
Provision for gratuity	1.90	5.50	2.49	0.19	0.03	-
Interest & Finance Cost	164.78	218.97	238.03	2.03	0.84	13.65
Loss on sale of Fixed Asset	-	-	-	7.37	-	-
Difference in Income Tax due to Restatement	(0.21)	(0.01)	-	-	-	-
Profit from Futures & Options	-	-	(4.07)	-	-	-
Loss from equity trading	-	-	0.49	-	-	-
Rental income	-	-	-	-	(12.00)	(12.00)
Interest Received	(0.02)	(2.57)	(5.49)	-	-	(1.02)
Operating Profit Before Working Capital Changes	1,292.58	895.73	531.93	36.64	31.05	32.79
Adjusted for (Increase)/Decrease:						
Increase/(decrease) in trade payables	640.17	311.59	55.08	84.44	57.96	122.02
Increase/(decrease) in short term loans and advances	(59.68)	(0.41)	(22.23)	195.89	(205.03)	94.93
Increase/(decrease) in other current liabilities	(115.23)	35.85	430.04	(137.56)	(21.38)	30.46
Increase/(decrease) in other current assets	(30.52)	(119.78)	(15.64)	(28.41)	(2.30)	6.06
Increase/(decrease) in short term borrowings	41.78	264.30	443.45	(1.00)	0.15	-
Decrease/(increase) in trade receivable	(813.55)	(321.16)	(201.47)	(4.61)	(11.12)	(0.54)
Decrease/(increase) in inventories	(535.91)	(152.45)	(390.18)	(1.14)	(2.28)	30.70
Decrease/(increase) in Short term Provision	-	-	-	4.00	(3.50)	(0.50)
Cash Generated From Operations Before Extra-Ordinary Items	419.64	913.68	830.98	148.25	(156.45)	315.92
Add:- Extra-Ordinary Items						

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Cash Generated From Operations	419.64	913.68	830.98	148.25	(156.45)	315.92
Direct Tax Paid	(30.28)	-	(7.22)	(4.22)	(0.99)	(0.58)
Net Cash Flow from/(used in) Operating Activities: (A)	389.36	913.68	823.76	144.03	(157.44)	315.34
<u>Cash Flow From Investing Activities:</u>						
Purchase of Fixed Assets	(50.65)	(38.92)	(4,137.97)	(53.13)	(34.27)	(614.64)
Sale of Fixed Asset				212.63		
Increase/Decrease in Investment	(52.22)	(153.02)	65.71	(106.44)	(0.98)	-
Capital WIP	(563.21)	(1,087.34)	3,311.63	(2,813.29)	(503.96)	-
Movement of Loans and Advances	4.98	-	(0.10)	(12.52)	(4.09)	(7.41)
Rent Income	-	-	-	-	12.00	12.00
Loss from Equity Trading		-	(0.49)			
Profit from Futures & Options	-	-	4.07	-	-	-
Interest received	0.02	2.57	5.49	-	-	1.02
Net Cash Flow from/(used in) Investing Activities: (B)	(661.09)	(1,276.71)	(751.66)	(2,772.75)	(531.30)	(609.03)
<u>Cash Flow from Financing Activities:</u>						
Proceeds From Share Capital	22.85	36.67	75.71	22.00	194.50	-
Proceeds From Share Application Money	-	-	-	-	-	164.50
Repayment of Share Application Money	-	-	-	-	(142.50)	-
Proceeds from borrowings (Net)	313.00	329.01	(284.43)	2,373.34	604.34	123.72
Other long term liabilities	9.04	20.00	(0.00)	8.59	36.49	-
Loan from Directors	-	-	-	-	-	0.85
Increase in share premium	114.27	183.33	54.29	159.82	-	-
Interest & Financial Charges	(164.78)	(218.97)	(238.03)	(2.03)	(0.84)	(13.65)
Increase in Capital Reserve (Subsidy)	-	-	246.21	178.64	-	-
Net Cash Flow from/(used in) Financing Activities (C)	294.38	350.04	(146.25)	2,740.35	691.99	275.42

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	22.64	(12.99)	(74.16)	111.63	3.26	(18.27)
Cash & Cash Equivalents As At Beginning of the Year/Period	33.81	46.80	120.96	9.33	6.07	24.34
Cash & Cash Equivalents As At End of the Year/Period	56.45	33.81	46.80	120.96	9.33	6.07

Notes:

1. The Cash Flow statement has been prepared under Indirect Tax Method as per Accounting Standard – 3 “Cash Flow Statements”
2. Figures in brackets represent outflow

The above statements should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and Loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I, II and IV (A) respectively.

THE ISSUE

The following table summarizes the Issuer details:

Particulars	Details of Equity Shares
Public Issue of Equity Shares by Our Company	Issue of upto 44,96,000* Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity share aggregating to Rs. [●] Lakhs
Of Which:	
Market Maker Reservation Portion	[●] Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity share aggregating to Rs. [●] Lakhs
Net Issue to Public	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at a price of Rs. [●]/- per share aggregating Rs. [●] Lakhs
Of which:	
QIB Portion	QIB Portion being [●] % of the Net Issue aggregating upto [●] Equity shares
Of which:	
Available for allocation to Mutual Funds only ([●] % of the QIB Portion)	[●] Equity Shares of face value of Rs. 10/- each
Balance of all QIBs including Mutual Funds	[●] Equity Shares of face value of Rs. 10/- each
Retail Portion	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company at a cash price of Rs. [●]/- per Equity share aggregating Rs. [●] Lakhs will be available for allocation to Investors applying with application value of up to Rs. 2.00 Lakhs
Non-Institutional Portion	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to Investors applying with application value of above Rs. 2.00 Lakhs
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,04,83,454 Equity Shares of face value of Rs.10/- each
Equity Shares outstanding after the Issue	[●] 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 115 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

** Number of shares may need to be adjusted for lot size upon determination of the Issue price*

Notes:-

The Issue has been authorized by the Board of Directors of the Company *vide* a resolution passed at its meeting held on February 23, 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 March 3, 2018.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. The present Issue is in terms of Regulation 106M (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-issue paid-up equity share capital of our Company are being Issued to the public for subscription.

Our Company is considering a Pre-IPO Placement of up to 5,50,000 Equity Shares for an amount aggregating upto Rs. 450.00 lakhs. The Pre-IPO placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public in compliance with Rule 19(2)(b) of SCRR, 1957 and shall be subject to lock in period of one year from the date of Allotment pursuant to the Issue.

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;

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 terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in accordance with chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations") wherein [●] % of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Such number of Equity Shares representing [●] % of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

For further details please refer to section titled 'Issue Information' beginning on page 325 of this Draft Red Herring Prospectus.

GENERAL INFORMATION

Our Company was incorporated as “Exclusive Fibers Private Limited” at New Delhi as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 16, 2004 bearing Corporate Identification Number U74999DL2004PTC125846 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extra-ordinary General Meeting held on March 25, 2014 and the name of our Company was changed to "Exclusive Fibers Limited" vide a fresh Certificate of Incorporation dated April 17, 2014 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Corporate Identification Number of our Company is U74999DL2004PLC125846.

For details of Incorporation and Change of Registered Office of our Company, please refer to the chapter titled "*Our History and Certain Other Corporate Matters*" beginning on page 195 of this Draft Red Herring Prospectus.

REGISTERED OFFICE OF OUR COMPANY

Exclusive Fibers Limited

31/3203, Beadonpura,
Karol Bagh,
New Delhi – 110005, India.

Tel: 011-28725281

Fax: NA

Email: investorgreivance@efpl.co.in

Website: www.efpl.co.in

Corporate Identification Number: U74999DL2004PLC125846

CORPORATE OFFICE OF OUR COMPANY

Exclusive Fibers Limited

C-203, Greater Kailash Part-1,
New Delhi – 110048, India.

Tel: 011-46512000

Fax: NA

Email: investorgreivance@efpl.co.in

Website: www.efpl.co.in

REGISTRAR OF COMPANIES

Registrar of Companies, Delhi

A) 4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi – 110019.

Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

National Stock Exchange of India Limited

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

BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age (in years)	DIN	Address	Designation
1	Rajeev Kumar Aggarwal	50	00442120	E-38, First Floor, GK-1, Defence Colony South Delhi, New Delhi-110048	Director
2	Meenu Aggarwal	47	00442229	E-38, First Floor, Gk-1, Defence Colony South Delhi, New Delhi-110048	Managing Director
3	Shantanu Ghosh Dastidar	55	06739541	13 5 th Cross, Temple Road Shirdi Sai Nagar, Munnekolala, Bangalore South, Marathahalli Colony, South Banagalore, Karnataka - 560037	Executive Director
4	Akshay Goel	29	06702121	H. No. 430, Sector-39 Faridabad, Haryana – 121 008	Independent Director
5	Sanjeev Kumar Bajpai	53	00287601	Flat No. 547, Arun Vihar, Sector 37, Noida, Gautam Buddha Nagar, Uttar Pradesh – 201301	Independent Director
6	Seema Varshney	51	06962470	H-32, Patel Nagar – III, Ghaziabad, Uttar Pradesh 201001	Independent Director

For further details of our Directors, please refer to the chapter titled "*Our Management*" beginning on page 200 of this Draft Red Herring Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ritu Dhingra

Exclusive Fibers Limited

C-203, Greater Kailash Part-1,
New Delhi – 110048, India.

Tel: 011-46512000/15

Fax: N.A.

Email: cs@efpl.co.in

Website: www.efpl.co.in

CHIEF FINANCIAL OFFICER

Renu Sharma

Exclusive Fibers Limited

C-203, Greater Kailash Part-1,
New Delhi – 110048, India.

Tel: 011-46512000/37

Fax: N.A.

Email: cfo@efpl.co.in

Website: www.efpl.co.in

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager 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, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. For all Issue related queries and for redressal of complaints, bidders may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

STATUTORY AUDITOR & PEER REVIEW AUDITOR

Rajvanshi & Associates, Chartered Accountants

H-15, Chitranjan Marg,
C Scheme, Jaipur – 302 001

Tel: 0141 – 2363340/41/42

Fax: 0141 – 4003398

Email: info@rajvanshica.com

Contact Person: Abhinav Rajvanshi

Firm Registration: 005069C

Membership No: 426357

Rajvanshi & Associates, Chartered Accountants, our Statutory Auditor are also appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) Regulations and hold a valid peer reviewed certificate dated March 18, 2016 issued by the Institute of Chartered Accountants of India.

BOOK RUNNING LEAD MANAGER

Pantomath Capital Advisors Private Limited

406-408, Keshava Premises
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

Tel: +91 22 61946704

Fax: + 91 22 26598690

Email: ipo@pantomathgroup.com

Website: www.pantomathgroup.com

Contact Person: Hardik Bhuta/ Unmesh Zagade

SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited

Bharat Tin Works Building, 1st Floor
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai – 400 059
Maharashtra, India

Tel: +91 22 6263 8200
Fax: + 91 6263 8299
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Srinivas Dornala
SEBI Registration No: INR000001385
Investor Grievance Email: investor@bigshareonline.com

LEGAL ADVISOR TO THE ISSUE

M V Kini, Law Firm
Kini House, 216/263, 1st Floor, Near Citi Bank,
D. N. Road, Fort, Mumbai - 400 001, Maharashtra, India
Tel: +91 22 22612527/28/29
Fax: +91 22 22612530
E-mail: vidisha@mvkini.com
Contact Person: Vidisha Krishan
Website: www.mvkini.com

BANKER TO THE COMPANY

Punjab National Bank Limited
Tolstoy House, Tolstoy Road,
New Delhi - 110001
Tel: 011 2331 1654/2375 2604
Email: bo2164@pnb.co.in
Contact Person: Rajan Malhotra
Website: www.pnbindia.in

Corporation Bank Limited
2223, Hardhyan Singh Road,
Karol Bagh, New Delhi - 110005
Tel: 011 2875 5119/2875 3218
Email: cb264@corpbank.co.in
Contact Person: Mahalinga
Website: www.corpbank.com

HDFC Bank Limited
SC 1 & 2, Bhanot Cornor,
Pamposh enclave,
Greater Kailash Part 1, Delhi – 110048
Tel: 011 2641 4576
Email: kumar.gaurav1@hdfcbank.com
Contact person: Kumar Gaurav
Website: www.hdfcbank.com

ICICI Bank Limited
33, Community Centre
New Friends Colony
New Delhi – 110025.
Tel: 8527897907
Email: k.neha@icicibank.com
Contact person: Neha Kumari
Website: www.icicibank.com

PUBLIC ISSUE BANK / BANKER TO THE ISSUE / REFUND BANKER

ICICI Bank Limited

Capital Market Division, 1st Floor,
122, Mistry Bhavan,
Dinshaw Vachha Road,
Backbay Reclamation,
Churchgate, Mumbai-400020

Tel: +91 22 2266818964

Fax: +91 22 22611138

Email: shweta.surana@icicibank.com

Contact Person: Shweta Surana

Website: www.icicibank.com

SEBI Registration No.: INBI000000004

SYNDICATE MEMBER

Pantomath Stock Brokers Private Limited

406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,
Maharashtra, India.

Tel: +91 22 6194 6774

Fax: +91 22 2659 8690

E-mail: broking@pantomathgroup.com

Contact Person: Mahavir Toshniwal

Website: www.pantomathbroking.com

SEBI Registration Number: INZ000068338

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-SCSBsfor-Syndicate-ASBA>. For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned SEBI link.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the National Stock Exchange of India Limited, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum 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 Bid cum 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, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at National Stock Exchange of India Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum 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.

TRUSTEE

As Issue is an Issue of Equity Shares, the appointment of trustee is not required.

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

APPRAISAL AND MONITORING AGENCY

As per regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. [●] lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the year ended for the Period ended on December 31, 2017 and for the year ended March 31, 2017, 2016, 2015, 2014 and 2013 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 [●] Newspaper, [●] being the regional language of [●], 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 Pantomath Capital Advisors 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

The Issue is being made through 100 percent Book Building Process wherein 50 per cent of the Issue shall be available for allocation to Retail Individual Bidders and the balance shall be issued 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. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investors Bidding Date. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Issue will be on a proportionate basis. We will comply with the SEBI (ICDR) Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Pantomath Capital Advisors Private Limited as the Book Running Lead Managers, respectively to manage the Issue and procure subscriptions to the Issue.

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

For further details on the method and procedure for Bidding, please see section entitled “Issue Procedure” on page 336 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, 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 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 336 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, 1961 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 Depository 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 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 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 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. 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.

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.

UNDERWRITER

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated April 21, 2018 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being issued through this Issue.

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
Pantomath Capital Advisors Private Limited 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India Tel: +91 22 61946720 Fax: +91 22 26598690 Email: ipo@pantomathgroup.com Contact Person: Hardik Bhuta/ Unmesh Zagade SEBI Registration Number: INM000012110	[●]	[●]	100%
Total	[●]	[●]	100%

**Includes [●] Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended.*

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the BRLM has entered into an agreement dated April 21, 2018, with the following Market Maker, duly registered with EMERGE Platform of National Stock Exchange Limited to fulfil the obligations of Market Making:-

Pantomath Stock Brokers Private Limited

406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,
Maharashtra, India

Tel: +91 22 4257 7000

Fax: +91 22 2659 8690

Email: broking@pantomathgroup.com

Contact Person: Mahavir Toshniwal

SEBI Registration Number: INZ000068338

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

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of [●]/- the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●]/- until the same, would be revised by NSE.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the [●] 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, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
 - ii. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - iii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

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

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 shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the BRLM, who shall then be responsible to appoint a replacement Market Maker(s).
10. 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 BRLM 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 Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
11. EMERGE platform of National Stock Exchange of India Limited will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
12. 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 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.

13. 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%

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)
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 / National Stock Exchange of India Limited from time to time.

CAPITAL STRUCTURE

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

Amount (Rs.in lakhs except share data)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	1,50,00,000 Equity Shares of face value of Rs. 10 each	1500.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	1,04,83,454 Equity Shares of face value of Rs. 10 each	1048.35	
C.	Present Issue in terms of this Draft Red Herring Prospectus		
	Issue of Upto 44,96,000 Equity Shares of face value of Rs.10 each at a price of Rs. [●] per Equity Share	Upto 449.60	[●]
	Consisting:		
	Reservation for Market Maker – [●] Equity Shares of face value of Rs. 10 each reserved as Market Maker portion at a price of Rs. [●] per Equity Share	[●]	[●]
	Net Issue to the Public – [●] Equity Shares of face value of Rs. 10 each at a price of Rs. [●] per Equity Share	[●]	[●]
	Of the Net Issue to the Public		
	QIB Portion being [●]% of the Net Issue aggregating upto [●] Equity Shares	[●]	[●]
	Non – Institutional Portion of not less than [●]% of the Net Issue aggregating to not less than [●] Equity Share	[●]	[●]
	Retail Portion of not less than [●]% of the Net Issue aggregating to not less than [●] Equity Shares	[●]	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue		
	[●] Equity Shares of face value of Rs. 10 each	[●]	
E.	Securities Premium Account		
	Before the Issue	166.41	
	After the Issue	[●]	

The Issue has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on February 23, 2018 and by the shareholders of our company vide a Special Resolution passed pursuant to Section 62 (1) (c) of Companies Act, 2013 at the Extra-Ordinary General Meeting held on March 3, 2018.

Our Company is considering a Pre-IPO Placement of up to 5,50,000 Equity Shares for an amount aggregating upto Rs. 450.00 lakhs. The Pre-IPO placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue

paid-up equity share capital being offered to the public in compliance with Rule 19(2)(b) of SCRR,1957 and shall be subject to lock in period of one year from the date of Allotment pursuant to the Issue.

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

NOTES TO THE CAPITAL STRUCTURE

1. Details of changes in Authorized Share Capital:

The authorized Share Capital of the Company at the time of Incorporation was Rs. 1,00,000 divided into 10,000 Equity Shares of Rs. 10 each. The following table gives us the increase in the authorized share capital post incorporation of our Company:

Sr. No.	Particulars of increase	Date of Shareholder's meeting	AGM/ EGM
1.	Increase in authorized share capital from Rs. 1,00,000 divided into 10,000 Equity Shares of Rs. 10 each to Rs. 20,00,000 divided into 2,00,000 Equity Shares of Rs. 10 each.	July 14, 2007	EGM
2.	Increase in authorized share capital from Rs. 20,00,000 divided into 2,00,000 Equity Shares of Rs. 10 each to Rs. 50,00,000 divided into 5,00,000 Equity Shares of Rs.10 each.	February 16, 2010	EGM
3.	Increase in authorized share capital from Rs. 50,00,000 divided into 5,00,000 Equity Shares of Rs. 10 each to Rs. 2,50,00,000 divided into 25,00,000 Equity Shares of Rs.10 each.	November 22, 2010	EGM
4.	Increase in authorized share capital from Rs. 2,50,00,000 divided into 25,00,000 Equity Shares of Rs. 10 each to Rs. 5,00,00,000 divided into 50,00,000 Equity Shares of Rs.10 each.	August 16, 2012	EGM
5.	Increase in authorized share capital from Rs. 5,00,00,000 divided into 50,00,000 Equity Shares of Rs. 10 each to Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs.10 each.	September 25, 2013	AGM
6.	Increase in authorized share capital from Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs. 10 each to Rs. 11,00,00,000 divided into 1,10,00,000 Equity Shares of Rs.10 each.	September 29, 2017	AGM
7.	Increase in authorized share capital from Rs. 11,00,00,000 divided into 1,10,00,000 Equity Shares of Rs.10 each to Rs. 15,00,00,000 divided into 1,50,00,000 Equity Shares of Rs.10 each.	March 03, 2018	EGM

2. History of 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 no. of Equity Shares	Cumulative Paid-up Capital (Rs.)
April 15, 2004	10,000	10	10	Cash	Subscription to MOA (1)	10,000	1,00,000
October 11, 2007	1,67,500	10	200	Cash	Further Allotment (2)	1,77,500	17,75,000
March 27, 2009	7,655	10	200	Cash	Further Allotment (3)	1,85,155	18,51,550
March 30, 2010	2,77,733	10	NA	Other than cash	Bonus Issue (4)	4,62,888	46,28,880
December 15, 2010	6,94,332	10	NA	Other than cash	Bonus Issue (5)	11,57,220	1,15,72,200
March 30, 2012	11,57,220	10	NA	Other than cash	Bonus Issue (6)	23,14,440	2,31,44,400
October 1, 2012	11,57,220	10	NA	Other than cash	Bonus Issue (7)	34,71,660	347,16,600
August 12, 2013	14,25,000	10	10	Cash	Further Allotment (8)	48,96,660	489,66,600
February 19, 2014	2,90,000	10	10	Cash	Further Allotment (9)	51,86,660	518,66,600
February 20, 2014	2,30,000	10	10	Cash	Further Allotment (10)	54,16,660	541,66,600
October 13, 2014	1,00,000	10	82.14	Cash	Private Placement (11)	55,16,660	551,66,600
November 11, 2014	1,20,000	10	83.07	Cash	Private Placement (12)	56,36,660	563,66,600
October 14, 2015	6,57,109	10	16.74	Cash	Further Allotment (13)	62,93,769	629,37,690
January 29, 2016	1,00,000	10	20	Cash	Further Allotment (14)	63,93,769	639,37,690
February 07, 2017	2,83,330	10	60	Cash	Further Allotment (15)	66,77,099	667,70,990
March 30, 2017	83,332	10	60	Cash	Further Allotment (16)	67,60,431	676,04,310
April 24, 2017	2,28,537	10	60	Cash	Private Placement (17)	69,88,968	698,89,680

Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (Rs.)
March 03, 2018	34,94,486	10	NA	Other than Cash	Bonus Issue (18)	1,04,83,454	10,48,34,540
Total	1,04,83,454						10,48,34,540

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

Sr. No.	Name of Subscriber	No. of shares subscribed
1.	Rajeev Kumar Aggarwal	5,000
2.	Meenu Aggarwal	5,000
	Total	10,000

(2) Further allotment of 1,67,500 Equity Shares of Face Value of Rs. 10 each fully paid at Premium of Rs. 190 on October 11, 2007 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	M/s Riddhi Logistics Private Limited	1,67,500
	Total	1,67,500

(3) Further allotment of 7,655 Equity Shares of face value of Rs. 10 each fully paid at Premium of Rs. 190 as on March 27, 2009 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Meenu Aggarwal	3,655
2.	Rajeev Kumar Aggarwal	3,000
3.	P D Sharma	1,000
	Total	7,655

(4) Bonus issue of 2,77,733 Equity Shares of face value of Rs. 10 each fully paid on March 30, 2010 in ratio of 1.5 equity shares for every 1 equity shares held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Rajeev Kumar Aggarwal	1,38,608
2.	Meenu Aggarwal	1,37,625
3.	P D Sharma	1500
	Total	2,77,733

(5) Bonus issue of 6,94,332 Equity Shares of face value of Rs. 10 each fully paid on December 15, 2010 in ratio of 3 equity shares for every 2 equity shares held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Rajeev Kumar Aggarwal	3,49,287
2.	Meenu Aggarwal	3,45,045
	Total	6,94,332

- (6) Bonus Issue of 11,57,220 Equity Shares of Face Value of Rs. 10 each fully paid on March 30, 2012 in ratio of 1 equity shares for every 1 equity shares held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Rajeev Kumar Aggarwal	5,82,145
2.	Meenu Aggarwal	5,75,075
	Total	11,57,220

- (7) Bonus Issue of 11,57,220 Equity Shares of Face Value of Rs. 10 each fully paid on October 1, 2012 in ratio of 1 equity shares for every 2 equity shares held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Rajeev Kumar Aggarwal	5,82,145
2.	Meenu Aggarwal	5,75,075
	Total	11,57,220

- (8) Further allotment of 14,25,000 Equity Shares of face value of Rs. 10 each fully paid at par on August 12, 2013 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Rajeev Kumar Aggarwal	4,75,000
2.	Exclusive Overseas Private Limited	3,00,000
3.	Shenzhen Properties Private Limited	3,00,000
4.	Ways Info Technologies Private Limited	1,90,000
5.	Meenu Aggarwal	1,60,000
	Total	14,25,000

- (9) Further allotment of 2,90,000 Equity Shares of face value of Rs. 10 each fully paid at par on February 19, 2014 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Mohammed Rahmatullah	1,90,000
2.	Jahnvi Aggarwal	35,000
3.	Riddhi Aggarwal	35,000
4.	Krrish Aggarwal	30,000
	Total	2,90,000

- (10) Further allotment of 2,30,000 Equity Shares of face value of Rs. 10 each fully paid at par on February 20, 2014 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Exclusive Overseas Private Limited	2,30,000
	Total	2,30,000

- (11) Private Placement of 1,00,000 Equity Shares of face value of Rs. 10 each fully paid at Premium of Rs. 72.14 on October 13, 2014 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Al Ghaith Building Construction Co. LLC	1,00,000
	Total	1,00,000

- (12) Private Placement of 1,20,000 Equity Shares of face value of Rs. 10 each fully paid at Premium of Rs. 73.07 as on November 11, 2014 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Al Ghaith Building Construction Co. LLC	1,20,000
	Total	1,20,000

- (13) Further Allotment of 6,57,109 Equity Shares of face value of Rs. 10 each fully paid at Premium of Rs. 6.74 on October 14, 2015 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Rajeev Kumar Aggarwal	2,98,686
2.	Meenu Aggarwal	2,98,686
3.	Ways Info Technologies Private Limited	59,737
	Total	6,57,109

- (14) Further Allotment of 1,00,000 Equity Shares of face value of Rs. 10 each fully paid at Premium of Rs. 10 on January 29, 2016 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Rajeev Kumar Aggarwal	1,00,000
	Total	1,00,000

- (15) Further Allotment of 2,83,330 Equity Shares of face value of Rs. 10 each fully paid at Premium of Rs. 50 on February 07, 2017 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Regen Powertech Private Limited	2,83,330
	Total	2,83,330

- (16) Further Allotment of 83,332 Equity Shares of face value of Rs. 10 each fully paid at Premium of Rs. 50 on March 30, 2017 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Rajeev Kumar Aggarwal	41,666
2.	Meenu Aggarwal	41,666
	Total	83,332

- (17) Private Placement of 2,28,537 Equity Shares of face value of Rs. 10 each fully paid at Premium of Rs. 50 on April 28, 2017 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	RV International	2,28,537
	Total	2,28,537

- (18) Bonus Issue of 34,94,486 Equity Shares of Face Value of Rs. 10 each fully paid on March 03, 2018 in ratio of 1 equity share for every 2 equity shares held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Rajeev Kumar Aggarwal	14,25,844
2.	Meenu Aggarwal	11,12,789
3.	Exclusive Overseas Private Limited	2,65,000
4.	Riddhi Aggarwal	2,41,769

5.	Jahnvi Aggarwal	1,59,185
6.	Shenzhen Properties Private Limited	1,50,000
7.	Ways Info Technologies Private Limited	1,24,869
8.	Krrish Aggarwal	15,000
9.	Shantanu Ghosh Dastidar	30
	Total	34,94,486

3. Except as given below, we have not issued any Equity Shares for consideration other than cash as on the date of filing this Draft Red Herring Prospectus:

Date of Allotment / Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
March 30, 2010	2,77,733	10	NA	Bonus Issue in ratio of 1.5 Equity Shares for every 1 Equity Share held	Capitalization of Reserves	Rajeev Kumar Aggarwal	1,38,608
						Meenu Aggarwal	1,37,625
						P D Sharma	1,500
December 15, 2010	6,94,332	10	NA	Bonus Issue in ratio of 3 Equity Shares for every 2 Equity Shares held	Capitalization of Reserves	Rajeev Kumar Aggarwal	3,49,287
						Meenu Aggarwal	3,45,045
March 30, 2012	11,57,220	10	NA	Bonus Issue in ratio of 1 Equity Share for every 1 Equity Share held	Capitalization of Reserves	Rajeev Kumar Aggarwal	5,82,145
						Meenu Aggarwal	5,75,075
October 01, 2012	11,57,220	10	NA	Bonus Issue in ratio of 1 Equity Share for every 2 Equity Shares held	Capitalization of Reserves	Rajeev Kumar Aggarwal	5,82,145
						Meenu Aggarwal	5,75,075
March 03, 2018	34,94,486	10	NA	Bonus Issue in ratio of 1	Capitalization of Reserves	Rajeev Kumar Aggarwal	14,25,844

Date of Allotment / Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
				Equity Share for every 2 Equity Shares held		Meenu Aggarwal	11,12,789
						Exclusive Overseas Private Limited	2,65,000
						Riddhi Aggarwal	2,41,769
						Jahnvi Aggarwal	1,59,185
						Shenzhen Properties Private Limited	1,50,000
						Ways Info Technologies Private Limited	1,24,869
						Krrish Aggarwal	15,000
						Shantanu Ghosh Dastidar	30

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
5. Our Company has revalued its assets in the year 2012, however, it has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. Except as mentioned below, no shares have been issued any shares at price below issue price within last one year from the date of this Draft Red Herring Prospectus.

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Allottees	No. of Shares Allotted
March 03, 2018	34,94,486	10	NA	Bonus Issue	Rajeev Kumar Aggarwal	14,25,844
					Meenu Agarwal	11,12,789
					Exclusive Overseas Private Limited	2,65,000
					Riddhi Aggarwal	2,41,769
					Jahnvi Aggarwal	1,59,185
					Shenzhen Properties Private Limited	1,50,000
					Ways Info Technologies Private Limited	1,24,869
					Krrish Aggarwal	15,000
					Shantanu Ghosh Dastidar	30

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

i. Built up of Promoter's shareholdings:

As on the date of this Draft Red Herring Prospectus, our Promoters, Rajeev Kumar Aggarwal and Meenu Aggarwal collectively holds 76,15,897 Equity Shares of our Company. The Promoters of our Company, Rajeev Kumar Aggarwal and Meenu Aggarwal have pledged 10,79,271 equity shares and 8,38,860 equity shares respectively representing 10.29% and 8.00% of the Pre-Issue paid up Equity Share capital of the Company with Punjab National Bank Limited against its loan obligation. The build-up of shareholding of promoters are as follows:

a. Rajeev kumar Aggarwal

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
On Incorporation	5,000	10	10	Subscription to MOA	0.05	[●]
March 27, 2007	83,750	10	10	Transfer	0.80	[●]
March 27, 2009	3,000	10	200	Further Allotment	0.03	[●]
February 16, 2010	655	10	10	Transfer	0.01	[●]
March 30, 2010	1,38,608	10	NA	Bonus Issue	1.32	[●]
August 28, 2010	2500	10	10	Transfer	0.02	[●]
November 22, 2010	(655)	10	10	Transfer	(0.01)	[●]
December 15, 2010	3,49,287	10	NA	Bonus Issue	3.33	[●]
March 30, 2012	5,82,145	10	NA	Bonus Issue	5.55	[●]
October 1, 2012	5,82,145	10	NA	Bonus Issue	5.55	[●]

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholdin g %
August 12, 2013	4,75,000	10	10	Further Allotment	4.53	[●]
April 02, 2014	1,90,000	10	10	Transfer	1.81	[●]
April 19, 2014	(100)	10	10	Transfer	0.00	[●]
October 14, 2015	2,98,686	10	16.74	Further Allotment	2.85	[●]
January 29, 2016	1,00,000	10	20	Further Allotment	0.95	[●]
March 30, 2017	41,666	10	60	Further Allotment	0.40	[●]
March 03, 2018	14,25,844	10	NA	Bonus Issue	13.60	[●]
Total	42,77,531				40.80	[●]

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

b. Meenu Aggarwal

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue sharehold ing %
On Incorporation	5000	10	10	Subscription to MOA	0.05	[●]
March 27, 2007	83,750	10	10	Transfer	0.80	[●]
March 27, 2009	3,655	10	200	Further Allotment	0.03	[●]
February 16, 2010	(655)	10	10	Transfer	(0.01)	[●]
March 30, 2010	1,37,625	10	NA	Bonus Issue	1.31	[●]
November 22, 2010	655	10	10	Transfer	0.01	[●]
December 15, 2010	3,45,045	10	NA	Bonus Issue	3.29	[●]
March 30, 2012	5,75,075	10	NA	Bonus Issue	5.49	[●]
October 1, 2012	5,75,075	10	NA	Bonus Issue	5.49	[●]
August 12, 2013	1,60,000	10	10	Further Allotment	1.53	[●]
October 14, 2015	2,98,686	10	16.74	Further Allotment	2.85	[●]
March 30, 2017	41,666	10	60	Further Allotment	0.40	[●]
March 3, 2018	11,12,789	10	NA	Bonus Issue	10.61	[●]
Total	33,38,366				31.84	[●]

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

ii. Details of Promoter's 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 Promoter's 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 [●]% 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/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period
Rajeev Kumar Aggarwal						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
Meenu Aggarwal						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]

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:

- The Equity Shares offered 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;
- 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;
- No Equity shares have been issued to our promoter upon conversion of a partnership firm during the preceding one year at a price less than the issue price.
- No Equity Shares held by the Promoter and offered for minimum Promoters' contribution are pledged;
- All the Equity Shares of our Company held by the Promoters are in the process of being dematerialized; and
- The Equity Shares offered for Promoter's 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 Promoter's contribution subject to lock-in.

iii. Details of Share Capital 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 Promoters' Contribution of [●] % of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

8. Except as mentioned below, there were no shares purchased/sold by the Promoters and Promoter 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 / Issue Price	Nature of Allotment
March 03, 2018	Rajeev Kumar Aggarwal	Promoter	14,25,844	10	NA	Bonus Issue
March 03, 2018	Meenu Aggarwal	Promoter	11,12,789	10	NA	Bonus Issue
March 03, 2018	Exclusive Overseas Private Limited	Promoter Group	2,65,000	10	NA	Bonus Issue
March 03, 2018	Riddhi Aggarwal	Promoter Group	2,41,769	10	NA	Bonus Issue
March 03, 2018	Jahnvi Aggarwal	Promoter Group	1,59,185	10	NA	Bonus Issue
March 03, 2018	Shenzhen Properties Private Limited	Promoter Group	1,50,000	10	NA	Bonus Issue
March 03, 2018	Ways Info Technologies Private Limited	Promoter Group	1,24,869	10	NA	Bonus Issue
March 03, 2018	Krrish Aggarwal	Promoter Group	15,000	10	NA	Bonus Issue
May 10, 2018	Exclusive Overseas Private Limited	Promoter Group	1,50,000	10	10	Transfer

9. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company:-

i. Summary of Shareholding Pattern as on the date of this Draft Red Herring Prospectus

C a t e g o r y	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 % of total no. of shares (calculated as per SCR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Voting Rights	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	8	1,03,33,364	-	-	1,03,33,364	98.57	1,03,33,364	98.57	-	98.57	-	-	19,18,131	18.30	1,03,33,364
B	Public	2	1,50,090	-	-	1,50,090	1.43	1,50,090	1.43	-	1.43	-	-	-	-	1,50,090
C	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C a t e g o r y	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 % of total no. of shares (calculated as per SCR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Voting Rights	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	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	10	1,04,83,454	-	-	1,04,83,454	100.00	1,04,83,454	100.00	-	100.00	-	-	19,18,131	18.30	1,04,83,454

*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 EMERGE Platform of National Stock Exchange of India Limited

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange. Our Company will file the shareholding pattern of 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 National Stock Exchange of India Limited before commencement of trading of such Equity Shares.

*** In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoter Group shall be dematerialized prior to listing of Equity shares.

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

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	Promoter				
1.	Rajeev Kumar Aggarwal	42,77,531	40.80%	[●]	[●]
2.	Meenu Aggarwal	33,38,366	31.84%	[●]	[●]
	Sub Total (A)	76,15,897	72.65%	[●]	[●]
	Promoter Group				
3.	Riddhi Aggarwal	7,25,306	6.92%	[●]	[●]
4.	Exclusive Overseas Private Limited	6,45,000	6.15%	[●]	[●]
5.	Jahnvi Aggarwal	4,77,555	4.56%	[●]	[●]
6.	Shenzhen Properties Private Limited	4,50,000	4.29%	[●]	[●]
7.	Ways Info technologies Private Limited	3,74,606	3.57%	[●]	[●]
8.	Krrish Aggarwal	45,000	0.43%	[●]	[●]
	Sub Total (B)	27,17,467	25.92%	[●]	[●]
	Total (A+B)	1,03,33,364	98.57%	[●]	[●]

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Rajeev Kumar Aggarwal	42,77,531	4.13
Meenu Aggarwal	33,38,366	3.21

12. Except as mentioned below, no person belonging to the category “Public” who holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares:

13. 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:

- a. 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.	Rajeev Kumar Aggarwal	42,77,531	40.80%
2.	Meenu Aggarwal	33,38,366	31.84%
3.	Riddhi Aggarwal	7,25,306	6.92%
4.	Exclusive Overseas Private Limited	6,45,000	6.15%
5.	Jahnvi Aggarwal	4,77,555	4.56%
6.	Shenzhen Properties Private Limited	4,50,000	4.29%
7.	Ways Info technologies Private Limited	3,74,606	3.57%
8.	Hitesh Patel	1,50,000	1.43%
9.	Krrish Aggarwal	45,000	0.43%
10.	Shantanu Ghosh Dastidar	90	0.00%
	Total	1,04,83,454	100%

- b. Particulars of the top ten shareholders as at ten days prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Rajeev Kumar Aggarwal	42,77,531	40.80%
2.	Meenu Aggarwal	33,38,366	31.84%
3.	Riddhi Aggarwal	7,25,306	6.92%
4.	Exclusive Overseas Private Limited	6,45,000	6.15%
5.	Jahnvi Aggarwal	4,77,555	4.56%
6.	Shenzhen Properties Private Limited	4,50,000	4.29%
7.	Ways Info technologies Private Limited	3,74,606	3.57%
8.	Hitesh Patel	1,50,000	1.43%
9.	Krrish Aggarwal	45,000	0.43%
10.	Shantanu Ghosh Dastidar	90	0.00%
	Total	1,04,83,454	100%

- c. Particulars of the top ten 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 Total Paid-Up Capital
1.	Rajeev Kumar Aggarwal	28,10,021	43.95%
2.	Meenu Aggarwal	21,83,911	34.16%
3.	Exclusive Overseas Private Limited	5,30,000	8.29 %
4.	Shenzhen Properties Private Limited	3,00,000	4.69%
5.	Ways Info technologies Private Limited	2,49,737	3.91%
6.	Al Ghaith Building Construction Co. LLC	2,20,000	3.44%
7.	Riddhi Aggarwal	35,000	0.55%
8.	Jahnvi Aggarwal	35,000	0.55%
9.	Krrish Aggarwal	30,000	0.47%
10.	Shantanu Ghosh Dastidar	100	0.00%
	TOTAL	63,93,769	100%

14. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
15. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.
16. 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 National Stock Exchange of India Limited.
17. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
18. 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.
19. There are no Equity Shares against which depository receipts have been issued.

20. Other than the Equity Shares, there is no other class of securities issued by our Company.
21. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right 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.
22. None of the persons/entities 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.
23. 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.
24. There are no safety net arrangements for this public issue.
25. 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.
26. 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.
27. 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.
28. As per RBI regulations, OCBs are not allowed to participate in this Issue.
29. Our Company has not raised any bridge loans against the proceeds of the Issue.
30. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
31. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
32. 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.
33. The BRLM, Syndicate Members and any persons related to the BRLM and Syndicate Members (other than Mutual Funds sponsored by entities related to the BRLM) cannot apply in the Issue under the Anchor Investor Portion. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the Net 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.

34. Except for Pre-IPO Placement, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with Stock Exchange until the Equity Shares are listed on the Stock Exchange or application moneys refunded on account of failure of Issue. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR.
35. 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.
36. Our Company has 10 shareholders as on the date of filing of this Draft Red Herring Prospectus.
37. Our Promoters and the members of our Promoter Group will not participate in this Issue.
38. Our Company has not made any public issue since its incorporation.
39. 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.
40. For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 and period ended December 31, 2017, please refer to paragraph titled “Details of Related Parties Transactions as Restated” in the chapter titled “Financial Statements as restated” on page 224 of this Draft Red Herring Prospectus.
41. 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 200 of this Draft Red Herring Prospectus

OBJECTS OF THE ISSUE

REQUIREMENT OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be Rs [●] lakhs (the “**Net Proceeds**”)

We intend to utilize the Net Proceeds towards the following objects:

1. To finance setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat;
2. Repayment/Pre-payment of certain secured borrowings availed by our Company;
3. Funding the working capital requirements of our Company;
4. General corporate purposes.

(Collectively, herein referred to as the “**Objects**”)

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.

ISSUE PROCEEDS

The details of the proceeds of the Issue are set out in the following table:

(Rs in Lakhs)

Particulars	Estimated amount ⁽¹⁾
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses	[●]
Net Proceeds	[●]

⁽¹⁾To be finalized on determination of the Issue Price.

UTILISATION OF NET PROCEEDS

The Net Proceeds are proposed to be used in the manner set out in the following table:

(Rs in lakhs)

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue (Rs. In lakhs)	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	To finance setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat	1,500.00	[●]	[●]
2.	Repayment/Pre-payment of certain secured borrowings availed by our Company	500.00	[●]	[●]
3.	Funding the working capital requirements of our Company	850.00	[●]	[●]
4.	General corporate purposes ⁽¹⁾	[●]	[●]	[●]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

Schedule of Implementation and Deployment of Funds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(Rs. in lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2019)	Estimated Utilisation of Net Proceeds (Financial Year 2020)
1.	To finance setting up of Carpet and Yarn manufacturing unit phase II at GIDC, Bharuch, Gujarat	1,500.00	1,000.00	500.00
2.	Repayment/Pre-payment of certain secured borrowings availed by our Company	500.00	500.00	-
3.	Funding the working capital requirements of the Company	850.00	850.00	-
4.	General corporate purposes ⁽¹⁾	[●]	[●]	-

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

Means of Finance

We intend to finance the setting up of Carpet and Yarn manufacturing unit at GIDC, Bharuch, Gujarat, through Net Proceeds, bank financing and internal accrual/Networth. Partial repayment/pre-payment of certain secured borrowings availed by our Company entirely from the Net Proceeds of the Issue. The working capital requirements under our Objects will be met through the Net Proceeds to the extent of Rs 850.00 lakhs and balance through bank finance.

(Rs. in lakhs)

Object of the Issue	Amount Required	IPO Proceeds	Internal Accrual/ Networth/Unsecured Loan	Bank Loan
To finance setting up of Carpet and Yarn manufacturing unit phase II at GIDC, Bharuch, Gujarat	9,158.97	1,500.00	1,258.97	6,400.00
Repayment/Pre-payment of certain secured borrowings availed by our Company	500.00	500.00	-	-
Funding the working capital requirements of our Company*	1,550.00	850.00	-	700.00
General Corporate purposes	[●]	[●]	[●]	-

*Inclusive of Rs. 469.00 lakhs is required to fund the working capital requirement of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat. Our Company may limit the utilisation of working capital facility availed from banks till the setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat is completed.

Accordingly, we confirm that we will be in compliance with the requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

APPRAISAL BY APPRAISING AGENCY

M/s SAK & Company, Chartered Accountants has conducted a Techno Economic Viability Report (Appraisal Report) in respect of the proposed setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat, India.

The fund requirements mentioned above except setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat are based on the internal management estimates of our Company and have not been verified by the Book Running Lead Managers or appraised by any bank, financial institution or any other external agency. The fund requirements for setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat are based on the Appraisal Report of M/s SAK & Company, Chartered Accountants. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. The actual costs would depend upon the negotiated prices with the suppliers/contractors and may vary from the above estimates. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

Details of the Object

The details of the objects of the Issue are set out below.

1. To finance setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat

Our Company in the year 2012 was allotted a leased land of approx. 54,457.96 sq. meters in Dahej Industrial Estate, Gujarat to set up a manufacturing facility for manufacturing of Carpets and Yarns. We decided to set-up facility in two phase in the allotted land and consequently started construction of Phase I unit in the year 2012. Our Company commissioned its first commercial production in year 2015 from its Phase I unit. The manufacturing facility of Phase I has an installed capacity of 4,50,000 sq. meters p.a. for weaving carpets. In Phase II the Company is enhancing the carpet manufacturing capacity as well as also set up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic/export market.

In Phase II Our Company proposes to set up 6,00,000 sq. meters p.a. capacity of Carpets weaving and 1,800 Tons/p.a. capacity of BCF yarn. Our Company is also planning to start carpet weaving technology training institute for weavers at Phase II unit.

Estimated Costs

The total estimated cost of setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat is Rs 9,158.97 lakhs excluding the margin for working capital requirement of Rs. 469.00 lakhs. The total cost for setting up of additional manufacturing facility has been estimated by our management in accordance with our business plan approved by our Board of Directors pursuant to its meeting dated June 15, 2018 and is based on Appraisal Report of M/s SAK & Company, Chartered Accountants dated June 15, 2018 and quotations received from third party suppliers.

The detailed breakdown of such estimated cost is set forth below:

(Rs. in lakhs)

Sr. No	Description of Cost	Total Project Cost
1	Building and Civil Works	2,372.40
2	Plant & Machinery	4,773.48
3	Electrical Equipment and Installation and MFA	805.00
4	Interest during construction period	703.09
5	Contingency	505.00
	Total Estimated Cost of the Project	9,158.97

Means of finance

The total estimated cost for setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat is proposed to be funded as follows

Particulars	Amount (Rs in Lakhs)
Out of Issue Proceeds	1,500.00
Term Loan	6,400.00
Internal Accruals/Networth	1,258.97
Total	9,158.97

Note: Any increase/shortfall in the cost of setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat would be financed through internal accruals.

Land and Site Development

Our Company in the year 2012 was allotted a leased land consisting of plot No D-2/E/E-16 in Dahej Industrial Estate, Gujarat to set up a manufacturing facility for manufacturing of Carpets and Yarns. We decided to set-up facility in two phase in the allotted land and consequently started construction of Phase I unit in the year 2012. Our Company commissioned its first commercial production in year 2015 from its Phase I unit. The manufacturing facility of Phase I has an installed capacity of 4,50,000 sq. meters p.a. for weaving carpets. In Phase II the Company is enhancing the carpet manufacturing capacity as well as also set up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic/export market.

Building and Civil Works:

The cost of our factory building and other civil works has been estimated to be Rs. 2,372.40 lakhs. Building plan is already approved and Phase-I building has been completed and construction for Phase-II building is under process. The details of building and civil work to be undertaken by our Company for Phase II unit is given below:

(Rs. in lakhs)

Sr. No.	Particulars of Building and Civil Works	Name of Party	Date of Quotation / Contract	Total Estimated Cost
1	Supply & Erection of PEB*	Everest Industries Limited	March 29, 2017	438.00
2	Construction work*	Prateek Constructions	September 30, 2016	1.00
3	Civil & Structural Works	Kartikev Building Contractors Pvt. Ltd.	February 17, 2017	1,549.77
4	Construction work*	Ganesh Steel Traders	August 19, 2017	4.53
5	Steel*	AG corporation	October 30, 2017	35.00

Sr. No.	Particulars of Building and Civil Works	Name of Party	Date of Quotation / Contract	Total Estimated Cost
6	Site Development Expenses*	Karma Contarctors & Developers	August 07, 2017	10.00
7	TMT Bar*	Atmiya Ispat	November 28, 2017	6.56
8	Steel TMT Bar	Ganesh Steel Traders	May 30, 2018	293.15
9	Other Misc. exp. related to building *			34.40
	Total			2,372.40

*As on April 30, 2018 our Company has already incurred Rs 468.40 lakhs towards building and civil work as certified by M/s SARVM & Associates, Chartered Accountants, vide certificate dated June 14, 2018.

Plant & Machinery:

The company proposes to acquire imported as well as indigenous plant and machineries at an aggregate estimated cost of Rs. 4,773.48 lakhs. The cost of imported plant and machineries estimated at Rs. 4,688.44 lakhs while cost of indigenous at Rs. 85.04 lakhs.

The detailed list of imported plant & machinery to be acquired by the company is as under:-

Sr. No.	Description of Plant & Machinery	No of Units	Name of the Supplier	Date of Quotation	Basic Rate*	Transportation and Clearing Cost @ 3%	Other Miscellaneous Cost @ 7%	Insurance, Commissioning & Installation Cost @ 4%	Total Estimated Cost (Amount In Rs Lakhs)
1	Rug & Carpet Innovator	1	Van De Wiele	June 07, 2018	1,370.98 (Euro-16,75,000)	41.13	95.97	54.84	1,562.92
2	BCF Production Plant**	1	VATIZ B.V	November 24, 2016	1,195.01 (Euro - 14,60,000)	35.85	83.65	47.80	1,362.31
3	Carpet Cabler and Carpet Twister [#]	2	Saurer Technologies GmbH & Co. KG	May 23, 2018	646.32 (Euro-7.89,643)	19.39	45.24	25.85	736.81

Sr. No.	Description of Plant & Machinery	No of Units	Name of the Supplier	Date of Quotation	Basic Rate*	Transportation and Clearing Cost @ 3%	Other Miscellaneous Cost @ 7%	Insurance, Commissioning & Installation Cost @ 4%	Total Estimated Cost (Amount In Rs Lakhs)
4	Superba Single Tunnel Continuous Heat Setting Machine**	1	AGV China International Ltd.	December 08, 2016	900.35 (11,00,000)	27.01	63.02	36.01	1,026.40
	TOTAL	5			4,112.67	123.38	287.88	164.51	4,688.44

* 1 Euro = 81.85

**Our company has already placed order for these machines –

Name of Supplier	Date of Placement of order	Date of Delivery of machine
AGV China International Ltd.	March 24, 2017	March 18, 2019
VATIZ	April 17, 2017	March 25, 2019

The above quotation is exclusive of round trip flight tickets, local transfers, accommodation and daily allowances. All these cost will be met by our Company through internal accruals.

The detailed list of indigenous plant & machinery to be acquired by the company is as under:-

(Rs. in lakhs)

Sr. No.	Description of Plant & Machinery	No	Name of the Supplier	Date of Quotation	Basic Rate	GST @ 18%	Transportation/ Freight and Packing Cost @ 5%	Insurance, Commissioning & Installation Cost @ 8%	Total Estimated Cost
1	Carpet Cabler and Carpet Twister	1	Prashant Gamatex Pvt. Ltd.	May 25, 2018	64.92	11.69	3.24	5.19	85.04
	TOTAL	1			64.92	11.69	3.24	5.19	85.04

Note- Freight/ Transportation charges, packing charges, Insurance and Commissioning & Installation charges have been estimated by our Company which are subject to change due to change in the circumstances.

As on April 30, 2018, the Company has incurred Rs. 1,112.29 lakhs towards plant and machinery, as per certificate issued by M/s SARVM & Associates, Chartered Accountants, vide certificate dated June 14, 2018.

Electrical Installations and Miscellaneous Fixed Assets:

The cost of electrical installation and miscellaneous fixed assets have been estimated by our company at Rs. 805.00 lakhs. The detail of electrical installations and miscellaneous fixed assets to be acquired by our Company is as follows:

(Rs. in lakhs)

Sr. No.	Particular	Name of the Supplier	Date of Quotation / Contract / Invoice	Basic Rate	GST	Packing & installation Charges	Insurance	Total Estimated Cost
1	Computer & peripherals*	Prinja Computers	January 21, 2017	9.52	-	-	-	9.52
2	Computer & peripherals*	Amazon	November 11, 2017	0.19	-	-	-	0.19
3	SAP*	Vestics Solutions Pvt. Ltd.	January 19, 2017	11.02	-	-	-	11.02
4	Server*	Dell International Services Pvt. Ltd.	June 02, 2017	4.88	-	-	-	4.88
5	Server Rack*	Rackom System	June 08, 2017	0.19	-	-	-	0.19
6	Compressor	Kaesar Compressors (India) Pvt. Ltd.	May 28, 2018	58.17	16.29	1.75	1.16	77.37
7	Chiller	SBC Cooling Pvt. Ltd.	May 31, 2018	35.40	9.91	1.06	0.71	47.08
8	Vehicles (Ex-Show room price)	Shiv Shakti Motors	May 30, 2018	32.00	-	-	-	32.00
9	Electricals	Tulsi Switchgears	June 05, 2018	77.27	13.91	0.97	-	92.15
10	Furniture	Loyal Wood Ltd.	June 05, 2018	14.97	2.70	0.19	0.45	18.31
11	Firefighting Equipment's	Kantilal Chimanlal	June 09, 2018	137.89	24.82	9.76	3.25	175.73
12	Analog Extensions	Gurusons Communications Pvt. Ltd.	June 12, 2018	4.27	0.77	-	-	5.04
13	Computers & Peripherals	Compex Technologies Pvt. Ltd.	June 12, 2018	64.99	3.32	0.70	-	69.01
14	Air conditioner	Coolline Agency Private Ltd.	June 12, 2018	41.88	12.13	2.25	0.56	56.82
15	Doors & Windows	PRP Design Arch	June 12, 2018	39.00	7.02	-	-	46.02
16	DG Sets	Sudhir Power Limited	June 14, 2018	76.75	13.82	1.54	2.30	94.40

Sr. No.	Particular	Name of the Supplier	Date of Quotation / Contract / Invoice	Basic Rate	GST	Packing & installation Charges	Insurance	Total Estimated Cost
17	PCC & Distribution Channel	Pathak Electricals	June 13, 2018	52.01	9.36	1.82	1.04	64.24
18	Misc . Expenses related to assets			1.04	-	-	-	1.04
	Total			661.44	114.05	20.04	9.47	805.00

* As on April 30, 2018, the Company has incurred Rs. 26.83 lakhs towards electrical installation and miscellaneous fixed assets, as certified by M/s SARVM & Associates, Chartered Accountants, vide certificate dated June 14, 2018.

Note- Packing & Installation charges, Insurance have been estimated by our Company which are subject to change due to change in the circumstances.

Interest during Construction:

Our company has estimated interest during construction period for setting up of Carpet and Yarn manufacturing unit phase II at GIDC, Bharuch, Gujarat amounting to Rs. 703.09 lakhs.

Our company has been sanctioned the following facilities from the Punjab National Bank Limited vide a letter dated April 06, 2016

1. Sanction of Rupee Term Loan of Rs. 2,100.00 lakhs.
2. Sanction of Foreign Currency Term Loan (Equivalent INR) of Rs. 4,300.00 lakhs without hedging.
3. Sanction of FLC (for import of machinery for 36 months) of Rs. 3,300.00 lakhs within Foreign Currency Term Loan (FCTL) of Rs. 4,300.00 lakhs.
4. Sanction of BG Limit of Rs. 150.00 lakhs.

As on April 30, 2018, the amount outstanding on our Company's term loan facility was Rs. 942.00 lakhs, as certified by M/s SARVM & Associates, Chartered Accountants, vide certificate dated June 14, 2018.

Contingency and Escalation:

In the event of any cost overruns due to any changes in quoted prices of cost of project for which orders have not yet been placed, or on account of time variation, transportation cost, insurance, interest cost, unexpected price rise due to factors beyond our control, contingencies have been provided to cover any such eventuality which may occur. Contingencies of Rs.505.00 lakhs have been estimated, which is approximately 5.50% of the cost of unit phase II.

Proposed Schedule of Implementation:

Activities	Commencement Date	Estimated Completion Date
Land acquisition	Already Acquired	
Building construction	October 01, 2016	February 28, 2019
Electrical Wiring Installation of equipments	September 16, 2017	April 30, 2019
Finishing & Flooring Tiling , POP , interior	September 02, 2017	April 30, 2019
Installation of fire Safety Equipments	December 01, 2016	May 31, 2019
Placement of order for plant & Machinery		

Activities	Commencement Date	Estimated Completion Date
-Imported	March 14, 2017	July 31, 2018
-Indigenous	July 15, 2018	July 31, 2018
Delivery of Plant & Machinery- Imported		
BCF Plant	February 28, 2018	March 31, 2019
Carpet Weaving Plant	June 01, 2018	March 31, 2019
Delivery of Plant & Machinery – Indigenous	December 01, 2017	March 31, 2019
Erection & Commissioning of Plant	July 02, 2017	June 30, 2019
Placement of order Furniture & Fixture	July 31, 2018	April 30, 2019
Installation Furniture & Fixture	September 16, 2018	June 30, 2019
Arrangement of power & fuel	August 01, 2018	May 31, 2019
Arrangement to man power	May 30, 2018	June 30, 2019
Various Statutory approval /NOC/ Licenses	February 28, 2018	Additional Power in May 31, 2019
Trial Run – BCF Plant	October 01, 2018	September 30, 2019
Trial Run – Carpet Weaving	October 01, 2018	September 30, 2019
Commercial operation Date(COD)	November 30, 2019	

Funds deployed

In accordance with the certificate of M/s SARVAM & Associates, Chartered Accountants, dated June 14, 2018 as of April 30, 2018, our Company has deployed following funds towards setting up of Carpet and Yarn manufacturing unit phase II at GIDC, Bharuch, Gujarat:

Particulars	Amount Deployed (Rs. In lakhs)
Building & Civil Work	468.40
Plant & Machinery	1,112.19
Electrical Installations and Miscellaneous Fixed Assets	26.83
Interest during Construction	79.30
Total Fund Deployed	1,686.72

Power:

The total requirement of power is estimated at about 2000 KVA. The power will be supplied from GETCO/ Power Supply authority of Gujarat through GIDC. The unit being located in an Industrial Estate, Company does not envisage any difficulty in getting supply of required power. GETCO/ Power Supply company will install 220 KV sub-station at their cost after recovery on pro-rata cost on the land earmarked by GIDC. The company shall pay the power cost to the power distribution company. The company will approach GETCO/ Power Supply authority of Gujarat for supply of power.

Backup arrangement-The Company will acquire two DG sets (750 KVA and 500 KVA each) for backup power arrangement to take care of production in case of disruption in power supply from Distribution Company.

Water:

The project is not water intensive as it does not require water for processing. Water will be required for boiler and chiller Cooling Towers and for human consumption and gardening. As the unit is located in an Industrial Estate, GIDC will provide the required quantity of water, which is estimated at about 10 KLD.

Fuel:

Our Company will use diesel or gas for running the boiler. A dual fuel boiler is planned to be installed by our Company.

Compressor:

Compressed air will be required in the PP/BCF Yarn Plant at high pressure for which we will use the compressor to provide the same.

Chiller and Cooling Towers:

Chiller and Cooling Towers shall be required as chilled air will be used in the PP BCF Yarn extrusion purpose to cool down the freshly extruded BCF Yarn after spinning.

2. Funding the Working Capital requirements of our Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth and financing from banks. As on March 31, 2016 and March 31, 2017, the amount outstanding on our Company's fund based working capital facility was Rs. 443.45 lakhs and Rs. 707.75 lakhs respectively as per restated financial statements. As on March 31, 2017, our sanctioned working capital facilities comprised of fund based limit of Rs. 700.00 lakhs. For further details, please refer to the chapter titled "*Financial Indebtedness*" beginning on page 288 of this Draft Red Herring Prospectus.

Our Company's existing working capital requirement and funding on the basis of Restated Financial Information as of March 31, 2016 and March 31, 2017 are as stated below:

<i>Amount (Rs in Lakhs)</i>		
Particulars	Fiscal 2016	Fiscal 2017
Current Assets		
Inventories		
-Raw materials	191.78	84.10
-Finished goods	207.67	467.80
Trade Receivables	217.74	538.89
Cash and Bank Balance	46.80	33.81
Short Term Loans & Advances and Other Current Assets	81.48	201.67
Total (A)	745.47	1,326.27
Current Liabilities		
Trade Payables	319.50	631.09
Other Current Liabilities and short term provisions	464.68	531.00
Total (B)	784.18	1,162.09
Total Working Capital (A)-(B)	-	164.18
Existing Funding Pattern		
Working Capital funding from Banks	-	164.18

Basis of estimation of working capital requirement

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated June 15, 2018 has approved the business plan for Fiscals 2019. The projected working capital requirements for Fiscal 2018 and Fiscal 2019 are as stated below:

Amount (Rs in lakhs)

Particulars	Fiscal 2018 (Estimated)	Fiscal 2019 (Estimated)
Current Assets		
Inventories		
-Raw materials	123.87	604.71
-Finished goods	1,077.56	1,345.97
Trade Receivables	1,404.44	1,497.62
Cash and Bank Balance	103.20	142.87
Short Term Loans & Advances and Other Current Assets	330.41	86.39
Total (A)	3,039.48	3,677.56
Current Liabilities		
Trade Payables	252.20	1,025.35
Other Current Liabilities and provisions	754.09	1,102.21
Total (B)	1,006.29	2,127.56
Total Working Capital (A)-(B)	2,033.19	1,550.00
Funding Pattern		
IPO Proceeds	-	850.00
Working Capital funding from Banks	763.76	700.00
Internal accruals/Net Worth	1,269.43	-

Assumption for working capital requirements

Assumptions for Holding Levels*

(In months)				
Particulars	Holding Level for Fiscal 2016	Holding Level for Fiscal 2017	Holding Level for Fiscal 2018 (Estimated)	Holding Level for Fiscal 2019 (Estimated)
Current Assets				
Raw material	2.54	0.62	0.51	1.69
Finished Goods	2.17	2.68	4.27	3.67
Trade Receivables	2.60	3.88	4.65	3.22
Current Liabilities				
Trade Payables	4.23	4.65	1.03	2.87

Justification for "Holding Period" levels

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

Assets- Current Assets	
Inventories	<p>Raw Material - We have assumed raw material inventory level of 1.69 months for the financial year 2018-19 which is higher than the estimated holding period for financial year 2017-18 as we expect growth in our business operations.</p> <p>Finished Goods- We have assumed finished goods inventory level of 4.27 months and 3.67 months for financial year 2017-18 and financial year 2018-19 respectively as against 2.68 months holding period for financial year 2016-17. Our company is engaged in manufacturing of</p>

Assets- Current Assets	
	carpets which take substantial time to weaving, so we intend to keep high level of finished goods to make on time and quick supply of our products to customer.
Trade receivables	Our Company intends to give credit facility of around 3.22 months to our debtors in the financial year 2018-19 as compared to 4.65 months for the financial year 2017-18. Going forward our Company intends to quick realize from our debtors to fund our estimated working capital requirements.
Liabilities–Current Liabilities	
Trade Payables	In financial year 2017-18 and financial year 2018-19, the credit period is expected to be 1.03 months and 2.87 months respectively, as going forward we expect to prune our creditors’ days by infusing funds towards working capital from the net issue proceeds.

Our Company proposes to utilize Rs. 850.00 lakhs of the Net Proceeds in Fiscal 2019 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2019 will be arranged from existing bank loans.

3. Repayment/Pre-payment of certain Secured borrowings availed by our Company

Our Company has entered into various financing arrangements with banks and others. The loan facilities entered into by our company include secured and unsecured borrowings in the form of term loans and fund based and non-fund based working capital facilities. For further details, including indicative terms and conditions of such loan facilities availed by our company, see chapter titled “Financial Indebtedness” on page 288 of this Draft Red Herring Prospectus.

Our company propose to utilise an aggregate amount of Rs. 500.00 lakhs from the Net Proceeds towards partial repayment or prepayment of certain term loans and working capital facility availed by our company from corporation bank. M/s Rajvanshi & Associates, Chartered Accountants vide their Certificate dated June 16, 2018 has certified that the total amount outstanding on the borrowings proposed to be repaid/pre-paid out of the Net Proceeds was Rs. 3,496.85 lakhs as on April 30, 2018. We believe that such repayment/pre-payment will help reduce our outstanding indebtedness and improve our debt-equity ratio. We believe that reducing our indebtedness will result in enhanced equity base, reduce our financial costs, improve our profitability and improve our leverage capacity.

The details of the repayment/pre-payment of secured borrowing are provided below:

(Rs. In lakhs)

Name of the Lender	Amount Outstanding as on April 30, 2018	Rate Of Interest	Security	Tenure	Purpose/ Utilisation	Repayment/Pre-payment from the Net Proceeds of the Issue
Corporation Bank (Term Loan)	2,177.46	One Year MCLR + 6.70% i.e. 15.45 %.	Hypothecation /First Charge on Plant & Machinery and other movable assets, EMG/First Charge on	84 Monthly commencing from January, 2016	For completion of Phase I	340.00

Name of the Lender	Amount Outstanding as on April 30, 2018	Rate Of Interest	Security	Tenure	Purpose/ Utilisation	Repayment/Pre-payment from the Net Proceeds of the Issue
			Factory Land & Building			
Corporation Bank (Term Loan)	581.65	One Year MCLR + 6.70% i.e. 15.45 %.	Hypothecation /First Charge on Plant & Machinery and other movable assets, EMG/First Charge on Factory Land & Building.	84 Monthly commencing from January, 2016.	For completion of Phase I	96.00
Corporation Bank (Cash Credit)	737.47	One Year MCLR + 5.70% i.e. 14.45 %.	Hypothecation /First Charge on Inventory cum Book Debts/All Current Assets of the company.	Running account repayable on demand.	For meeting working capital requirement	64.00
Total	3,496.85					500.00

We may repay the above borrowings, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the proceeds of the Issue.

4. General Corporate Purpose

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives
- brand building and strengthening of marketing activities; and
- Ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately Rs [●] lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows.

Expenses	Expenses (Rs. in Lakhs)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Fees payable to the Book Running Lead Manager (including Underwriting commission)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Brokerage and selling commission payable to Syndicate**	[●]	[●]	[●]
Brokerage and selling commission payable to Registered Brokers**	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs**	[●]	[●]	[●]
Others (listing fees, legal fees, stationery charges, bankers to the Issue, auditor's fees etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

*Will be incorporated at the time of filing of the Prospectus.

** Selling commission payable to the members of the Syndicate, CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:

Portion for RIIs	[●]% ^ (exclusive of Goods and Service Tax)
Portion for NIIs	[●]% ^ (exclusive of Goods and Service Tax)

^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price)

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of Rs [●] (plus applicable Goods and Service Tax) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

***Registered Brokers, will be entitled to a commission of Rs. [●] (plus applicable Goods and Service Tax) per Bid cum Application Form, on valid Bids, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the bid has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.

**** SCSBs would be entitled to a processing fee of Rs. [●] (plus Goods and Service Tax) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs.

Deployment of Funds

The details of the amount spent by our Company as of June 13, 2018 towards the Issue related expenses and as certified by M/s Rajvanshi & Associates, Chartered Accountants, vide certificate dated June 13, 2018 are provided in the table below:

(Rs in Lakhs)

Deployment of Funds	Amount
Issue Related Expenses	7.77
Total	7.77

(Rs in Lakhs)

Source of Funds	Amount
Internal Accruals	7.77
Total	7.77

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance setting up of additional manufacturing facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance setting up of additional manufacturing facility requirements will be repaid from the Net Proceeds of the Issue.

INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the 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

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 1,000 million. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(5) of the Listing Regulations, our Company shall disclose to the Audit Committee the uses and applications of the Net Proceeds. Our Company shall prepare an annual statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus, certified by the statutory auditors of our Company and place it before the Audit Committee, as required under applicable laws. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. Furthermore, in accordance with the Regulation 32(1) of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

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 authorised 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 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

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections titled “*Risk Factors*” and “*Financial Statements*” beginning on pages 21, 224 respectively and chapter titled “*Our Business*”, beginning on page 159 of this Draft Red Herring Prospectus, to have an informed view before making an investment decision. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

QUALITATIVE FACTORS

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

- Experienced Management
- Locational Advantage
- Government Incentives
- Scalable Business Model
- Customer oriented approach

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 159 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below is based on the restated financial statements of the Company for the for the period ended December 31, 2017 and Financial Years ended March 31, 2017, 2016, 2015, 2014 and 2013, 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 as adjusted for changes in capital:

Year/ Period Ended	EPS(Rs.)	Weight
March 31, 2017	1.50	3
March 31, 2016	2.12	2
March 31, 2015	(0.25)	1
Weighted Average		1.42
For the period ended December 31, 2017*		5.53

*Not Annualised

Notes:

- The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year/period. Earnings per share has been computed as per AS-20. The face value of each Equity Share is Rs. 10/-.
 - On March 03, 2018, our Company allotted 34,94,486 Equity Shares of Face Value of Rs. 10/- at par in the ratio of 1 Equity Share for every 2 Equity Shares held as fully paid Bonus Shares. For the purpose of calculating the Basic and Diluted Earnings per Share (EPS) above, the weighted average number of equity shares have been adjusted for the bonus shares.
- #### 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. [●] per Equity Share of Rs. 10 each fully paid up

Particulars	P/E Ratio on Cap Price	P/E on Floor Price
P/E ratio based on Basic EPS for FY 2016-17	[●]	[●]
P/E ratio based on Weighted Average EPS	[●]	[●]
*Industry P/E		
Highest		N.A.
Lowest		N.A.
Average		N.A.

* We believe that there are no listed peers engaged in the business of carpet manufacturing and therefore, the Industry P/E Ratio cannot be ascertained.

3. Return on Net worth (RoNW):

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

Year/ Period Ended	RoNW (%)	Weight
March 31, 2017	9.12	3
March 31, 2016	15.90	2
March 31, 2015	(3.33)	1
Weighted Average (%)		9.31
For the period ended December 31, 2017(%)*		24.63

*Not Annualised

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year/ period. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

4. Minimum Return on Total Net Worth post Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2017

To maintain pre-issue basic & diluted EPS

- At the floor price – [●]%
- At the cap price – [●]%

5. Net Asset Value (NAV)

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2017	15.92
Net Asset Value per Equity Share as of December 31, 2017	22.40
Net Asset Value per Equity Share after the Issue- At Cap Price	[●]
Net Asset Value per Equity Share after the Issue- At Floor Price	[●]
Issue Price per equity share	[●]

Notes:

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year/period. Net worth is calculated as sum of Equity Share Capital and Reserves and Surplus (excluding revaluation reserves) less miscellaneous expenditure not written off, as at the end of respective year/ period.
- On March 03, 2018, our Company allotted 34,94,486 Equity Shares of Face Value of Rs. 10/- at par in the ratio of 1 Equity Share for every 2 Equity Shares held as fully paid Bonus Shares. For the purpose of calculating the Net Asset Value (NAV) above, the number of equity shares have been adjusted for the bonus shares

6. Comparison with other listed companies

Our Company is into the business of carpet manufacturing and currently there are no listed peers engaged in this particular business segment and therefore, a strict comparison of our company with any listed company is not possible.

The Issue Price of Rs. [●]/- per Equity Share will be determined by the Company in consultation with the BRLM and is justified based on the above accounting ratios.

The Issue Price of Exclusive Fibers Limited will be Rs. [●] per Equity Share. Exclusive Fibers Limited is a Book Built issue and price band for the same shall be published 5 working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
Exclusive Fibers Limited
31/3203 Beadonpura Karol Bagh,
New Delhi -110005

Dear Sirs,

Sub: Statement of possible Special tax benefit ('the Statement') available to Exclusive Fibers Limited and its shareholders prepared in accordance with the requirements under Schedule VIII Part A Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')

We hereby confirm that the enclosed annexure, prepared by **Exclusive Fibers Limited** ('the Company') provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income Tax Act, 1961 (the "Act") as amended time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, these benefits are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

The enclosed annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Rajvanshi & Associates.
Chartered Accountants
ICAI Firm's Reg. No. 005069C

Prakshal Jain
(Partner)
M. No. 429807
Place: Jaipur
Dated: June 12, 2018

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act')

- Special Tax Benefits available to the Company under the Act:
There are no special Tax Benefits available to the Company.
- Special Tax Benefits available to the shareholders of the Company under the Act:
There are no special Tax Benefits available to the shareholders of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2018-19.
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the nonresident has fiscal domicile.

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

SECTION IV – ABOUT THE COMPANY

OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 224 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

INTRODUCTION TO TEXTILE INDUSTRY

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 US\$ 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: Indian Textile Industry India Brand Equity Foundation - www.ibef.org)

INTRODUCTION TO TECHNICAL TEXTILE INDUSTRY

Technical textiles are defined as textile materials and products used primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics. Other terms used for defining technical textiles include industrial textiles, functional textiles, performance textiles, engineering textiles, invisible textiles and hi-tech textiles. Technical textiles are used individually or as a component/part of another product. Technical textiles are used individually to satisfy specific functions such as fire retardant fabric for uniforms of firemen and coated fabric to be used as awnings. As a component or part of another product, they are used to enhance the strength, performance or other functional properties of that product. Technical textiles have been slowly but steadily gaining ground due to one or more of the reasons such as: functional requirement, health & safety; cost effectiveness; durability; high strength; light weight; versatility; customization; user friendliness; eco friendliness; logistical convenience etc. Unlike conventional textiles used traditionally for clothing or furnishing, technical textiles are used basically on account of their specific physical and functional properties and mostly by other user industries.

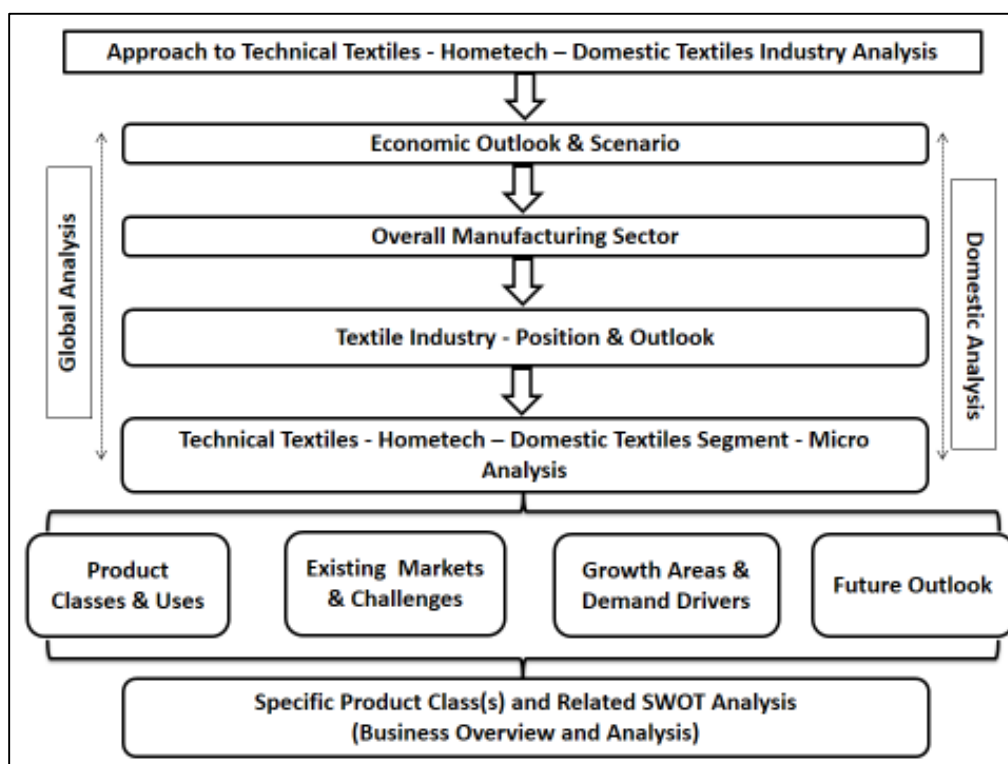
(Source: Technical Textiles, Indian Technical Textile Association- www.ittaindia.org)

APPROACH TO TECHNICAL TEXTILE INDUSTRY (HOMETECH – DOMESTIC TEXTILES INDUSTRY) ANALYSIS

Analysis of Technical Textile Industry – Homotech – Domestic Textiles Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Technical Textile Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the Technical Textile industry.

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing sector is “Textile Industry”, which in turn encompasses various components one of them being “Technical Textiles - Homotech – Domestic Textiles Industry”.

Thus, Technical Textile Industry - Homotech – Domestic Textiles Industry should be analysed in the light of “Textile Industry” at large. An appropriate view on Technical Textile Industry, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Textiles Industry and Technical Textile Homotech – Domestic Textiles Industry micro analysis.



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

GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in

demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach \$61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings—rapid growth, ultra-low interest rates—at a late stage in the economic cycle have produced the rarest of combinations: record-high high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from China's unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become “an obsession in search of a justification.” Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labor markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the “Cry of Wolf” trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last

several years), without succumbing to the siren call of “This Time is Different” (stock valuations are sustainable this time because interest rates will remain at historic lows).

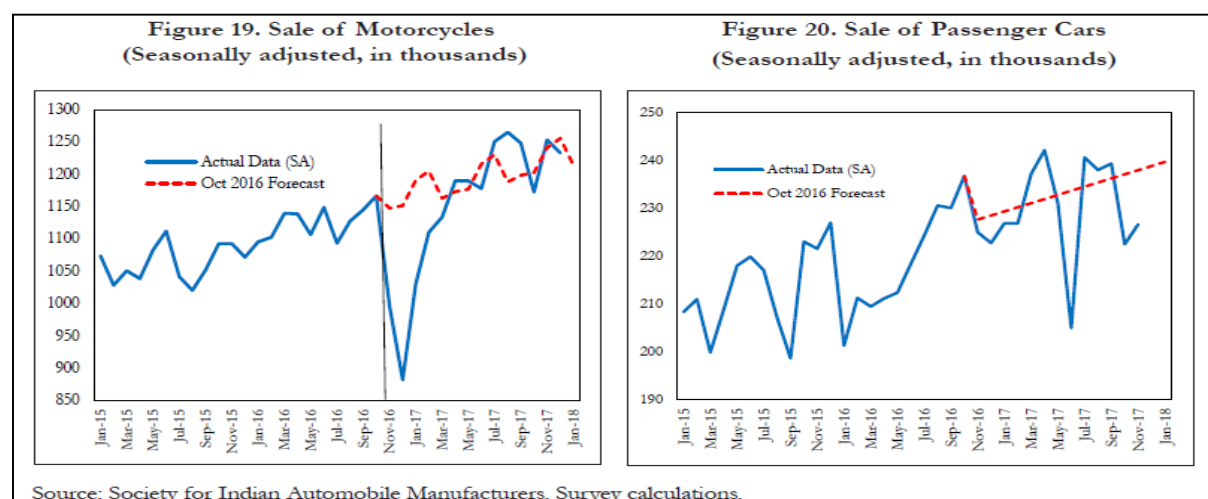
(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OVERVIEW OF INDIA’S ECONOMIC PERFORMANCE IN 2017-18

Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

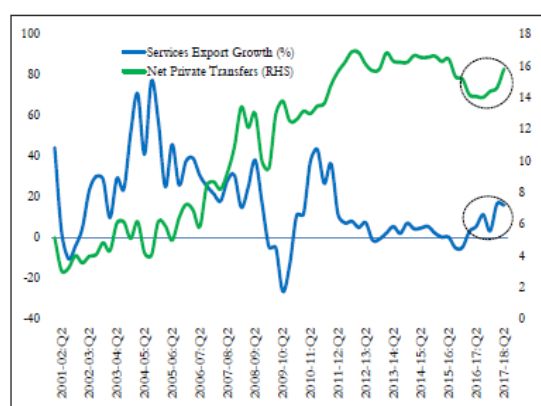
Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).



Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

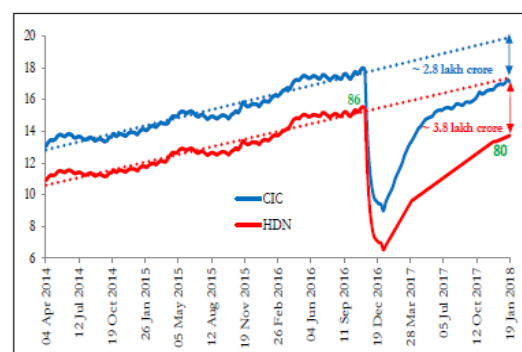
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

Figure 21. Services Export Growth (percent) and Net Private Remittances (in US\$ billion)



Source: RBI, Survey calculations.

Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN) (In Rs. lakh crore)



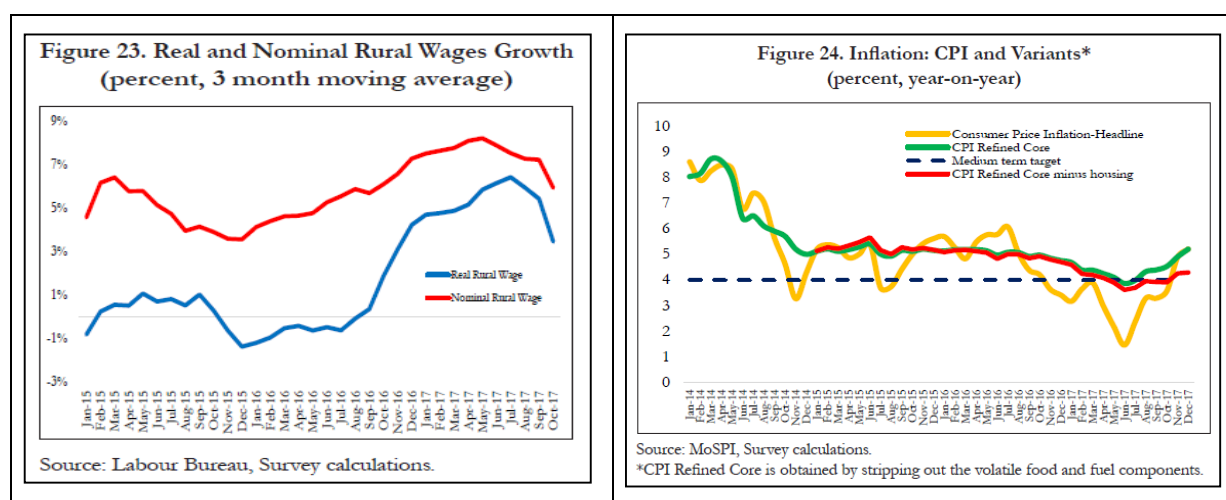
Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and rabi, reducing the demand for labor. The acreage for kharif and rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.



Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate.

Macroeconomic indicators

After 13 months of continuously under-shooting the inflation target by an average of 130 basis points, headline inflation for the first time crossed the RBI's 4 percent target in November, posting a rate of 5.2 percent in December 2017 (Figure 24). The recent upswing in inflation stems from rising global oil prices (not all of which has been passed on to consumers), unseasonal increases in the prices of fruits and vegetables, and the 7th Pay Commission housing rent allowances, which mechanically increase inflation. Stripped of all these factors, underlying inflation has been increasing at a more modest pace, reaching 4.3 percent at end-December—in part because firms are passing the incidence of GST on to final consumers only gradually.

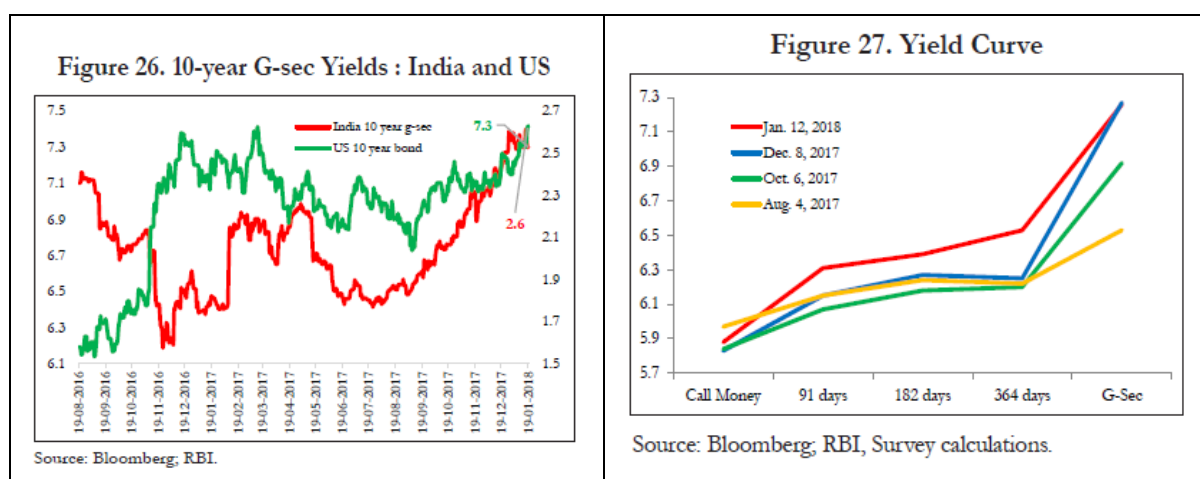
The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit (Figure 25). In the first half of 2017-18, the oil and gold balance has improved (smaller deficit of \$47 billion) but this has been offset by a higher trade deficit (\$18 billion) and a reduced services surplus (\$37 billion), the latter two reflecting a deterioration in the economy's competitiveness.

Despite these developments, the overall external position remains solid. The current account deficit is well below the 3 percent of GDP threshold beyond which vulnerability emerges. Meanwhile, foreign exchange reserves have reached a record level of about \$432 billion (spot and forward) at end-December 2017, well above prudent norms.

Fiscal developments

Bond yields have increased sharply (Figure 26) since August 2017, reflecting a variety of factors, including concerns that the fiscal deficit might be greater-than-budgeted, expectations of higher inflation, a rebound in activity that would narrow the output gap, and expectations of rate increases in the US. As a result, the yield curve has become unusually steep (Figure 27).

The fiscal deficit for the first eight months of 2017-18 reached 112 percent of the total for the year, far above the 89 percent norm (average of last 5 years), largely because of a shortfall in non-tax revenue, reflecting reduced dividends from government agencies and enterprises. Expenditure also progressed at a fast pace, reflecting the advancing of the budget cycle by a month which gave considerable leeway to the spending agencies to plan in advance and start implementation early in the financial year. Partially offsetting these trends will be disinvestment receipts which are likely to exceed budget targets.



GST revenue collections are surprisingly robust given that these are early days of such a disruptive change (See Box 7). Government measures to curb black money and encourage tax formalization, including demonetization and the GST, have increased personal income tax collections substantially (excluding the securities transactions tax). From about 2 percent of GDP between 2013-14 and 2015-16, they are likely to rise to 2.3 percent of GDP in 2017-18, a historic high. Precise estimates of the government's contribution to this improvement vary depending on the methodology used. An econometric exercise yields an estimate of Rs. 40,000 Crores over the two fiscal years of 2016-17 and 2017-18.³ Another based on comparing the difference in actual tax buoyancy in 2016-17 and 2017-18 over the previous seven-years' average buoyancy, yields an estimate of about Rs. 65,000 Crores (both exclude the 25,000 Crores collected under the Income Disclosure Scheme and Pradhan Mantri Garib Kalyan Yojana). Thus, the sum of all government efforts increased income tax collections, thus far, between Rs. 65,000 and Rs. 90,000 Crores. These numbers imply a substantial increase in reported incomes (and hence in formalization) of about 1.5 percent to 2.3 percent of GDP.

As a result of the budget overruns, the central government's fiscal deficit until November 2017 was Rs. 6.1 lakh crore compared to the budgeted Rs. 5.5 lakh crore. In contrast, state governments seem to be hewing closely to their targeted fiscal consolidation – in part because the centre has guaranteed them a large increase in their indirect tax take, as part of the GST agreement.

Reflecting largely fiscal developments at the centre, a pause in general government fiscal consolidation relative to 2016-17 cannot be ruled out. In addition, the measured deficit for 2017-18 will include Rs. 80,000 crore (0.5 percent of GDP) in capital provided to public sector banks. But this will not affect aggregate demand, as reflected in international accounting practice which deems such operations as financing ("below-the-line") rather than expenditure.

In the case of borrowing by the states, markets have perhaps inadequately taken into account the fact that higher market borrowings by them does not reflect higher deficits; rather about Rs. 50,000 crore or 0.3 percent of GDP of market borrowings is due to changes in the composition of financing, away from higher cost NSSF borrowings toward lower cost market borrowings. This lack of strict correspondence between the deficit and borrowings at the central and state levels (Figure 28) is discussed in greater detail in Box 8. For general government, about Rs. 40,000 Crores represents greater market borrowings that is not due to deficits—a fact which markets apparently have not internalized.

Another factor contributing to the rise in bond yields has been stepped-up Open Market Operations (OMO) by the RBI. This amounted to a net sale of about Rs. 90,000 Crores during April-December 2017-18 (compared to a net redemption of Rs. 1.1 lakh Crores during the same period in 2016-17) to sterilize the impact of foreign flows, themselves induced by high interest rates.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private capex cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spending—assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices requires tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the world's fastest growing major economy. This forecast is subject to upside potential and downside risks. The biggest source of upside potential will be exports. If the relationship between India's exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another ½ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market "sudden stall" induced by sharp corrections to elevated stock prices. (Box 9 suggests that India's stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

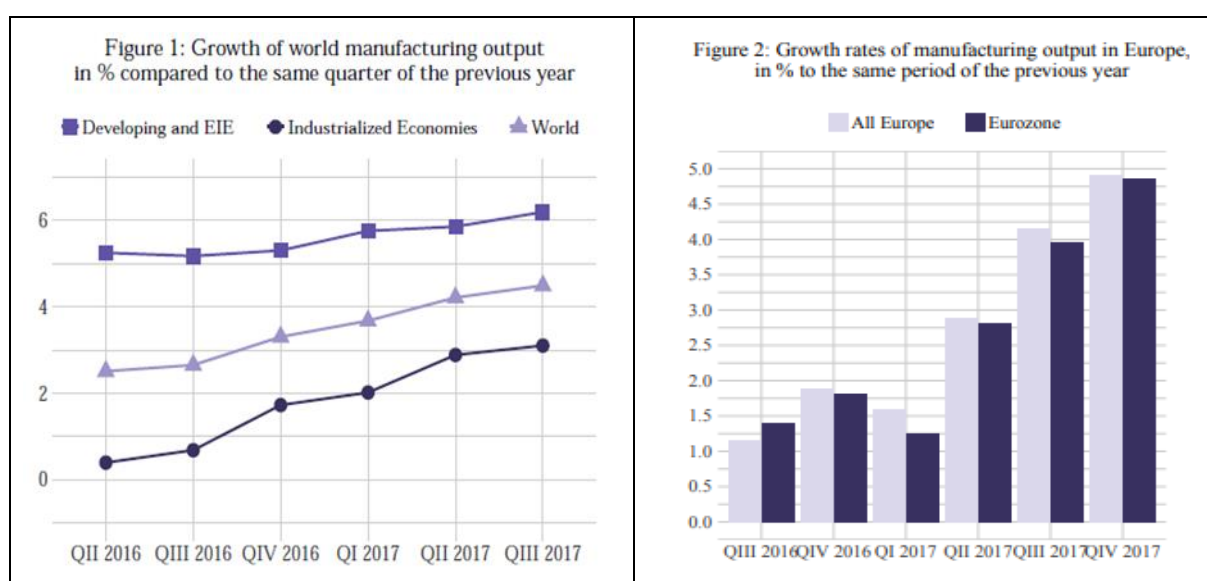
Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

GLOBAL MANUFACTURING INDUSTRY

World Manufacturing Growth

World manufacturing production continued to grow in the fourth quarter of 2017, maintaining the upward trend that has been observed since the beginning of the year. Industrialized economies gained further strength in manufacturing production and confirmed their dynamic growth. Developing and emerging industrial economies achieved a much higher growth of manufacturing output than industrialized economies. Industrialized economies account for most of the global industrial output. The increased growth pace in these countries has a positive impact on the global economy as a whole. Signs of recovery in the manufacturing sectors of industrialized economies are likely to boost the growth prospects in developing economies. The growth trend observed in the first half of 2017 was largely maintained in the second half of the year. Steady progress over several consecutive quarters contributed to sustained global industrial growth in subsequent periods (Figure 1). Improvements in business conditions, rising consumer spending and promising investment plans are some of the driving forces behind the positive developments in global manufacturing. On the other hand, risks to global growth arising from the uncertainty of the Brexit negotiations, changes in global trade arrangements or high geopolitical uncertainty have not yet dissipated. Global manufacturing output rose by 4.7 per cent in the fourth quarter of 2017 compared to the same quarter of the previous year. This impressive gain was attributable to strong growth since the beginning of the year. The disaggregated data highlight the thriving performance of major industrialized economies with a significant share in global manufacturing output, particularly the United States, Japan, Germany, Italy as well as France.



Industrialized economies as a whole registered a relatively high growth rate of 3.5 per cent in the fourth quarter of 2017 compared to the same period of 2016. This was the highest growth performance of manufacturing output in a year-by-year comparison in the post-crisis period. Such growth was

attributable to Europe's dynamic recovery, which recorded a 4.9 per cent growth rate. At the same time, the manufacturing output in the North America region rose by 2.6 per cent compared to the fourth quarter of 2016. An impressive growth rate was also observed in East Asia's industrialized economies, which had a very positive impact on the overall manufacturing growth of industrialized countries. The manufacturing output of these economies increased by 3.2 per cent in the last quarter of 2017. The manufacturing output of developing and emerging industrial economies increased by 6.1 per cent in the fourth quarter of 2017 in comparison to the same period of the previous year. The growth rate was slightly down from 6.3 per cent of the previous quarter. Asia's developing economies recorded a high growth rate of 6.5 per cent in the fourth quarter. China, the world's largest manufacturer, contributed most to Asian economies' growth. Latin America continued its recovery from the third quarter of 2017 in a year-by-year comparison. Brazil's economy has had a considerable impact on Latin America's recovery in the fourth quarter. The region experienced positive growth of 0.7 per cent compared to the previous quarter. Growth estimates based on limited data showed positive growth for Africa's manufacturing output. The growth of manufacturing production was observed across all industrialized and developing regions in the last quarter of 2017 compared to the same period of the previous year, which confirms the sustained recovery of manufacturing production both in advanced and in emerging economies.

The manufacturing output of industrialized economies has maintained strong growth rates over the last quarters. All industrialized regions, namely East Asia, Europe and North America, recorded positive growth rates and helped strengthen the overall upward trend in industrialized economies in the fourth quarter. Among the industrialized country group, Europe's manufacturing showed a strong growth rate of 4.9 per cent in the fourth quarter of 2017 compared to the same period of the previous year. It experienced the strongest growth in the last six years. An investment-led domestic upturn and rising consumer confidence further supported the expansion of demand and accelerated production in European economies. The growth rate in the eurozone countries followed the same trend as overall Europe. The disaggregated data indicated strong growth in the last quarter of 2017, when year-by-year growth figures are compared among the leading eurozone economies. Manufacturing output increased by 5.5 per cent in Germany, 5.0 per cent in France and Spain, and 4.3 per cent in Italy. The manufacturing production in other economies of the single currency block continued to witness positive growth figures. Strong growth of over 11.5 per cent was recorded by Slovenia followed by Lithuania with 10.1 per cent, while a fairly robust rate was observed by Estonia (6.3 per cent), Austria (4.9 per cent), the Netherlands (4.9 per cent), Portugal (4.7 per cent) and Finland (4.3 per cent).

(Source: World Manufacturing Production- Statistics for Quarter IV, 2017; United Nations Industrial Development Organisation - www.unido.org)

Industrialized economies

The manufacturing output of industrialized economies has followed a progressively improving upward trend over the last quarters. All industrialized regions, namely Europe, North America and East Asia, were characterized by robust dynamics in the third quarter and took a step towards a steady future. The latest data revealed an acceleration of growth in the manufacturing sector of European economies during the third quarter of 2017 in a year-by-year comparison, beating expectations. Improved business and consumer confidence complemented by strong domestic and external demand resulted in new business and export orders. All of these factors provide tremendous opportunities to investors and signal that Europe's manufacturing sector is gradually stabilizing.

Taking a closer look at specific numbers, Europe's manufacturing sector as a whole stepped up production by 4.0 per cent in the third quarter of 2017, while the growth rate in the Eurozone countries increased by 3.9 per cent compared to the same period of the previous year. In both cases, the result meant a 1.0 per cent jump from the previous quarter's results

The major economies of the Eurozone recorded strong growth in the third quarter of 2017. Manufacturing output rose by 4.6 per cent in Germany, 3.8 per cent in Italy and 2.8 per cent in France comparing year-to-year developments. Spain, another leading Eurozone economy, achieved a 3.3 per

cent growth rate. The manufacturing output of other economies of the single currency block seemingly remained healthy in the third quarter and continued on the trajectory of continuous improvement. The highest growth of over 8.0 per cent was observed in Slovenia and Lithuania.

Among other economies, manufacturing output grew by 5.8 per cent in Austria, 4.7 per cent in Belgium, 5.2 per cent in Portugal and 3.8 per cent in Slovakia. Among individual economies beyond the euro zone, the Swiss manufacturing sector experienced the strongest increase in the last 10 years and expanded sharply by 8.7 per cent compared to the same period of the previous year. The rapid surge from an upwardly revised 3.3 per cent gain in the previous quarter was primarily boosted by the manufacturing of pharmaceuticals and of computer, electronic and optical products. The manufacturing output in the United Kingdom rose by 2.7 per cent compared to the same period of the previous year. Another exceptionally positive result was observed in Sweden with a 5.8 per cent growth rate. Higher growth rates above 5.0 per cent were also observed in Czech and Hungary.

North America's overall manufacturing growth was lower than in other industrialized regions at 1.4 per cent. The United States' manufacturers have recently picked up as the dollar dropped in value, making U.S. goods cheaper in foreign markets and boosting exports. However, a 1.2 per cent growth in the U.S.' total manufacturing production in the third quarter of 2017 represents a slight slowdown, given the performance of the U.S.' manufacturing sector in the second quarter. A solid performance was witnessed in Canadian manufacturing, where production expanded by 3.2 per cent.

Strong global growth continued to drive manufacturing activity in industrialized East Asian economies during the third quarter, leading the manufacturing production to expand by 4.5 per cent. Japan's manufacturing output rose by 4.7 per cent compared to the same period of the previous year. Despite the slightly lower figure in the third quarter, Japan has maintained an uninterrupted period of high growth for several consecutive quarters. Growth momentum strengthened in Malaysia, where manufacturing output recorded a 7.0 per cent increase in the third quarter of 2017. A particularly strong two-digit growth rate was observed in Singapore, while the Republic of Korea and Taiwan, Province of China's manufacturing production expanded only moderately by 1.4 per and 3.3 per cent, respectively.

The manufacturing recovery in Russia remained largely on track in the third quarter of 2017, with a nearly 1.0 per cent expansion recorded on a year-to-year basis. A similar growth rate was also observed in Norway which further reduced its contraction rate.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2017; United Nations Industrial Development Organisation - www.unido.org)

Developing and Emerging Industrial Economies

In the fourth quarter of 2017, overall manufacturing growth in developing and emerging industrial regions remained strong at 6.1 per cent (Figure 3). Latin America continued to recover from its downturn in 2016. Brazil's manufacturing sector, which suffered considerable losses a year ago, largely recovered during 2017. In the last quarter of 2017, Brazil's manufacturing output rose by 6.5 per cent. Impressive growth was also observed in Argentina and Mexico, however, negative growth prevailed in Ecuador, Peru, Uruguay and Colombia. Manufacturing growth was largely stable and high in Asian economies.

China remained high at 6.7 per cent. The overall growth of manufacturing output in Asia and the Pacific region was recorded at a rate of 6.5 per cent. Manufacturing output rose by 13.4 per cent in Mongolia and 4.3 per cent in Indonesia. Similarly, Sri Lanka and Pakistan achieved 4.1 per cent and 2.4 per cent growth in manufacturing output, respectively. India's manufacturing output rose by 4.7 per cent, indicating a clear recovery of the sector after the sluggish growth in several previous quarters. Growth estimates based on limited data for African countries indicated a rise in manufacturing output in several countries. The manufacturing output of South Africa, the largest economy of Africa, rose by 2.0 per cent. A similarly positive growth rate was observed in Cote d'Ivoire, Egypt, Morocco and Senegal. The manufacturing production of Nigeria dropped to 2.1 per cent. Eastern European developing countries maintained the stable growth of manufacturing output. A strong growth rate of 13.1 per cent

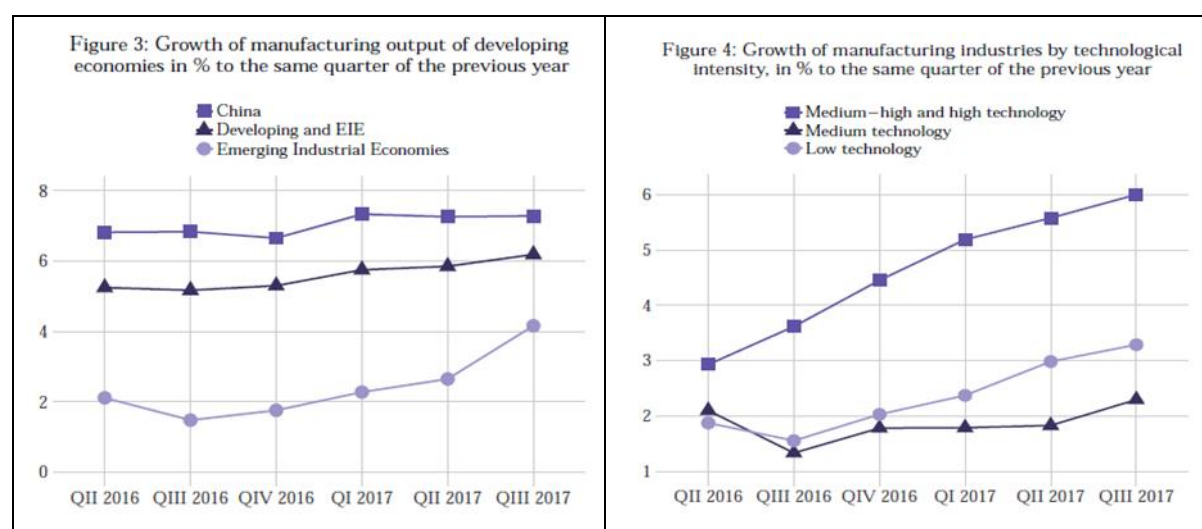
was recorded in Cyprus, 12.9 per cent in Romania and 12.2 per cent in Moldova, attributable in particular to high growth rates in the production of electrical equipment in those countries. Looking at the other countries in the region, the manufacturing sector also expanded by over 7 per cent in Turkey, Bosnia and Herzegovina, Belarus and Latvia

(Source: World Manufacturing Production- Statistics for Quarter IV, 2017; United Nations Industrial Development Organisation - www.unido.org)

Findings by Industry Groups

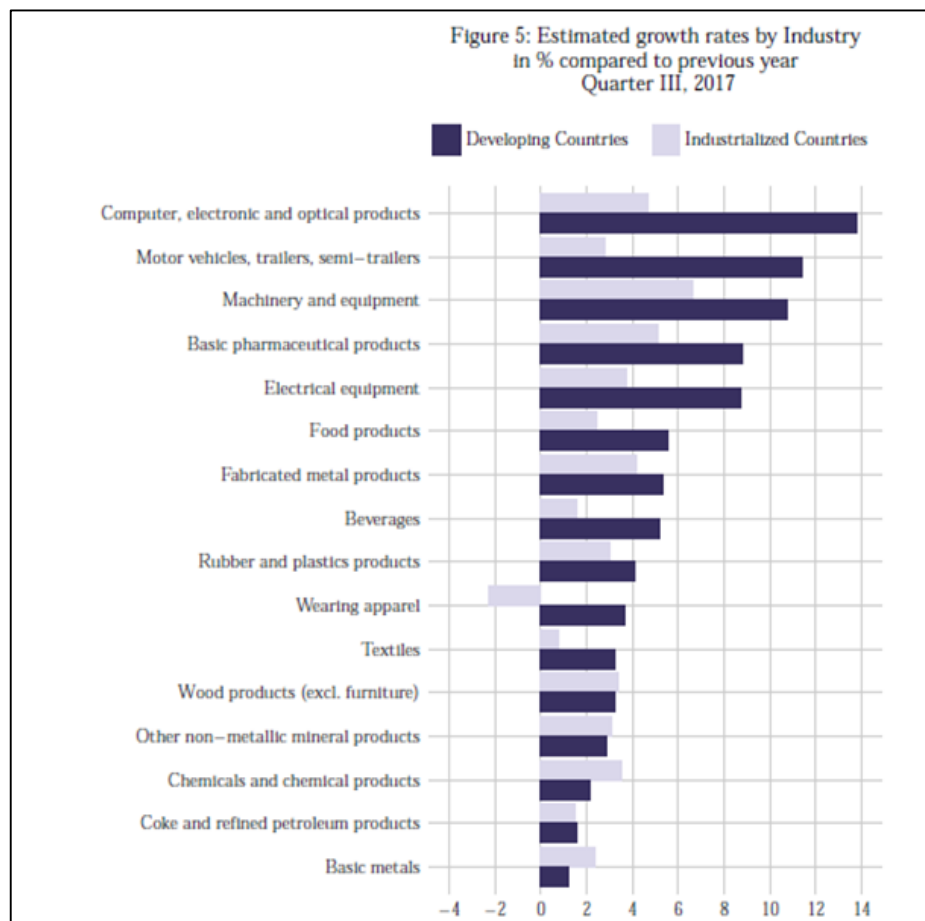
Global manufacturing production maintained a positive growth rate in nearly all industries in the fourth quarter of 2017. Advanced manufacturing such as automation, robotics and digitalization have been steadily expanding at the global level. Structural change represented by shifting from low technology to high technology manufacturing industries plays a key role in promoting innovation in the long term. Investment in new technology is a key component in the generation of innovation shaping the future of manufacturing in both advanced and emerging economies. The medium-high and high-technology industries witnessed solid high growth rates leading to an increase in high value goods and a high level of consumer confidence (Figure 4). UNIDO data largely support this pro-technology approach. Globally, medium-high and high technology manufacturing continued to outperform other industry groups, increasing the year-by-year growth rate to 6.0 per cent in the fourth quarter of 2017. This was largely driven by strong growth rates of over 9 per cent in China and Eastern European developing countries. At the same time, the average growth of medium-high and high-technology manufacturing was considerably lower in African as well as East Asian economies at around 0.7 per cent and 2.0 per cent, respectively. Growth of manufacturing industries by technological intensity, in % to the same quarter of the previous year Overall, the highest growth rate of 9.1 per cent was registered in the production of machinery and equipment, continuing the upward trajectory of the industry over the past couple of years. Growth in the production of capital goods indicated rising consumer confidence in the purchase of durable goods. The manufacturing of computer, electronic and optical products also maintained a steady growth rate of 7.8 per cent. The production of basic pharmaceutical products and pharmaceutical preparations expanded at 5.8 per cent compared to the fourth quarter of 2016. Figure 5 shows that the highest growth rates in these industries were attained by developing and emerging industrial economies.

Medium-technology manufacturing industries recorded a growth rate of 2.7 per cent worldwide in the fourth quarter in a year-by year comparison. The global manufacturing of rubber and plastic products grew by 4.2 per cent compared to the same quarter in the previous year, followed by the manufacturing of non-metallic mineral products, reaching a growth rate of 2.7 per cent.



The manufacturing of basic metals retained a moderate pace of a 1.7 per cent at the global level. The year-by-year growth of low-technology manufacturing industries remained stable at 3.4 per cent in the last quarter of 2017. The strongest growth in this sector occurred in developing countries in Eastern

Europe, reaching 6.5 per cent, as well as in the Asia and Pacific region, where a 5.4 per cent growth rate was observed. Global growth in the low-technology manufacturing sector was largely driven by greater output in the production of fabricated metal products of 5.1 per cent, in particular in Eastern Europe. This was followed by the expansion of the manufacturing of basic consumer goods: The industries for food products and beverages grew by 4.5 per cent and 3.7 per cent, respectively. The manufacturing of leather as well as wood products also performed well, both industries growing by 4.0 per cent compared to the fourth quarter of 2016. (Figure 5).



(Source: World Manufacturing Production- Statistics for Quarter IV, 2017; United Nations Industrial Development Organisation - www.unido.org)

INDIAN MANUFACTURING SECTOR

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Quarterly GVA at basic prices from manufacturing sector grew by 10.92 per cent in the third quarter of FY18. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power.

Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 73.70 billion during April 2000-December 2017.

India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- Mahindra and Mahindra is planning to start operating a fleet of electric cabs and supplying parts to Electric Vehicle (EV) manufacturers.
- Grasim Industries has received clearance for expansion of its plant at Vilayat. The expansion will entail an investment of Rs 2,560 crore (US\$ 396.8 million)
- Over 350 mobile charger factories are expected to be set up in India by 2025, on the back of the government's push to encourage production of battery chargers. Setting up of these factories is expected to lead to production of 1.46 billion chargers and generation of 0.8 million jobs.
- Government of India is planning to invite bids for setting up of 20 Gigawatts (GW) of solar power capacity with the objective of boosting domestic manufacturing of solar power equipment.
- JSW Energy has signed a memorandum of understanding (MoU) with the Government of Gujarat, for setting up an electric vehicle (EV) manufacturing unit in Gujarat at an estimated cost of Rs 4,000 crore (US\$ 608.88 million).
- With an aim to increase its presence in India, Denmark-based heating ventilation and air-conditioning (HVAC) giant, Danfoss, is planning to take its manufacturing localisation to 50 per cent as well as double its supplier base in India by 2020.

Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- As of March 2018, Government of India is in the process of coming up with a new industrial policy which envisions development of a globally competitive Indian industry.
- The government has introduced two new World Bank assisted projects viz. SANKALP scheme and STRIVE scheme for skill development in the country.
- In Union Budget 2018-19, the Government of India reduced the income tax rate to 25 per cent for all companies having a turnover of up to Rs 250 crore (US\$ 38.75 million).
- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Government of India increased export incentives available to labour intensive MSME sectors by 2 per cent.
- The Ministry of Electronics and Information Technology is in the process of formulation of a new electronics manufacturing policy. The aim of the new policy will be to create an ecosystem of manufacturing in the country, enable India to become a significant global player in some of these categories.
- Ministry of Home Affairs liberalised Arms Rules to boost 'Make in India' manufacturing policy of the government. The liberalisation of the policy is expected to encourage investment in the manufacturing of arms and ammunition and weapon systems and promote employment generation.

- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Defence, Government of India, approved the “Strategic Partnership” model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on March 01, 2018

(Source: Indian Manufacturing Industry Analysis - India Brand Equity Foundation - www.ibef.org)

INDIAN TEXTILE INDUSTRY

Introduction

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 US\$ 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.

Market Size

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

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

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

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

Investment

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.68 billion during April 2000 to September 2017.

Some of the major investments in the Indian textiles industry are as follows:

- 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 (US\$ 202.9 million) from 2017-18 to 2019-20.
- Future Group is planning to open 80 new stores under its affordable fashion format, Fashion at Big Bazaar (FBB), and is targeting sales of 230 million units of garments by March 2018, which is expected to grow to 800 million units by 2021.
- Raymond has partnered with Khadi and Village Industries Commission (KVIC) to sell Khadi-marked readymade garments and fabric in KVIC and Raymond outlets across India.
- Max Fashion, a part of Dubai based Landmark Group, plans to expand its sales network to 400 stores in 120 cities by investing Rs 400 crore (US\$ 60 million) in the next 4 years.

Government Initiatives

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Initiative will be taken into consideration by Government of India.

- 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 power loom sector of India.
- The Government has planned to connect as many as 5 crore (50 million) village women to charkha (spinning wheel) in next 5 years with a view to provide them employment and promote khadi and also, they inaugurated 60 khadi outlets which were renovated and re-launched during the completion of KVIC's 60th anniversary and a khadi outlet.

The **Textiles** Ministry will organise 'Hastkala Sahyog Shivirs' in 421 handloom-handicrafts clusters across the country which will benefit over 1.2 lakh weavers and artisans.

- The Gujarat government's decision to extend its textile policy by a year is set. It is believed to attract Rs 5,000 crore (US\$ 50 billion) of more investment in sectors across the value chain.

The government estimates addition till now of a million units of spindle capacity in the spinning sector and setting up of over 1,000 units in technical textiles.

Some of initiatives taken by the government to further promote the industry are as under:

- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.
- The Government of India plans to introduce a mega package for the power loom sector, which will include social welfare schemes, insurance cover, cluster development, and upgradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.

Road Ahead

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025.

The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand*.

Exchange Rate Used: INR 1 = US\$ 0.015 as of January 4, 2018.

References: Ministry of Textiles, Indian Textile Journal, Department's Industrial Policy and Promotion, Press Information Bureau, Union Budget 2017-18

*Note: # - according to Damco, * - according to India Ratings and Research, ^ - according to the International Cotton Advisory Committee (ICAC)*

(Source: Indian Textile Industry - India Brand Equity Foundation www.ibef.org)

OVERVIEW INDIAN TEXTILE INDUSTRY

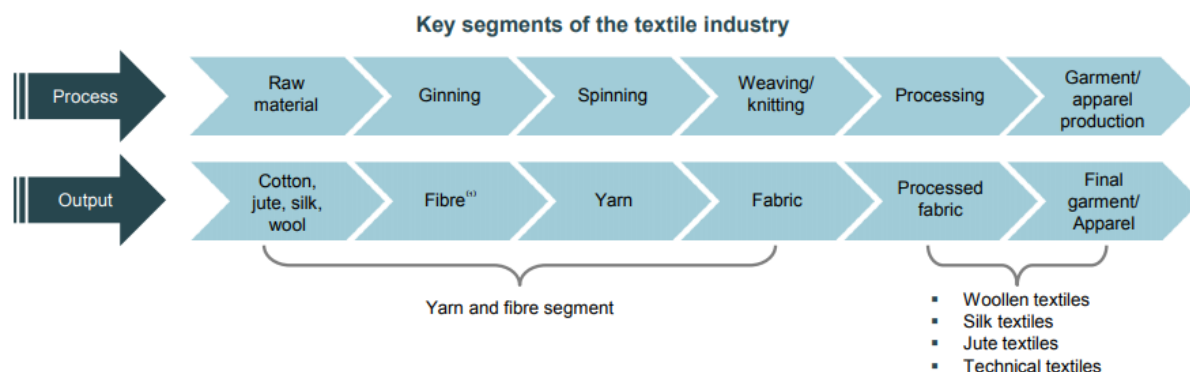
Textile plays a major role in the Indian economy. It contributes 14 per cent to industrial production and 4 per cent to GDP (ii) With over 45 million people, the industry is one of the largest source of employment generation in the country. The industry accounts for nearly 15 per cent of total exports. The size of India's textile market in 2016 was around US\$ 137 billion, which is expected to touch US\$ 226 billion market by 2023, growing at a CAGR of 8.7 per cent between 2009-23E.

As of June 2017, the central government is planning to finalize and launch the new textile policy in the next three months. The policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs. Production of raw cotton in India grew from 28 million bales in FY07 and further increased to 35.1 million bales in FY17. During FY07-17, raw cotton production expanded at a CAGR of 2.3 per cent. During FY16(1), of the overall amount of raw cotton produced in the country, domestic consumption totalled to 30 million bales, while in FY15(1), the domestic consumption of raw cotton stood at 30.4 million bales. Raw cotton and man-made fibres are major segments in this category.

(Source: Indian Textile Industry - India Brand Equity Foundation www.ibef.org)

INDIAN TECHNICAL TEXTILES SEGMENT OVERVIEW

Technical Textiles Segment



(Source: Indian Textiles and Apparel Industry – India Brand Equity Foundation www.ibef.org)

TEXTILE INDUSTRY: ADVANTAGE INDIA

Robust Demand

- Increased penetration of organised retail, favourable demographics and rising income levels to drive textile demand.
- Growth in building and construction will continue to drive demand for non-clothing textiles

Increasing Investments

- Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP)-(US\$ 184.98 million) and Technology Upgradation Fund Scheme (TUFS)-(US\$ 216.25 million released in 2017) to encourage more private equity and to train workforce

Competitive Advantages

- Abundant availability of raw materials such as cotton, wool, silk and jute
- India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to major textile producers

Policy Support

- 100 per cent FDI (automatic route) is allowed in the Indian textile sector
- Under Union Budget 2018-19, the government has allocated Rs 30 crore (US\$ 4.63 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects.
- Free trade with ASEAN countries and proposed agreement with European Union will boost exports

(Source: Textiles and Apparels Industry – India Brand Equity Foundation www.ibef.org)

GLOBAL TECHNICAL TEXTILE INDUSTRY

Technical Textiles are welfare textiles used for their diverse and multifunctional properties. Technical textiles offer several advantages in their functional aspects for improving health and safety, cost effectiveness, and durability and strength of textile material. These performance-enhancement products are applicable in the protective clothing, agriculture, medical, infrastructure development, automotive, aerospace, sports, and packaging sectors.

While the global market size of the technical textiles sector was estimated to be US\$ 104,000 million in 2010, this sector is still in nascent stages in India. Based on past trends of growth and estimated end user segment growth, the Working Group on Technical Textiles for 12th Five Year Plan (FYP) projected the market size to reach US\$ 28,727 million by 2016-17 at a year-on-year growth rate of 20% during 12th FYP.

Based on their functional requirements and end-use applications, the diverse range of technical textiles can be grouped into 12 categories, as shown below:

- [Agrotech](#) - Horticulture + landscape gardening, agriculture + forestry, animal keeping
- [Buildtech](#) - Membrane, construction, temporary constructions, interior fittings, earth, water traffic construction, agricultural building
- [Clothtech](#) - Garments, shoes
- [Geotech](#) - Underground, road, dam + waste-dump construction
- [Homotech](#) - Furniture, upholstery + interior furnishing, rugs, floor coverings
- [Indutech](#) - Filtration, cleaning, mechanical engineering, chemical industry
- [Medtech](#) - Hygiene, medicine
- [Mobiltech](#) - Cars, ships, aircraft, trains, space travel
- [Oekotech](#) - Environmental protection, recycling, waste disposal
- [Packtech](#) - Packaging, protective-cover systems, sacks, big bags, container systems
- [Protech](#) - Person and property protection
- [Sporttech](#) - Sport and leisure, active wear, outdoor, sport articles + equipment, sports shoe

(Source: Technical Textiles www.technicaltextile.gov.in)

INDIAN TECHNICAL TEXTILE INDUSTRY

The Indian textiles industry, currently estimated at around \$108 billion, is expected to reach \$223 billion by 2021. Expanding in the same proportion as the entire textile industry, the market for technical textiles in India, which stood at Rs 92,499 crore in 2015-16, is expected to grow at 12 per cent CAGR and reach 1, 16,217 crore by 2017-18.

In 2015, technical textiles accounted for around 29 per cent share of the global textile revenues. Demand for technical textiles is expected to stay steady during the period 2015-2020, due to a broadening application in end-use industries, such as automotive, construction, healthcare, and sports equipment etc, said Sanjay Aggarwal, chairman, Industry Affairs Committee, PHD Chamber of Commerce & Industry (PHDCCI), at the recently concluded Technical Textiles Exhibition cum Buyer Seller Meet in New Delhi.

In 2015, the global technical textiles market was valued at around \$153 billion. On back of strong demand, the global technical textiles market is estimated to reach at \$194 billion by 2020, with global consumption expected to surpass 40 million tonnes, said Aggarwal.

Development and industrialisation are the main drivers for the demand of technical textile products in a country, said Aggarwal. “Given the large scale at which emerging nations are industrialising, the market for technical textiles can only be expected to grow in tandem with industrial growth in different parts of the world.”

India is expected to play a key role in shaping the future technical textiles market with consumers spending more on home textile, sportswear products, and medical products. In fact, technical textiles provides new opportunity to the Indian textile industry to have long term sustainable future. Despite achieving high growth rate, the per capita consumption of technical textiles in India is 1.7 per kg vis-a-vis 10-12 kg in developed countries. Globally, the technical textiles contribute to about 29 per cent of textile industry, in some of the western countries its share is around 50 per cent while in India it is a meagre 10 percent only.

(Source: Technical Textiles www.technicaltextile.gov.in)

HOMETECH – TECHNICAL TEXTILES SECTOR

The hometech segment of technical textiles comprises the textile components used in household applications. These products range from blinds used in houses to filter products used in vacuum cleaners, and are also important components in fibre-fills in mattress and pillows. Hometech products are made of both natural and synthetic fibres. Woven fabrics are still used to a significant extent as carpet, furniture backings and curtain header tapes. However, nonwovens such as spun-bond have made significant inroads into these larger markets while various dry-laid and hydro-entangled products are now widely used in household cleaning applications in place of traditional mops and dusters. Indian hometech segment is expected to grow at a rate of 20% to US\$ 3,542 million by 2016-17 as per estimates of the Working Group on Textiles and Jute Industry, Ministry of Textiles, Government of India. Hometech segment includes manufacturing of: Fibre-fill, Carpet backing cloth, Stuffed toys, Blinds, Mattresses and pillows, Flock fabrics, PU coated fabrics

(Source: *Technical Textiles* www.technicaltextile.gov.in)

STATE SPECIFIC POLICIES FOR PROMOTING TECHNICAL TEXTILES

Several states in India have been proactive in promoting the technical textiles sector in the country. States like Gujarat, Tamil Nadu, Maharashtra, Karnataka, Andhra Pradesh, Rajasthan, Madhya Pradesh and Punjab have especially witnessed some success in this effort.

Contributing 25% to the national technical textile industry, Gujarat is a major player in the national technical textile sector. Gujarat's nearly 900 technical textile units are engaged in each of the 12 subsectors of technical textiles, and the state is a key producer of commodity products for the technical textile and downstream industries. Key players in the state's technical textile industry include, Ginni Filaments Ltd, Ambika Polymer, Anjani Udyog Pvt Ltd, Reliance Industries, Supreme Nonwovens Pvt Ltd, etc. The state also houses several international firms, like Finnish firm Ahlstrom, American Hygienics Corporation, and Austrian firm TenCate Geosynthetics.

Gujarat is also making significant progress in driving innovation in the national technical textile sector. Several companies are developing unique technical textile products, such as Sanrhea Technical Textile Ltd with the production of nylon chafer cloth for tyres, Tuflex India with the production gabious and geo-membranes, APCO industries and the production of fibre glass battery separators, etc. Additionally, Gujarat is a leading manufacturer in the textiles, automobiles, chemical, metallic, and food products, each of which consumes several of the various technical textile segments. Several of the state's units are also key suppliers to India's defence sector; Digjam Mills, Jamnagar provides fire-resistant fabric, while Kusumgar Supported Units, Advance Multitech, and Valley Valvette supply several varieties of coated fabrics. With a manufacturing sector that drives over 27% of its economy, the demand and consumption of technical textiles in the state is among the highest in the country.

Tamil Nadu, in turn, is also a fast-growing epicenter of technical textiles in the Indian peninsula. The state is one of the leading producers of agrotexiles, medical technical textiles, sport technical textiles, nonwovens. Coimbatore is also home to one of the country's eight Centers of Excellence for technical textiles, COE: Meditech (SITRA), which specializes in medical technical textiles. Furthermore, the state's investor-friendly environment has enabled the development of textile parks dedicated exclusively to technical textiles. The Government of Tamil Nadu approved the establishment of US\$ 21.30 million technical textile park in Pallavada, which is expected to commence production in 2013. Furthermore, a 200-acre US\$ 27.30 million technical textile zone was planned to be established in Tirupur, Tamil Nadu in 2008.

Maharashtra is providing significant stimulus to the domestic technical textiles industry. Maharashtra is a key producer of agrotexiles, woven technical textiles, ropes and cordages, indutech, and coir fibre. Key industries located in Maharashtra include Malmo Exim Ltd, Kwalitiy Nets, B&V Agro, etc. Significantly, the state is also driving the research and development in the national sector by hosting four of the country's eight Centers of Excellence on technical textiles, COE: Geotech (BTRA), COE: Agrotech (SASMIRA), COE: Non-wovens (DKTE), and, COE: Sportech (WRA).

The state's technical textile sector has also attracted significant investment interest. The state is developing its first technical textiles park in Ichalkaranji, which hosts a large number of stakeholders in the entire textile value chain, with an investment of US\$ 20 million. Furthermore, the manufacturing conglomerate, Jindal Group, recently announced plans to establish a technical textile unit with an investment of US\$ 272.30 million in Nashik; the unit will produce textiles related to automobile, sports, security, medical and fire-fighting equipment

Karnataka is a growing player in the Indian technical textiles sector. Karnataka's technical textiles sector attracted investments of US\$ 104 million between 2008 and 2011, and has targeted additional investments of US\$ 154 million in the sector between 2011-2012 and 2012-13. During the state's Global Investor Meet 2012, held from June 6-8, 2012, the state attracted US\$ 891 million in investments in its textile sector alone; these investments included proposals for the establishment of two technical textile mega projects for US\$ 60 million and US\$ 18.2 million in Hassan SEZ and Bellary, respectively. Additionally, the state will also promote technical textiles as a focus sector in its new industry-friendly textiles sector, which is scheduled to be launched in January 2013.

Rajasthan is yet another state charting new frontiers in the national technical textiles sector. The state is a renowned leader in the global textiles sector, and is now encouraging the growth of technical textiles to advance its leadership throughout the textile value chain. Bhilwara has especially emerged as one of the largest manufacturing centres for viscose-polyester textiles. Rajasthan State Industrial Development and Investment Corporation Ltd (RIICO) even organized a seminar in September 2010 to highlight the opportunities for Rajasthan to become a national and global leader in the technical textiles domain.

Andhra Pradesh is a leading producer in the agrotextiles sector, and is a leading consumer in protech and mobiltech. A hub for the national textile, aerospace and defense industries, the state is an especially important consumer of indutech and protech products.

Punjab is also proving to be a promising market for Indian sportech manufacturers. The state hosts amongst India's largest sports industries, and is a key supplier to the Indian Raffia, ropes and cordages industries. Thus, with significant, growing demand for sport technical textiles, and ready supply of downstream industries in the technical textile value chain, the state demonstrates significant potential for the development of a vibrant and thriving industry for sports technical textiles.

Madhya Pradesh is another state that is demonstrating promising growth in the technical textiles sector. The positive industrial environment created by the state through numerous initiatives and a stable government, good infrastructure and connectivity with all major parts of the country make it very conducive for the technical textiles industry.

The above eight states' industrial, MSME, and textile policies have been instrumental in driving the growth of the technical textiles industry not just locally, but throughout the country. Specific incentives of these state's policies have been included below as a reference point both for investors looking to realize and execute their interests in India's technical textiles sector, but also for administrators and policy-makers of other states looking to promote the local textile technical textiles sector.

(Source: Technical Textiles www.technicaltextile.gov.in)

FOREIGN DIRECT INVESTMENT IN TEXTILES SECTOR

Foreign Investment framework

The foreign direct investment (FDI) regime has been progressively liberalized during the course of the 1990s, and continues as such in the 2000s, with removal of most restrictions on foreign investments and simplification of necessary procedures. With limited exception, foreigners can invest directly in India, either on their own or through joint ventures. Today, foreign investment is prohibited in very few industries in India. Moreover, investment ceilings are gradually being removed. With the intent and objective to promote foreign direct investment through a policy framework that is transparent, predictable, simple and reduces regulatory burden, Government of India has formulated a consolidated FDI Policy on a yearly basis.

Foreign Direct Investment Policy in Textiles

With the most liberal and transparent policies in FDI amongst emerging countries, India is a promising destination for FDI in the textile sector. 100% FDI is allowed in the textile sector under the automatic route. FDI in sectors to the extent permitted under automatic route does not require any prior approval either by the Government of India or Reserve Bank of India (RBI). Investors are required only to notify the RBI Regional Office within 30 days of receipt of inward remittance. Ministry of Textiles has set up FDI Cell to attract FDI in the textile sector in the country. The FDI cell operates with the following objectives: To provide assistance and advisory support (including liaison with other organizations and State Governments); To Assist foreign companies in finding out joint venture partners; To sort out operational problems; Maintenance and monitoring of data pertaining to domestic textile production and foreign investment.

(Source: Technical Textiles www.technicaltextile.gov.in)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 20 of this Draft Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” beginning on page 21 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 21 and 224, respectively.

OVERVIEW OF THE BUSINESS:

Our Company was incorporated as “Exclusive Fibers Private Limited” at New Delhi as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 16, 2004 bearing Corporate Identification Number U74999DL2004PTC125846 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extra-ordinary General Meeting held on March 25, 2014 and the name of our Company was changed to "Exclusive Fibers Limited" vide a fresh Certificate of Incorporation dated April 17, 2014 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Corporate Identification Number of our Company is U74999DL2004PLC125846.

Incorporated in the year 2004, we were engaged in trading of different types of Textile Fibers and other textile related materials including Bulk Continuous Filament (BCF) Yarn until year 2015. Subsequently, we decided to foray into Carpet Manufacturing (Weaving). Our Company was allotted a leased land of approx. 54,457.96 square meters in Dahej Industrial Estate, Gujarat to set up a manufacturing facility for manufacturing of Carpets and Yarns in the year 2012. We decided to set-up facility in two phases in the allotted land and consequently started construction of Phase I unit in the year 2012. We commissioned our first commercial production in Phase I unit in year 2015. The manufacturing facility of Phase I has an installed capacity of 4,50,000 square meters per annum for weaving carpets.

In Phase II, the Company is intending to enhance the Carpet Manufacturing Capacity as well as to set up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic as well as Export Market. Our Company proposes to set up 6,00,000 square meters per annum capacity of Carpets weaving and 1,800 Tons per annum capacity of BCF yarn in Phase II at Dahej. Reducing cost of production is an important aspect to increase the profitability. Manufacturing of Carpets uses BCF Yarn as a major raw material. Cost of material consumed accounts for substantial portion of the total expenses of the Company. With the proposed facility, our Company will be able to meet 100% of its BCF Yarn requirement from in-house production and there would be no need of importing BCF Yarn thereby reducing our costs substantially and generating more revenues. We also intend to set up Carpet Weaving Technology Training Institute.

The Registered Office of the Company is situated at 31/3203, Beadonpura Karol Bagh, New Delhi – 5, Delhi – 110005, India. Our Company has its Corporate Office located at C-203, Greater Kailash Part-1, New Delhi, 110048, India. Further, the Manufacturing Unit, Warehouse and Raw Material Storage of our Company is situated at D-2/E-16, Dahej Industrial Estate, Bharuch, Gujarat – 392130, India.

We are now engaged in the business of manufacturing and trading of Carpets and cater to both domestic as well as foreign markets. Our Company exports its products to countries like United Arab Emirates, Malaysia, Hong Kong and Australia apart from selling in domestic markets. The Company has been recognised as “One Star Export House” by Directorate General of Foreign Trade and holds the valid certificate for the same.

Technology is a crucial aspect of the carpet and BCF yarn industry. The level of advancement determines the productivity of machines and labor, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern technology and processing techniques by virtue of which we are able to ensure quality products. The demand of carpets varies from sizes, design, and quality among others. Our Company manufactures different types of carpets varying in terms of its characteristics. Our customers are mostly distributors and traders who ensure bulk orders.

Our Company is promoted by Rajeev Kumar Aggarwal and Meenu Aggarwal. They have sound knowledge and experience in the industry in which we operate. Our Promoters have knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the Technical textile industry especially Home Tech Domestic Textiles which includes Carpets. They are guiding force behind the operational, strategic and financial decisions of our Company.

We focus on producing quality product to increase customer satisfaction and develop a positive brand image in the industry. Our management and team has enable us to maintain continuing customer relations, ensuring repeat order flows. Promoters having experience in the technical textile industry has maintained close relations with its suppliers and tries to strengthen the same.

FINANCIAL PERFORMANCE:

Financial Snapshot of our Company as per Restated Financial Statements is as under:

(Amount Rs. In Lakhs)

Particulars	For the period ended December 31, 2017	FY 2016-17	FY 2015-16	FY 2014-15
Revenue	3,223.04	2,590.03	1,475.93	1,128.19
EBITDA	1,290.91	892.81	538.51	29.07
Profit After Tax	578.42	148.88	200.88	(22.88)

Geographical Sales for the period ended 31st December, 2017

(Amount in Rs. Lakhs)

Particulars	Amount	% to Revenue
DOMESTIC	2,530.57	78.67%
Delhi	1,298.25	40.36%
Gujarat	904.01	28.10%
Maharashtra	128.16	3.98%
Karnataka	80.85	2.51%
Haryana	31.87	0.99%
Kerala	22.96	0.71%
Rajasthan	17.66	0.55%
Punjab	15.63	0.49%
Uttar Pradesh	8.99	0.28%
Tamil Nadu	7.22	0.22%
Telangana	4.58	0.14%
Jammu & Kashmir	9.59	0.30%
Chattisgarh	0.80	0.02%
EXPORTS	685.97	21.33%
United Arab Emirates (Dubai)	357.51	11.11%

Particulars	Amount	% to Revenue
Australia	188.11	5.85%
Malaysia	85.01	2.64%
Hong Kong	55.36	1.72%
Total Domestic and Exports	3,216.56	100.00%

Top 5 customers for period ended 31st December, 2017

(Amount in Rs. Lakhs)


Sr. No.	Name of Customers	Amount	Percentage to Total Sales
1.	Purewell Impex Pvt. Ltd.	893.13	27.77%
2.	Subhnen Textile & Bullion Pvt. Ltd.	859.27	26.71%
3.	UVA International Trading LLC	357.51	11.11%
4.	Choix Naturel	188.10	5.85%
5.	J.K.Carpets SDN	85.01	2.65%
	Total	2,383.02	74.09%

Top 5 customers for F.Y. 2016-17

(Amount in Rs. Lakhs)

Sr. No.	Name of Customers	Amount	Percentage to Total Sales
1.	Purewell Impex Private Limited	781.24	31.33%
2.	R V International FZC	384.10	15.41%
3.	Ishitek Enterprises Inc	200.87	8.06%
4.	Mid Valley International	186.13	7.47%
5.	Subhnen Textile & Bullion Pvt. Ltd.	78.16	3.14%
	Total	1,630.5	65.41%

OUR PRODUCT:

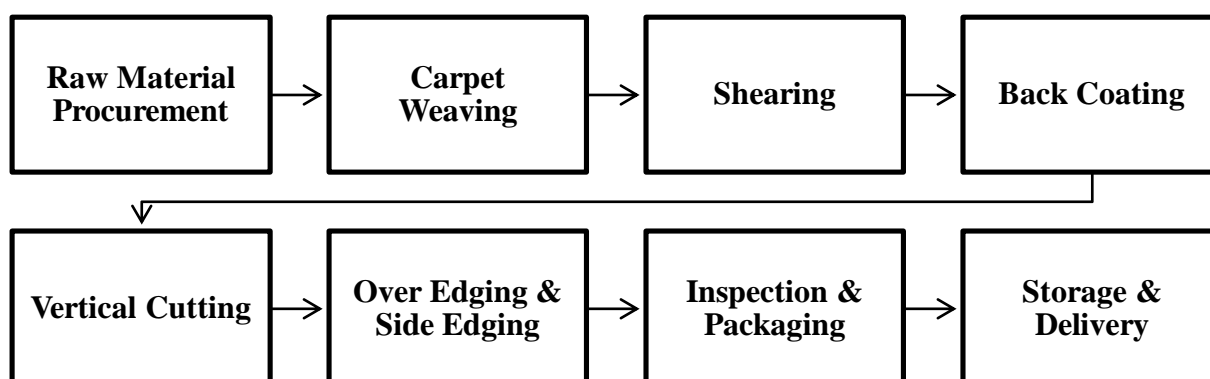
Product Name	Description
Carpets 	<p>A carpet is textile floor covering typically consisting of an upper layer of pile attached to a backing. Carpet is made up of yarn and cotton available in various designs and sizes. This is widely used in Hotels, Houses, and Mosques among others.</p>

MAJOR RAW MATERIALS:

Major raw materials used for manufacturing of Carpets include, BCF Yarn, Poly Cotton, Jute and Latex. BCF Yarn is currently imported from Turkey. Poly Cotton is majorly procured from dealers in Gujarat and Jute is procured majorly from Kolkata. Latex is also procured from domestic market. Raw Materials

are procured for varieties of colours which aid in designing the pattern of the carpets. They are procured as per the order of carpets received from the customers.

OUR CARPET MANUFACTURING PROCESS:



The manufacturing of carpets requires a process in order to obtain the end results. The major steps include:

1. Raw Material Procurement:

We maintain low-cum-sufficient level of inventory which will fulfil our production requirements in timely manner. To achieve this, we plan and forecast our productions and accordingly the raw materials are procured. Major raw materials used in our manufacturing process are BCF Yarn, Poly Cotton, Jute and Latex. Our production team and sales team coordinate with each other and ensure procurement of optimal level of raw materials. Once the raw materials are procured from suppliers, they are stored in our manufacturing facility which has adequate storage capacity.

2. Carpet Weaving Process:



In this process, design of carpet is incorporated into the computer system and accordingly different colour of yarns and poly cotton are installed in the machinery. Once the machine is ready with the required inputs, it is turned on for weaving of carpet exactly as per the design and specified size. All the yarns are weaved together in the manner of design to form carpet structure.

3. Shearing Process:

In shearing process, carpets are made even in structure by cutting the longer piles to a certain level through blades installed in the machine. This aids in getting carpet into right shape and texture.

4. Back Coating Process:

To increase the strength of the carpet, carpets are taken through Back Coating Process. Under this process, adhesive lamination are melt for forming a carpet backing. A variety of additives intended to impart other desirable characteristics to the Finishing of Carpet including resistance to fuzzing, moisture and antibacterial properties.



5. Vertical Cutting Process:

The machines are used in the earlier stages to manufacture carpets which are large in size. However, carpets are required to be cut into the sizes as per the customer's requirement. Depending on the size, generally 3-4 carpets are manufactured together. Hence, a vertical cutting is required to separate all carpets from each other before processing further.

6. Over Edging & Side Edging:

Since the carpets are bisected vertically, it leads to open ends at the side portion of the carpets. Hence they are required to undergo edging process properly. Carpets are then passed through edging machines which ties the ends of the carpets together giving a firm and complete look.

7. Inspection & Packaging:

Fine Carpets are then checked for their quality and finishing. After they meet the quality requirements, they are packed as per the requirements of the customers. Packaging is done keeping in mind the safety of the products.

8. Storage & Delivery:

After proper packaging as per the customer's order is done, the carpets are either directly loaded into trucks for shipment or they are stored in the warehouse inside the manufacturing facility itself. Necessary care is taken to avoid any defects in the products while in transit.

PROPOSED FACILITY: EXPANSION OF CARPET MANUFACTURING FACILITY, MANUFACTURING OF BULK CONTINUOUS FILAMENT YARN (BCF) FACILITY AND SETTING UP CARPET WEAVING TECHNOLOGY TRAINING INSTITUTE

Our Company has obtained Techno-Economic Viability Report (Appraisal Report) for the proposed facility (Phase II Unit) from SAK & Company on June 13, 2018.

According to the report, we are intending to expand our Carpet Manufacturing Facility and set up facility for manufacturing of Bulk Continuous Filament (BCF) Yarn. We also intend to set up Carpet Weaving Technology Training Institute. The project will be partially financed from the proceeds of the Issue.

LOCATION OF THE PROPOSED FACILITY:

The proposed Phase II Unit will be located at our existing manufacturing facility at D-2/E-16, Dahej Industrial Estate, Bharuch, Gujarat - 392130, India. The company has a plot of land measuring around 54,457.96 sq. meters in which the current facility is being operated. The project site is strategically located at around 15 Kms from Dahej Port. It is well connected by road and rail infrastructure and has all the required infrastructural facilities.

PROPOSED FACILITY:

The proposed expansion project includes:

- Enhance production Capacity of Carpet Weaving facility from 4,50,000 Square Meters to 10,50,000 Square Meters by setting up of an additional 6,00,000 square meters per annum capacity manufacturing line.
- Setting up of 1,800 Tons per annum capacity Bulk Continuous Filament (BCF) Yarn Manufacturing Unit.
- Establishment of Carpet Weaving Technology Training Institute.

GOVERNMENT AND OTHER STATUTORY APPROVALS REQUIRED:

We are undertaking expansion project as specified above in the same premises where our existing Phase I Unit is situated. Hence no specific Government and Statutory approval is required for Phase II Unit. We have obtained necessary Approvals such as Factory License, Consent to Establish from Gujarat Pollution Control Board which are required for our operations at Unit. We will apply for addition of Phase II unit or intimate such new Phase II unit to the respective Government Authority for all current licenses/ approvals as are obtained by us. For further details, please refer chapter titled "Government and Statutory Approvals" on page 307 of the Draft Red Herring Prospectus.

RAW MATERIALS:

Major raw materials used for manufacturing of Carpets include, BCF Yarn, Poly Cotton, Jute and Latex. BCF yarn is being imported from Turkey during phase I of the project while in Phase II BCF yarn would be produced in-house. Poly Cotton will be majorly procured from dealers in Gujarat and Jute will be procured majorly from Kolkata. Latex will also be procured from domestic market. Raw materials will be procured as per the order of carpets received from the customers.

POWER:

The total requirement of power is estimated at about 2000 KVA. The power will be supplied from The Gujarat Energy Transmission Corporation Limited (GETCO)/ Power Supply authority of Gujarat through GIDC. The unit being located in an Industrial Estate, Company does not envisage any difficulty in getting supply of required power. GETCO/ Power Supply company will install 220 KV sub-station at their cost after recovery on pro-rata cost on the land earmarked by GIDC. The company shall pay the power cost to the power distribution company. The company will approach GETCO/ Power Supply authority of Gujarat for supply of power. The Company will acquire two DG sets (750 KVA and 500 KVA each) for backup power arrangement to take care of production in case of disruption in power supply from Distribution Company.

WATER:

The project is not water intensive as it does not require water for processing. Water will be required for boiler and chiller Cooling Towers and for human consumption and gardening. As the unit is located in an Industrial Estate, GIDC will provide the required quantity of water, which is estimated at about 10 KLD.

FUEL:

Our Company will use diesel or gas for running the boiler. A dual fuel boiler is planned to be installed by our Company.

COMPRESSOR:

Compressed air will be required in the PP/BCF Yarn Plant at high pressure for which we will use the compressor to provide the same.

CHILLER AND COOLING TOWERS:

Chiller and Cooling Towers shall be required as chilled air will be used in the PP BCF Yarn extrusion purpose to cool down the freshly extruded BCF Yarn after spinning.

MANPOWER:

The proposed project will require total employee strength of 66 which is divided into 12 Skilled, 31 Unskilled, 20 Semi-Skilled and 2 managerial.

PLANT & MACHINERIES AND OTHER INFRASTRUCTURE FACILITIES PROPOSED TO BE ACQUIRED:

Our Company was allotted a leased land of approx. 54,457.96 square meters in Dahej Industrial Estate, Gujarat to set up a manufacturing facility for manufacturing of Carpets and Yarns in the year 2012. We decided to set-up facility in two phases in the allotted land and consequently started construction of Phase I unit in the year 2012. We commissioned our first commercial production in Phase I unit in year 2015. The manufacturing facility of Phase I has an installed capacity of 4,50,000 square meters per annum for weaving carpets.

In Phase II, the Company is intending to enhance the Carpet Manufacturing Capacity as well as to set up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic as well as Export Market. Our Company proposes to set up 6,00,000 square meters per annum capacity of Carpets weaving and 1,800 Tons per annum capacity of BCF yarn in Phase II at Dahej. Reducing cost of production is an important aspect to increase the profitability. Manufacturing of Carpets uses BCF Yarn as a major raw material. Cost of material consumed accounts for substantial portion of the total expenses of the Company. With the proposed facility, our Company will be able to meet 100% of its BCF Yarn requirement from in-house production and there would be no need of importing BCF Yarn thereby reducing our costs substantially and generating more revenues.

ESTIMATED COSTS:

The total estimated cost of setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat is Rs 9,158.97 lakhs excluding the margin for working capital requirement of Rs. 469.00 lakhs. The total cost for setting up of additional manufacturing facility has been estimated by our management in accordance with our business plan approved by our Board of Directors pursuant to its meeting dated June 15, 2018 and is based on Appraisal Report of M/s SAK & Company, Chartered Accountants dated June 15, 2018 and quotations received from third party suppliers.

The detailed breakdown of such estimated cost is set forth below:

(Rs. in lakhs)

Sr. No	Description of Cost	Total Project Cost
1	Building and Civil Works	2,372.40
2	Plant & Machinery	4,773.48
3	Electrical Equipment and Installation and MFA	805.00
4	Interest during construction period	703.09
5	Contingency	505.00
	Total Estimated Cost of the Project	9,158.97

MEANS OF FINANCE:

The total estimated cost for setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat is proposed to be funded as follows

Particulars	Amount (Rs in Lakhs)
Out of Issue Proceeds	1,500.00
Term Loan	6,400.00
Internal Accruals/Networth	1,258.97
Total	9,158.97

Note: Any increase/shortfall in the cost of setting up of Carpet and Yarn manufacturing unit (phase II) at GIDC, Bharuch, Gujarat would be financed through internal accruals.

BUILDING AND CIVIL WORKS:

The cost of our factory building and other civil works has been estimated to be Rs. 2,372.40 lakhs. Building plan is already approved and Phase-I building has been completed and construction for Phase-II building is under process. The details of building and civil work to be undertaken by our Company for Phase II unit is given below:

(Rs. in lakhs)

Sr. No.	Particulars of Building and Civil Works	Name of Party	Date of Quotation / Contract	Total Estimated Cost
1	Supply & Erection of PEB*	Everest Industries Limited	March 29, 2017	438.00
2	Construction work*	Prateek Constructions	September 30, 2016	1.00
3	Civil & Structural Works	Kartikev Building Contractors Pvt. Ltd.	February 17, 2017	1,549.77
4	Construction work*	Ganesh Steel Traders	August 19, 2017	4.53
5	Steel*	AG corporation	October 30, 2017	35.00
6	Site Development Expenses*	Karma Contractors & Developers	August 07, 2017	10.00
7	TMT Bar*	Atmiya Ispat	November 28, 2017	6.56
8	Steel TMT Bar	Ganesh Steel Traders	May 30, 2018	293.15
9	Other Misc. exp. related to building *			34.40
	Total			2,372.40

*As on April 30, 2018 our Company has already incurred Rs 468.40 lakhs towards building and civil work as certified by M/s SARVM & Associates, Chartered Accountants, vide certificate dated June 14, 2018.

PLANT & MACHINERY:

The company proposes to acquire imported as well as indigenous plant and machineries at an aggregate estimated cost of Rs. 4,773.48 lakhs. The cost of imported plant and machineries estimated at Rs. 4,688.44 lakhs while cost of indigenous at Rs. 85.04 lakhs.

The detailed list of imported plant & machinery to be acquired by the company is as under:-

Sr. No.	Description of Plant & Machinery	No of Units	Name of the Supplier	Date of Quotation	Basic Rate*	Transportation and Clearing Cost @ 3%	Other Miscellaneous Cost @ 7%	Insurance, Commissioning & Installation Cost @ 4%	Total Estimated Cost (Amount In Rs Lakhs)
1	Rug & Carpet Innovator	1	Van De Wiele	June 07, 2018	1,370.98 (Euro-16,75,00)	41.13	95.97	54.84	1,562.92
2	BCF Production Plant**	1	VATIZ B.V	November 24, 2016	1,195.01 (Euro -14,60,000)	35.85	83.65	47.80	1,362.31
3	Carpet Cabler and Carpet Twister [#]	2	Saurer Technologies GmbH & Co. KG	May 23, 2018	646.32 (Euro-7.89,643)	19.39	45.24	25.85	736.81
4	Superba Single Tunnel Continuous Heat Setting Machine**	1	AGV China International Ltd.	December 08, 2016	900.35 (11,00,000)	27.01	63.02	36.01	1,026.40
	TOTAL	5			4,112.67	123.38	287.88	164.51	4,688.44

* 1 Euro = 81.85

**Our company has already placed order for these machines –

Name of Supplier	Date of Placement of order	Date of Delivery of machine
AGV China International Ltd.	March 24, 2017	March 18, 2019
VATIZ	April 17, 2017	March 25, 2019

The above quotation is exclusive of round trip flight tickets, local transfers, accommodation and daily allowances. All these cost will be met by our Company through internal accruals.

The detailed list of indigenous plant & machinery to be acquired by the company is as under:-

(Rs. in lakhs)

Sr. No.	Description of Plant & Machinery	No	Name of the Supplier	Date of Quotation	Basic Rate	GST @ 18%	Transportation/Freight and Packing Cost @ 5%	Insurance, Commissioning & Installation Cost @ 8%	Total Estimated Cost
1	Carpet Cabler and Carpet Twister	1	Prashant Gamatex Pvt. Ltd.	May 25, 2018	64.92	11.69	3.24	5.19	85.04
	TOTAL	1			64.92	11.69	3.24	5.19	85.04

Note- Freight/ Transportation charges, packing charges, Insurance and Commissioning & Installation charges have been estimated by our Company which are subject to change due to change in the circumstances.

As on April 30, 2018, the Company has incurred Rs. 1,112.29 lakhs towards plant and machinery, as per certificate issued by M/s SARVM & Associates, Chartered Accountants, vide certificate dated June 14, 2018.

ELECTRICAL INSTALLATIONS AND MISCELLANEOUS FIXED ASSETS:

The cost of electrical installation and miscellaneous fixed assets have been estimated by our company at Rs. 805.00 lakhs. The detail of electrical installations and miscellaneous fixed assets to be acquired by our Company is as follows:

(Rs. in lakhs)

Sr.No.	Particular	Name of the Supplier	Date of Quotation / Contract / Invoice	Basic Rate	GST	Packing & installation Charges	Insurance	Total Estimated Cost
1	Computer & peripherals*	Prinja Computers	January 21, 2017	9.52	-	-	-	9.52
2	Computer & peripherals*	Amazon	November 11, 2017	0.19	-	-	-	0.19
3	SAP*	Vestics Solutions Pvt. Ltd.	January 19, 2017	11.02	-	-	-	11.02
4	Server*	Dell International Services Pvt. Ltd.	June 02, 2017	4.88	-	-	-	4.88
5	Server Rack*	Rackom System	June 08, 2017	0.19	-	-	-	0.19
6	Compressor	Kaesar Compressors (India) Pvt. Ltd.	May 28, 2018	58.17	16.29	1.75	1.16	77.37
7	Chiller	SBC Cooling Pvt. Ltd.	May 31, 2018	35.40	9.91	1.06	0.71	47.08
8	Vehicles (Ex-Show room price)	Shiv Shakti Motors	May 30, 2018	32.00	-	-	-	32.00
9	Electricals	Tulsi Switchgears	June 05, 2018	77.27	13.91	0.97	-	92.15
10	Furniture	Loyal Wood Ltd.	June 05, 2018	14.97	2.70	0.19	0.45	18.31
11	Firefighting Equipment's	Kantilal Chimanlal	June 09, 2018	137.89	24.82	9.76	3.25	175.73
12	Analog Extensions	Gurusons Communications Pvt. Ltd.	June 12, 2018	4.27	0.77	-	-	5.04

Sr.No.	Particular	Name of the Supplier	Date of Quotation / Contract / Invoice	Basic Rate	GST	Packing & installation Charges	Insurance	Total Estimated Cost
13	Computers & Peripherals	Compex Technologies Pvt. Ltd.	June 12, 2018	64.99	3.32	0.70	-	69.01
14	Air conditioner	Coolline Agency Private Ltd.	June 12, 2018	41.88	12.13	2.25	0.56	56.82
15	Doors & Windows	PRP Design Arch	June 12, 2018	39.00	7.02	-	-	46.02
16	DG Sets	Sudhir Power Limited	June 14, 2018	76.75	13.82	1.54	2.30	94.40
17	PCC & Distribution Channel	Pathak Electricals	June 13, 2018	52.01	9.36	1.82	1.04	64.24
18	Misc. Expenses related to assets			1.04	-	-	-	1.04
	Total			661.44	114.05	20.04	9.47	805.00

* As on April 30, 2018, the Company has incurred Rs. 26.83 lakhs towards electrical installation and miscellaneous fixed assets, as certified by M/s SARVM & Associates, Chartered Accountants, vide certificate dated June 14, 2018.

Note- Packing & Installation charges, Insurance have been estimated by our Company which are subject to change due to change in the circumstances.

OUR COMPETITIVE STRENGTHS:

COMPETITIVE STRENGTHS

- Experienced Management
- Locational Advantage
- Government Incentives
- Scalable Business Model
- Customer oriented approach

❖ **Experienced Management**

Our Promoters, Rajeev Kumar Aggarwal who also serves as Executive Director and Meenu Aggarwal who also serves as Managing Director look after overall management of the Company and have experience of more than 10 years and required knowledge of the textile industry in which the Company is operating. They are guiding force behind the operational, strategic and financial decisions of our Company. Further, our company is managed by qualified and experienced personnel who are well versed with our industry and the business undertaken by our Company. We believe that our management team's experience and their understanding of the industry will enable us to take advantage of future market opportunities thus expanding our business horizons.

❖ **Locational Advantage**

The manufacturing facility of the Company is spread over an area of 54,458 square meters at Dahej, Gujarat. The manufacturing facility is located at a distance of approx. 15 kms from Dahej port which will allow the company easy exports of the products. All infrastructure facilities like skilled labour, raw material, technology, Communication, transportation etc. are easily available due to extensive industrialization in the area. Due to the strategic location of our Company, we are able to curtail our freight costs to some extent. Further, procuring raw materials from nearby facilities also helps in reducing the operational costs.

❖ **Government incentives**

We are located in the state of Gujarat and enjoy benefits of various incentives provided by central and state government which includes 5% interest subsidy under I-TUFS and 6% interest subsidy by Gujarat Government on loan amount sanctioned for specified Plant & Machinery and VAT incentive in terms of 100% VAT reimbursement under Gujarat Textile Policy, 2012. Thus, such government incentives gives Company an operating leverage over the units located in other states.

❖ **Scalable Business Model**

Our Business model is customer centric and order driven and requires optimum utilisation of our existing facilities, assuring quality supply of raw materials and achieving consequent economies of scale. The business scale generation is basically due to development of new markets exploring marketing expertise and by maintaining the consistent quality output. We believe that our business model is scalable and further scaling up of the capacities is necessitated due to the development of new markets, aggressive marketing of the product, meeting customer specific requirements and by maintaining the consistent quality of the product.

❖ **Customer oriented approach**

Customer satisfaction is one of our key success factors. We cater to various domestic as well as international customers. We try to provide customer specific solutions and offer our products not

in a standard but in a customized manner so as to best suit their requirements. Loyalty of our existing customers helps us to maintain a long term working relationship with them. Further our approach has also helped us in expanding our present customer base.

OUR BUSINESS STRATEGY:

Our Company intends (i) to create a fully integrated carpet manufacturing facility, deploying state-of-the-art machinery, technical, highly skilled and motivated team; (ii) Producing quality Carpets from Resin enhancing life-style and bringing luxury to all; and (iii) Using latest technology, provide easy direct access to a wide range of affordable carpets and rugs to an expanding cross section of global customers and dealers.

Our vision is to meet the critical success factors of customers and provide superior service through clear, concise two-way communication. The goal is to build relationships through our flexibility to meet our customer's changing needs. Our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing range of products with specific emphasis on the following factors as business and growth strategy:

BUSINESS STRATEGY

- Setting up of Carpet and Yarn Manufacturing Unit (Phase II)
- Increasing our Global Presence
- Setting up Carpet Weaving Technology Training Institute
- Expanding our product portfolio
- Improving Functional Efficiency
- Technology Upgradation
- Leveraging our market skills and relationship

❖ Setting up of Carpet and Yarn Manufacturing Unit (Phase II)

Our Company was allotted a leased land of approx. 54,457.96 sq. meters in Dahej Industrial Estate, Gujarat to set up a manufacturing facility for manufacturing of Carpets and Yarns in the year 2012. We decided to set-up facility in two phase in the allotted land and consequently started construction of Phase I unit in the year 2012. Our Company commissioned its first commercial production in year 2015 from its Phase I unit. The manufacturing facility of Phase I has an installed capacity of 4,50,000 square meters per annum for weaving carpets.

In Phase II the Company is enhancing the carpet manufacturing capacity as well as setting up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic/export market. In Phase II Our Company proposes to set up 6,00,000 square meters per annum capacity of Carpets weaving and 1,800 Tons/per annum capacity of BCF yarn.

Reducing cost of production is an important aspect to increase the profitability. Manufacturing of Carpets uses BCF Yarn as a major raw material. Cost of material consumed accounts for substantial portion of the total expenses for the period ended December 31, 2017. With the proposed facility, our Company will be able to meet 100% of its BCF Yarn requirement from in-house production and there would be no need of importing BCF Yarn reducing our costs substantially and thereby generate more revenue.

❖ **Increasing our Global Presence**

India accounts for sizeable portion of worldwide exports of carpets. Currently, we have presence in certain Asian and Middle East countries. Our revenues from exports for period ended December 31, 2017 is Rs. 685.97 lakhs. Our product portfolio is primarily focused on offering differentiated products based on customer's requirements. Our growth strategy will vary from country to country depending on their specific requirements. We may either form important relationships with companies having strong local presence or alternatively appoint local distributors through which we can undertake our own sales and marketing.

To magnify our foreign operations, we intend to actively participate in foreign trade fairs so as to increase its dealership network in the targeted countries. Further, incorporating trending designs in our production line will allow us to market our product in the respective markets.

❖ **Setting up Carpet Weaving Technology Training Institute**

Carpet manufacturing process requires skilled labour and timely availability of such labour has always been a concern in Indian Carpet Industry. To resolve this issue, we are starting a Carpet Weaving Technology Training Institute which will have a capacity of training around 120 students in a batch over the period of 3-6 months. Once the training is completed, they will be offered a job in our manufacturing facility which will help us to hire and retain skilled talent thereby increasing manufacturing efficiency.

❖ **Expanding our Product portfolio**

We believe that in order to increase the revenue and market share in this competitive industry, we need to continue launching new products with varieties of designs, sizes and quality ahead of our competitors. For that, we have set up an experienced technical team and have our own design studio which will ensure that we continuously keep launching products with newer designs, features and preferences. With an increase in the number of options that our customers have to choose from, we expect better acceptability of our brand.

❖ **Improving functional efficiency**

We understand curtailing cost without compromise on quality is an important factor to be considered. We intend to improve efficiencies to achieve cost reductions and which will give us a competitive edge over our peers. We believe that this can be achieved through detailed analysis of our processes and continuous process improvement along with keeping pace with technology development.

❖ **Technology upgradation**

We continue to develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control.

❖ **Leveraging our market skills and relationship**

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our market skills and relationships and further enhancing customer satisfaction. We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing.

SWOT ANALYSIS:

<u>Strengths</u> <ul style="list-style-type: none"> ▪ Experienced Management ▪ Location Advantage ▪ Technological Advantage 	<u>Threats</u> <ul style="list-style-type: none"> ▪ Raw Materials Price Fluctuation ▪ Changing Technology ▪ Global Competition
<u>Weaknesses</u> <ul style="list-style-type: none"> ▪ High Working Capital Requirement ▪ Labour Intensive Business 	<u>Opportunities</u> <ul style="list-style-type: none"> ▪ Enhancing Functional Efficiency ▪ Expanding New Geographical Markets

CAPACITY AND CAPACITY UTILIZATION:

We are engaged in manufacturing of carpets. The production and utilized capacities of our Company for our products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following table:

Product Name		Capacity Utilisation			Projected Capacity Utilisation		
		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Carpets (in sq. meters)	Installed	75,000*	3,00,000	4,50,000	4,50,000	5,40,000	10,50,000
	Actual	15,218	69,783	1,21,412	2,10,000	5,00,000	7,50,000
BCF Yarn (in tons)	Installed	-	-	-	-	1,800	1,800
	Actual				-	1,500	1,500

*The Installed capacity is as on 3rd Quarter of FY 2015-16

For further details, please refer to the chapter titled “Objects of the Issue” beginning on the page 115 of this Draft Red Herring Prospectus.

COLLABORATION/ TIE UPS/ JOINT VENTURE:

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any technical or other collaboration/ Tie-ups/ Joint Ventures.

EXPORT AND EXPORT OBLIGATION:

The Company confirms that they do not have any export related obligations as on the date of filing Draft Red Herring Prospectus.

COMPETITION:

Carpets industry being a large and concentrated industry, we face competition from various domestic players which may be both organized and unorganized. The Industry which we cater to is highly competitive, unorganized and fragmented with many small and medium-sized companies and entities and we compete with organized as well as unorganized sector on the basis of pricing of product, product quality and product range. Further, hand-made carpets are widely accepted globally at a premium price owing to its speciality of human touch. Most of our competitors in the regional level are from the unorganized sector. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

SALES AND MARKETING:

The efficiency of the marketing and sales network is critical to success of our Company. Our success lies in the strength of our relationship with the distributors who have been associated with our Company. Our team through their experience and good rapport with these distributors owing to timely and quality delivery of product plays an instrumental role in creating and expanding a work platform for our Company. Our marketing activity is handled by experienced management team. We believe the relationship with our business partners is strong and established, as we receive repeated orders. To retain our customers, our team having adequate experience and competencies, regularly interact with them and focus on gaining an insight into the additional needs of customers.

HUMAN RESOURCES:

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our Business.

As on March 31, 2018, we have 50 employees including our Directors at our manufacturing facility and registered office, who look after our business operations, factory management, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

Department wise employee break up

Department	Number of Employees
Management of the Company (Executive Directors)	3
Production	15
Human Resources & General Administration	14
Maintenance	5
Design/ Web Design	2
Accounts and Finance	3
Marketing	2
Electrical	2
IT	2
Civil	1
Legal and Secretarial	1
Total	50

UTILITIES & INFRASTRUCTURE FACILITIES:

Infrastructure Facilities:

Our manufacturing unit is newly set-up and part of the facility is under the expansion phase. The facility under its Phase I has installed 4,50,000 square meters p.a. capacity. Our Registered Office and Manufacturing facility is well equipped with computer systems, internet connectivity, other communications equipment, security and other facilities, which are required for our business operations to function smoothly. Further, our corporate office is well equipped with requisite utilities and facilities:

Power:

Our Company meets its power requirements by purchasing electricity from Dakshin Gujarat State Vij Company Limited at GIDC. Further, we also have 1,600 KVA transformer to provide electricity in case of absence Power.

Water:

The project is not water intensive as it does not require water for processing. Water will be required for boiler and chiller Cooling Towers and for human consumption and gardening. As the unit is located in an Industrial Estate, GIDC provides the required quantity of water, which is estimated at about 10 KLD.

INTELLECTUAL PROPERTY RIGHTS:

Our Company confirms that no applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

INSURANCE DETAILS:

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. We have taken Standard Fire & Special Perils Policy for our factory building. These policies also insure us against the risk of earthquakes with plinth and foundation. Our policies are subject to customary exclusions and customary deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.

Policy No.	Risk Covered	Sum Assured (Rs. Amount In Lakhs)	Name of the Insurer	Policy Period	
				From	To
31130046170100000196	Stock of RA material, stock in process, finished goods, Packing materials	1,000.00	The New India Assurance Company Limited	July 14, 2017	July 13, 2018

LAND AND PROPERTY:**Leased Properties:**

We have leased properties located at following locations:

Sr. No.	Address of the Property	Licensor/Lessor	Consideration	Period of Agreement	Usage
1	D-2/E-16, Dahej Industrial Estate, Bharuch, Gujarat – 392130	GIDC	Rs. 5,81,63,988/-	99 Years commencing from July 30, 2012	Manufacturing facility
2.	A-51, A-52 Atali Housing Industrial Estate, Bharuch, Gujarat	GIDC	Rs. 87,73,664/-	99 Years commencing from March 04, 2014	Residential Plot for employees
3	31/3203, Beadonpura, Karol Bagh, New Delhi-110005	Rajeev Kumar Aggarwal	Rs. 1,000 per month	November 15, 2017 to November 15, 2020	Registered Office
4	C-203, Greater Kailash Part-1 New Delhi – 110048	Ashok Kumar Pahuja	Rs. 80,000 per month	November 01, 2017 to November 01, 2020	Corporate Office

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of manufacturing of carpet. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 307 of this Draft Red Herring Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be 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 twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

Industrial Policy of Relevant State

The Gujarat Industrial Policy 2015

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat, will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support to

each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

Gujarat Textile Policy, 2012

With the object of continuing leadership position in textile sector, State Government of Gujarat issued Gujarat Textile Policy, 2012. The state government wants to strengthen entire value chain for overall growth of textile sector in the State of Gujarat. Eligible entities will be provided various incentives under the different schemes under the policy.

Major schemes under the policy are as follows;

- Special Concession in Power tariff

Power Tariff subsidy of @ Rs. 1 per unit in the billed amount of the utility for the units available for a period of five years as promotional initiative for cotton spinning and industries with or without preparatory in the State of Gujarat.

- VAT Concession

Eligible units will also be entitled to refund of VAT paid on purchase of raw materials and remission of VAT/CST collected on final/intermediate product within entire value chain to the extent of 100% the eligible fixed capital investments in plant and machinery within one year.

- 100% Foreign Direct Investment (FDI) in the Textile Sector

The Indian Government has allowed foreign equity investment up to 100%, through automatic route, in the textile sector. Indian manufacturing companies are allowed 100% FDI to carry out wholesale trading on “a cash and carry basis” and also export trading through the automatic route, without seeking prior Government approval.

- Export Promotion Capital Goods (EPCG) Scheme

The EPCG scheme facilitates import of capital goods at 3% concessional rate of duty with appropriate export obligation.

- Duty Drawback Scheme

DBK is a duty remission scheme enabling post export replenishment / remission of duty on inputs used in export products, whereby exporters are allowed refund of the excise and import duty suffered on raw materials under DBK so as to make the products more competitive in the international market.

- Scheme for Integrated Textile Parks

In 2005, during the Tenth Five Year Plan, the Government sponsored “Scheme for Integrated Textile Parks (“SITP”) was launched, by merging the two previously existing schemes namely, the Scheme for Apparel Parks for Exports and the Textile Centre Infrastructure Development Scheme. SITP is intended to provide the Indian textile industry with world-class infrastructure facilities for setting up textile units and to facilitate textile units to meet international standards and social standards. The SITP is now co-terminus with the Eleventh Five Year Plan (i.e. 2007-2012) and is continued in the twelfth Five Year Plan (i.e. 2012-17). The state government under the scheme, shall inter alia, provide requisite clearances, assistance in identification and procurement of suitable land, and participate in projects, by way of subscribing to equity of special purpose vehicles through various

state government agencies. During the Tenth Five Year Plan, 30 textiles park projects were approved. Locations of these projects are: Andhra Pradesh-4, Gujrat-7, Maharastra-6, Tamil Nadu-6, Rajasthan-4, Karnataka-1, Punjab-1 and West Bengal-1.

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.

National Textile Policy – 2000 (“NTxP – 2000”)

The Government of India in November 2000 announced the National Textile Policy – 2000, thereby replacing the previous Textile Policy of 1985. Though it is to be noted that a revised national textile policy is in the framework stage, however the same is yet to be notified. The main objective of the NTxP – 2000 was to enable the industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. It aimed at achieving textiles and apparel exports of upto \$ 50 billion by 2010 from the present \$ 11 billion. The NTxP – 2000 took note of the new challenges and opportunities presented by the changing global environment, particularly the initiation of the process of gradual phasing out of quantitative restrictions on imports and the lowering of tariff levels for an integration of the world textile and clothing markets by the end of 2004.

The objectives of the NTxP – 2000 are:

- Facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing, to enable the textile industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards, and for this purpose to encourage Foreign Direct Investment as well as research and development in the sector.
- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Liberalise controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment enable the textile industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards, and for this purpose to encourage both Foreign Direct Investment as well as research and development in the sector;
- Develop a strong multi-fibre base with thrust on product upgradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the Institutional structure;
- Expand productive employment by enabling the growth of the textile industry, with particular effort directed to enhancing the benefits to the north east region;
- Make Information Technology (IT), an integral part of the entire value chain of textile
- Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing and;

- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organizations in the fulfilment of these objectives vide the NTxP – 2000 the Government has conveyed its commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society.

The Textiles Committee Act, 1963

The Textiles Committee Act, 1963 (“TCA”) was enacted in 1963. The textiles committee has been established under the TCA (hereinafter referred to as the “Textile Committee”) with the primary objective of ensuring a standard quality of textiles both for domestic and export markets as well as standardization of the type of textile machinery used for production. The Textiles Committee’s functions include, among others, the promotion of Indian textiles and textile exports, researching in technical and economic fields, establishing standards for Indian textiles and textile machinery, setting up of laboratories, and data collection. Additionally, the Textile Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India under the Textiles Committee Act. The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 prescribes and provides for the levy and collection of an additional excise duty on certain textiles and textile articles.

Textile (Development and Regulation) Order, 2001 (“Textile Order”)

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or trade name.

Export Promotion Capital Goods Scheme (EPCG Scheme)

To facilitate import of capital goods for producing quality goods and services to enhance India’s export competitiveness. EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. Also covers a service provider who is designated / certified as a Common Service Provider (CSP) by the DGFT.

The EPCG Scheme allows import of capital goods for pre-production, production and post production at 5% customs duty subject to an export obligation equivalent to 8 times of the duty saved on capital goods imported under the EPCG Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of the license. The EPCG Scheme covers manufacturer, exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers. Capital goods would be allowed at 0% duty for exports of agricultural products and their value-added variants. However, in respect of EPCG licences with a duty saved of Rs.100 crore or more, the same export obligation shall be required to be fulfilled over a period of 12 years.

Advance Authorization Scheme

Advance Authorization Scheme is a duty exemption scheme issued to allow duty free import of inputs, which are physically incorporated in export product (making normal allowance for wastage). In addition, fuel, oil, energy, catalysts which are consumed / utilized to obtain export product, may also be allowed. The DGFT, by means of Public Notice, may exclude any product(s) from the purview of Advance Authorization. Advance Authorizations are exempted from payment of basic customs duty, additional customs duty, education cess, antidumping duty and safeguard duty, if any. The facility of Advance Authorization shall also be available where some or all inputs are supplied free of cost to exporter by foreign buyer.

Duty Entitlement Passbook Scheme (DEPB)

DEPB is a duty remission scheme enabling post export replenishment / remission of duty on inputs used in export products. The Objective of DEPB is to neutralize the incidence of customs duty on import content of export product. Component of Special Additional Duty and customs duty on fuel shall also be allowed under DEPB (as a brand rate) in case of non availment of CENVAT credit. The neutralization shall be provided by way of grant of duty credit against the export product. An exporter may apply for credit, at a specified percentage of FOB value of exports, made in freely convertible currency or payment made from foreign currency account of SEZ unit / SEZ Developer in case of supply by DTA. Credit shall be available against such export products and at such rates as may be specified by DGFT by way of public notice. Credit may be utilized for payment of Customs Duty on freely importable items. The DEPB holder shall have the option to pay additional customs duty in cash as well. DEPB credit rates have been prescribed for textiles and clothing products. DEPB credit rates have been prescribed for 83 textiles and clothing products out of which 6 talks about silk products. The scheme aims to neutralize the incident of basic and special custom duty on the import content of the export product, by way of grant of duty credit against the export product at specified rates. However, these export incentives may be reviewed shortly to make them WTO-compatible.

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

The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 provides for the levy and collection of an additional 15% of the total amount of excise duty chargeable on certain textiles and textile articles as specified in the schedule to the said Act.

Construction of Apparel International Mart

Apparel International Mart (“AIM”) is a mart set up by Apparel Export Promotion Council, (“AEPC”) Ministry of Textile, and Government of India. AIM is a state of the art architectural accomplishment with a covered area of 350,000 sq. ft. meeting latest international standards where exporters and buyers are able to meet, access their requirements and conduct on the spot business. AIM expects to include 250 exclusive showrooms showcasing a wide range of products, a 70,000 sq. ft. area earmarked for exhibitions, auditorium, resource centre, business centre, bank with foreign exchange facility, travel desk and AEPC offices of the AEPC. AIM is expected to serve as a platform to showcase Indian apparels to the world with a fully integrated multiplex for showrooms and an exhibition area designed according to world class standards.

The establishment of AIM is expected to be a landmark in the history of the Indian apparel industry and is expected to provide a major thrust to the country’s export promotion efforts especially in view of the phase-out the Multi Fibre Agreement in 2005.

The Multi-Fibre Arrangement (“MFA”) & the WTO Agreement on Textiles & Clothing (“ATC”)

The Multi-Fibre Arrangement governed world trade in textiles and garments from 1974 through 1994, imposing quota restrictions on the textile exports from developing countries to developed countries. Though the MFA was signed in 1974, its roots stretched back to the 1930s. At that time, during a period of global economic distress, Japan emerged as the largest exporter of cotton textiles, and the U.S. and Europe moved to limit imports from Japan to preserve their domestic markets for their own textile industries. These restraints never really went away. By the 1960s, they were extended to Hong Kong, Pakistan, and India. As the restraints on textile trade were globalized, multilateral negotiations ensued, leading to a series of agreements. Initially, the agreements covered only cotton, but they eventually expanded into “multi fibre” arrangements covering textiles and clothing made from all fibres. The MFA was hence introduced in 1974 as a short-term measure intended to allow developed countries to adjust to imports from the developing world. On January 1, 1995, the MFA was replaced by the WTO Agreement on Textiles and Clothing (“ATC”), which set out a transitional process for the ultimate removal of the aforesaid quotas. The ATC was signed by the signatories to the General Agreement on Tariff and Trade (GATT) on the basis of securing the eventual integration of the textiles and clothing sector into the GATT on the basis of strengthened GATT rules and disciplines whereby quotas were phased out on the basis of an agreed timetable the elimination of quotas has changed the global clothing industry forever, raising the bar for suppliers. Accordingly, quota restrictions have been removed with effect from January 1, 2005. The expiry of the ten-year transition period of ATC implementation means

that trade in textile and clothing products is no longer subject to quotas under a special regime outside normal WTO/GATT rules but is now governed by the general rules and disciplines embodied in the multilateral trading system. This removal of world trade quota restrictions is expected to bring about significant changes in the global apparel trade. Productivity, labour costs, quality and creativity will determine which countries will eventually emerge as the beneficiaries of the new trade policies.

Duty Free Import Authorization Scheme (“DFIA”)

DFIA is a duty exemption scheme issued to allow duty free import of inputs, fuel, oil, energy sources, catalyst which are required for production of export product. DGFT, by means of Public Notice, may exclude any product(s) from purview of DFIA. This scheme is in force from 1st May, 2006.

Technical Textile Scheme

Technical Textiles is a high technology sunrise sector which is steadily gaining ground in India. Based on usage, there are 12 technical textile segments; Agrotech, Meditech, Buildtech, Mobiltech, Clothtech, Oekotech, Geotech, Packtech, Hometech, Protech, Indutech and Sportech. To facilitate higher integration of technology into manufacturing processes and end products, Government of India has allowed up to 100% FDI under automatic route for the technical textiles segment. Leading global manufacturers of technical textiles products will thus be able to establish manufacturing units in India, either alone or through partnerships with Indian industries. Several Central and State government agencies are working towards providing the necessary information to potential investors.

In 2010-11 the ministry of textile launched Technology Mission on Technical Textiles (TMTT) for a period of 5 years which is now extended for an additional period of two years. There are two mini missions laid out by the ministry. Mini-Mission I The objective of Mini Mission I is standardization, creating common testing facilities with national / international accreditation, indigenous development of prototypes and maintaining a resource centre with I.T. infrastructure. The objective of Mini Mission II is to provide support for the development of domestic & export markets for technical textiles.

Merchandize Export from India (“MEIS”) Scheme

The scheme is launched in April 2015 and provides for duty reward to eligible textile and apparel categories to an extent of 2-5% of FOB value. The countries for the purpose of this scheme is categorised into three categories. Category A – Traditional Markets, Category B – Emerging and Focus Markets and Category C – Other markets. There shall be a corresponding reward for export of products payable as percentage of realized FOB value.

Interest Equalization Scheme

The Cabinet Committee on Economic Affairs (CCEA) approved of the Interest Equalization Scheme on pre and post shipment rupee export credit for five years, starting April 1, 2015. This will further provide relief to the exporters from India who were facing extensive competition because of higher interest rates than competing countries like Vietnam, China etc.

Market Access Initiative (“MAI”) Scheme

Market Access Initiatives (MAI) Scheme is an Export Promotion Scheme envisaged to act as a catalyst to promote India’s export on a sustained basis. The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey. Assistance would be provided to Export Promotion Organizations/ Trade Promotion Organizations/ National Level Institutions/ Research Institutions/ Universities/ Laboratories, Exporters, etc., for enhancement of export through accessing new markets or through increasing the share in the existing markets. Under the Scheme the level of assistance for each eligible activity has been fixed.

- Financial assistance for carrying out marketing projects abroad
- Assistance for building capacity for exporters, export promotion organizations, etc.
- Assistance on reimbursement basis to exporters for charges/fees paid by them for fulfilling the statutory requirements in the buyer country.
- Assistance for conducting studies
- Assistance in developing projects leading to substantial improvement in market access

There is an Empowered Committee (EC), chaired by Secretary (Textiles) which considers and approves the proposals and also monitors the implementation of the sanctioned proposals.

Market Development Assistance (“MDA”) Scheme

Marketing Development Assistance (MDA) Scheme is to support/assist exporters/EPCs to undertake export promotion activities for their product(s) and commodities through Focus export promotion programmes in specific regions abroad viz. FOCUS (LAC), Focus (Africa), Focus (CIS) and Focus (ASEAN + 2) programmes. The incentives under this Scheme are primarily given to develop the already accessed markets abroad. Exporting companies with an f.o.b. value of exports of up to Rs. 30 crore in the preceding year will be eligible for MDA assistance for participation in BSMs/fairs/exhibitions abroad. This is subject to some conditions given in the MDA Guidelines.

Duty Drawback Scheme:

DBK is a duty remission scheme enabling post export replenishment / remission of duty on inputs used in export products, whereby exporters are allowed refund of the excise and import duty suffered on raw materials under DBK so as to make the products more competitive in the international market. 6. Target Plus Scheme and Duty-Free Credit Entitlement Certificate (DFRC) DFRC and Target Plus Scheme is a duty remission scheme issued to allow duty free import of capital goods including spares, office equipments, professional equipments and office furniture provided the same are freely importable under ITC (HC) and are non-transferable. The objective of the scheme is to accelerate growth in exports by rewarding star export houses who have achieved a quantum growth in exports. The duty-free entitlement certificate shall be valid for a period of 12 months. The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 provides for the levy and collection of an additional 15% of the total amount of excise duty chargeable on certain textiles and textile articles as specified in the schedule to the said Act.

Textile Workers’ Rehabilitation Fund Scheme

In order to protect the interests of the workers of closed mills, the Textile Workers’ Rehabilitation Fund Scheme (TWRFS) came into force with the objective of providing interim relief to textile workers rendered unemployed as a consequence of the permanent closure of any particular portion of, or the entire textile unit. The assistance under TWRFS is available to eligible workers only for the purpose of enabling them to settle in other gainful employment and is available only for three years on a tapering basis, but would not extend beyond the date of super-annuation of any worker. A closed textile mill should be licensed under the Industrial (Development and Regulation) Act, 1951 or registered with the Textile Commissioner as a medium scale unit on the date of the closure. The mill should have obtained the requisite permission for closure from the appropriate State Government under Section 25(o) of the Industrial Disputes Act, 1947, or should be taken over by an Official Liquidator appointed by the High Court, and the unit should have closed down on or after June 6, 1985. This also includes partially closed units, wherein the State Government recommends that an entire uneconomic activity (like weaving or processing) is scrapped as a part of rehabilitation package for a sick/weak mill (as per the RBI definition) approved by the Nodal Agency/BIFR, provided the scrapped capacity is surrendered for cancellation and endorsement is made on the License /Registration certificate to this effect.

Scheme for Integrated Textile Parks

In 2005, during the Tenth Five Year Plan, the Government sponsored “Scheme for Integrated Textile Parks (“SITP”) was launched, by merging the two previously existing schemes namely, the Scheme for Apparel Parks for Exports and the Textile Centre Infrastructure Development Scheme. SITP is intended to provide the Indian textile industry with world-class infrastructure facilities for setting up textile units and to facilitate textile units to meet international standards and social standards. The SITP is now co-terminus with the Eleventh Five Year Plan (i.e. 2007-2012) and is continued in the twelfth Five Year Plan (i.e. 2012-17). The state government under the scheme, shall inter alia, provide requisite clearances, assistance in identification and procurement of suitable land, and participate in projects, by way of subscribing to equity of special purpose vehicles through various state government agencies. During the Tenth Five Year Plan, 30 textiles park projects were approved. Locations of these projects are: Andhra Pradesh-4, Gujrat-7, Maharastra-6, Tamil Nadu-6, Rajasthan-4, Karnataka-1, Punjab-1 and West Bengal-1.

Augmentation of workforce

The Indian Government has promoted the training of fashion professionals for the Indian textile sector. On July 13, 2006 the National Institute of Fashion Technology Act, 2006 came into force for establishing and incorporating the National Institute of Fashion Technology for the promotion and development of education and research in fashion technology and for all other matters connected therewith. The National Institute of Fashion Technology (NIFT) which provides training to fashion designers and fashion technologists has seven branches at Delhi, Mumbai, Calcutta, Hyderabad, Bangalore, Chennai and Gandhinagar. The Ministry of Textiles has established a Nodal Centre for Upgradation of Textile Education at the Indian Institute of Technology, Delhi with funding from the Ministry of Textiles. The NIFT and the Apparel Training & Design Centres (ATDCs) are running various courses/ programmes to meet the skilled manpower requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.

Anti-Trust Laws

Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

GENERAL CORPORATE COMPLIANCE

The Companies Act 1956 and The Companies Act, 2013

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

EMPLOYMENT AND LABOUR LAWS

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage

of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("MWA") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in

which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Equal Remuneration Act, 1979

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 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. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

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.

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

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

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

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

TAX RELATED LEGISLATIONS

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.

Gujarat Value Added Tax Act, 2003 (“GVAT”)

Gujarat Value Added Tax, 2003 (GVAT Act) is made effective in the state of Gujarat from 1st April, 2006. On its implementation, the following Acts are repealed.

- The Gujarat Sales Tax Act, 1969,
- The Bombay Sales of Motor Spirit Taxation Act, 1958,
- The Purchase Tax on Sugarcane Act, 1989.

However, provisions relating to pending assessment, appeals, recovery etc., under the above Acts will survive. The basic requirement of charging tax under GVAT Act is that where any sale in the course of business is affected, in the State of Gujarat, VAT is payable under GVAT Act. Transactions made in the course of business only are covered under the GVAT Act. It is important to note that this Act is now replaced by GST Act.

The Gujarat (Panchayats, Municipalities, Municipal Corporations and State) Tax on Professions, Traders, Callings and Employments Act, 1976

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of ‘dealer’ defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more than Rs. 2.50 lakhs, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlours, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc are covered under this Act. It is duty of the employers to deduct tax from the person earning any salary/wage in the organisation. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager or agent of the employer.

Monthly Salary	Amount payable in Gujarat
Less than Rs. 5999	Nil
Rs. 6000 to Rs. 8999	Rs. 80 per month
Rs. 9000 to Rs. 11999	Rs. 150 per month
Rs. 12000 & above	Rs. 200 per month

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by

the 25th of the month immediately following the half year to which the return relates. It is important to note that this Act is now replaced by GST Act.

Central Sales Tax Act, 1956 (“CST”)

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

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 requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

The Central Excise Act, 1944

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985. It is important to note that this Act is now replaced by GST Act.

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category

states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

OTHER LAWS

The Factories Act, 1948

The Factories Act, 1948 ("Factories Act") aims at regulating labour employed in factories. A "factory" is defined as "any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...". The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the "occupier", being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

ENVIRONMENTAL LEGISLATIONS

The Environment Protection Act, 1986 ("Environment Protection Act")

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any

environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981 (“the Act”) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act 1974 (“the Act”) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

Hazardous Waste (Management and Handling) Rules, 1989

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage 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 take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer 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.

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development

- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

OTHER LAWS:

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

FEMA Regulations

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 sectoral 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 or 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

THE FOREIGN DIRECT INVESTMENT

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India ("RBI") also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue

of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our company under automatic route.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

CORPORATE PROFILE AND BRIEF HISTORY:

Our Company was incorporated as “Exclusive Fibers Private Limited” at New Delhi as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 16, 2004 bearing Corporate Identification Number U74999DL2004PTC125846 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extraordinary General Meeting held on March 25, 2014 and the name of our Company was changed to “Exclusive Fibers Limited” vide a fresh Certificate of Incorporation dated April 17, 2014 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Corporate Identification Number of our Company is U74999DL2004PLC125846.

Rajeev Kumar Aggarwal and Meenu Aggarwal are the Promoters of our Company and initial subscribers to the Memorandum of Association of our Company.

Our Company is engaged in the manufacturing of carpets. For Details regarding our Company’s profile, activities, exports, market, products, market of each segment, capacity built-up, standing of our Company in comparison with prominent competitors, with reference to its services, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “*Our Business*”, “*Our Industry*” “*Financial Statements as Restated*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*”, “*Government and Other Statutory Approvals*” beginning on page 159, 137, 224, 269, and 307 respectively of this Draft Red Herring Prospectus.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY:

Since incorporation, there is no change in Registered Office of the company.

KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY:

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Events
2004	Incorporation of the Company
2014	Conversion from Private Limited Company into a Public Limited Company
2015	Commencement of Commercial Production at Phase I Unit
2016	Ventured in Exports of Carpets
2017	One Star Export House Certification From DGFT in terms of Foreign trade policy

MAIN OBJECTS OF OUR COMPANY

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

1. To carry on the business of manufactures, processors, buyers, sellers, importers, exporters, traders, agents, distributors and dealers in all kinds of polyester and polyester products, staple fiber, yarns and fibers whether synthetic, viscose, rayon, nylon, polyester, acrylic, polypropylene, polysonie and any other fibrous materials.
2. To carry on the business of manufacturing, processing, recycling of PET bottles, PET waste, polysters and cleaning and grinding of waste PET bottles and jars to make bottle flakes, bottles and jars.
3. To carry on the business as manufactures, producers, processors, exporters, importers, wholesalers, retailers of and dealers in all kinds of carpets, including handmade, machine made, tufted, woven, velvet, Namda carpets, rugs, wall to wall carpets, blankets, underlay’s, linoleum, matting, floor cloths, floor covering, furnishing fabrics and materials made wholly or partly of anyone or more of the following materials namely wool, hair, silk jute, flax, filament, yarn, spun, staples, coir, sisal, cotton natural and other synthetics or man-made fibers or yarns, filaments, BCF, twisted, cabled or heat set and all allied items.

4. To manufacture, to trade, to import, export and wholesalers of Nylon Monofilaments, yarns, Bulk continuous filament yarn, POY, FDY, Plastic Filaments Yarn, Rayon Filaments Yarn, Polyester yarn, Polypropylene yarn and chips and all allied items.
5. To undertake, identify, formulate, design, develop, structure, promote, aid, finance, procure, establish, equip, manage, construct, erect, operate, maintain, improve, control, regulate, modify, restructure, reorganize, participate and/or assist in designing, development, construction, implementation, commissioning, operation and maintenance of infrastructure projects in textile sector and other sectors, by way of or in special economic zones or otherwise, schemes, facilities, programmes or advisory mandates across sectors in India or abroad (including without limitation, urban, rural, municipal, social, real estate industrial infrastructure) and ancillary facilities and services for commercial use by itself, its members, shareholders, contractors and operators, on the commercial format by changing, demanding, collecting, auctioning, retaining and appropriating tariffs, charges, tolls, fees, prices, rents and all types of revenues, users of infrastructure facilities and projects and ancillary services and facilities accept receivables forwards dues, investments, returns, services/repayments of debts or capital, etc., to finance and arrange for financing of the above activities and to develop integrated textile parks inter alia comprising of composite textile units, textile plant and machinery ginning, factories, pressing factories, power looms, effluent treatment plants, drainage, sewage, waste management, water supply works, transport facilities, marketing facilities, internet facilities, information technology facilities, telecommunication systems, laboratories, roads, bridges, captive power plants, warehouses, yards, parks, parking facilities, training centers and other social infrastructure and social services and associates services of any description and ancillary facilities including construction of buildings, factory sheds, design centers, warehouses, raw material depots, crèche, canteen, workers' hostel, offices of service providers, labor rest and recreation facilities, other commercial premises, real estate development and hoardings and other infrastructure facilities as may be required for the purpose, in public private sector partnership mode or any other formats as may be required for this purpose to enter into all types of contracts with government and private entities. And to act as special purpose vehicle for implementing different schemes of the central/state Governments, including cluster development schemes of Central Government and other public authorities and to carry on the business of developing, operating, maintain and upgrading various infrastructure facilities at different industrial locations and to engage in the activities of development of physical infrastructure (water, transport, road, communication) common facilities for fuel/gas supply system, effluent treatment solid waste disposal, product, design, captive power generation, infrastructure for benchmarking centers, common facilities centers, information dispersal/international marketing infrastructure, ICT induction and process re-engineering and management consultancy service centers and any other physical infrastructure as may be approved under any of the schemes present and future and to engage in textile and allied Industrial research, Training and Developmental activities.
6. To assist the members to set up the manufacturing units, in marketing and sourcing of raw materials and to provide them with all infrastructure facilities, latest technologies, adequate training to the man power and assist in the overall manufacturing of textiles of all kinds, to promote the development of textile sector more particularly in the development of power loom, processing, garmenting and/or other sectors of textile industry. It shall act as a resource center and clearing house for information and knowledge concerning all aspects of textiles and weaver related development issues in the state 3 to undertake the work relating to providing facilities and augment the resources required for modernization of the textile sector to meet international standards and quantity matching the requirements of the imminent WTO governed world trade practices. In the process of continuing education by holding workshops, seminars and training programs in the concerned fields as enumerated above, innovating cost saving new machineries, operational systems, management systems etc. in textile production for achieving maximization of resources and to obtain maximum cost benefit ratio.

AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

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

Date of Shareholder's Approval	Amendment
July 14, 2007	The authorized share capital of Rs. 1,00,000 consisting 10,000 Equity Shares of Rs. 10/- each was increased to Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs. 10/- each.
February 16, 2010	1. The authorized share capital of Rs. 20,00,000 consisting 2,00,000 Equity shares of Rs. 10/- each was increased to Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs. 10/- each 2. Change in Clause III by deletion of Point C stating other objects of the Company in order to comply with the provisions of the Companies Act, 2013.
November 22, 2010	The authorized share capital of Rs. 50,00,000 consisting of 5,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 2,50,00,000 consisting of 25,00,000 Equity Shares of Rs. 10/- each.
August 16, 2012	The authorized share capital of Rs. 2,50,00,000 consisting of 25,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 5,00,00,000 consisting of 50,00,000 Equity Shares of Rs. 10/- each.
September 25, 2013	1. The authorized share capital of Rs. 5,00,00,000 consisting of 5,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 10,00,00,000 consisting of 1,00,00,000 Equity Shares of Rs. 10/- each. 2. The object clause III(A) of the Memorandum of Association altered by adding new Clause 3, 4, 5 and 6 after the existing clause 2 of the main object clause
March 25, 2014	Clause I of the Memorandum of Association of the Company changed pursuant to Conversion of Company into Public Company to reflect changed name i.e. Exclusive Fibers Limited. A fresh certificate of incorporation pursuant to the change of name was granted by the Registrar of Companies on April 17, 2014.
September 29, 2017	The authorized share capital of Rs. 10,00,00,000 consisting of 1,00,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 11,00,00,000 consisting of 1,10,00,000 Equity Shares of Rs. 10/- each.
March 3, 2018	The authorized share capital of Rs. 11,00,00,000 consisting of 1,10,00,000 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.

COUNTRYWISE EXPORT SALES FOR THE PERIOD ENDED DECEMBER 31, 2017

Region	Amount (In lakhs)	% of total Revenue
Dubai, UAE	357.51	10.71
Australia	188.11	5.63
Malaysia	88.32	2.64
Hongkong	55.36	1.66

HOLDING COMPANY OF OUR COMPANY

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

SUBSIDIARY COMPANY OF OUR COMPANY

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

CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, refer to the section titled “*Capital Structure*” and “*Financial Statements*” beginning on page 97 and 224 of this Draft Red Herring Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

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

MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

Our Company has not merged/amalgamated itself nor has acquired any business/undertaking, since Incorporation.

JOINT VENTURE AND OTHER AGREEMENTS

As on the date of filing the Draft Red Herring Prospectus, there is no existing joint venture or other material agreements entered into by our Company which are not in its ordinary course of business.

SHAREHOLDERS AGREEMENTS

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

OTHER AGREEMENTS

Our Company has not entered into any agreements/arrangement except under normal course of business of the Company, as on the date of filing of this Draft Red Herring Prospectus.

STRATEGIC/ FINANCIAL PARTNERS

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

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

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

CONVERSION OF LOANS INTO EQUITY SHARES

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Draft Red Herring Prospectus.

CHANGE IN ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

There has been no change in the activities of our Company during the last five years.

TECHNOLOGY, MARKET COMPETENCE AND CAPACITY BUILD-UP

For details on the technology, market competence and capacity build-up of our Company, please see the chapter titled “Our Business” beginning on page 159 of this Draft Red Herring Prospectus

STRIKES AND LOCKOUTS

There have been no strikes or lockouts in our Company since incorporation.

REVALUATION OF ASSETS

There has been revaluation of assets in the year 2012. However, equity shares have not been issued out of the revaluation reserves created thereby.

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.

NUMBER OF SHAREHOLDERS

Our Company has 10 shareholders as on the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, Our Company is required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act. Our Company currently has six (6) 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:

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment / Re-appointment	Other Directorship
1.	Name: Rajeev Kumar Aggarwal Father's Name: Krishan Lal Aggarwal Age: 50 years Designation: Director Address: E-38, First Floor, Gk-1, Defence Colony South Delhi, New Delhi-110048 Occupation: Business Nationality: Indian DIN: 00442120 Term: Liable to retire by Rotation	Appointed as Director on April 16, 2004	Public Limited Company: Nil Private Limited Company: <ul style="list-style-type: none"> • Exclusive carpet Private Limited • Exclusive Printographics Private Limited • Exclusive Overseas Private Limited • Hegatech Private Limited • Exclusive Fincap Private Limited • Shenzhen Properties Private Limited • Ways Info Technology Private Limited
2.	Name: Meenu Aggarwal Father's Name: Mool Chand Goyal Age: 47 Years Designation: Managing Director Address: E-38, First Floor, Gk-1, Defence Colony South Delhi, New Delhi-110048 Occupation: Business Nationality: Indian DIN: 00442229 Term: 5 years from March 3, 2018	Appointed as Director on April 16, 2004 Re-appointed as Managing Director on March 3, 2018	Public Limited Company: Nil Private Limited Company: <ul style="list-style-type: none"> • M R Poly-Yarns Private Limited • Exclusive carpet Private Limited • Exclusive Printographics Private Limited • Exclusive Overseas Private Limited • Hegatech Private Limited • Exclusive Fincap Private Limited • Meenu Estates Private Limited • Ways Info Technology Private Limited
3.	Name: Shantanu Ghosh Dastidar Father's Name: Sachindranath Ghosh Dastidar Age: 55 Years	December 9, 2013	Public Limited Company: Nil Private Limited Company: Nil

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment / Re-appointment	Other Directorship
	Designation: Executive Director Address: 13 5 th Cross, Temple Road Shirdi Sai Nagar, Munnekolala, Bangalore South, Marathahalli Colony, South Banagalore, Karnataka – 560037 Occupation: Service Nationality: Indian DIN: 06739541 Term: Liable to retire by rotation.		
4.	Name: Sanjeev Kumar Bajpai Father's Name: Dhanesh Prashad Bajpai Age: 53 Years Designation: Independent Director Address: Flat No. 547, Arun Vihar, Sector 37, Noida, Gautam Buddha Nagar, Uttar Pradesh, India - 201301 Occupation: Service Nationality: Indian DIN: 00287601 Term: 5 years w.e.f March 3, 2018	Appointed as an Independent Director on March 3, 2018	Public Limited Company – Nil Private Limited Company <ul style="list-style-type: none"> • Vinura Beverages Private Limited • Modi Marco Aldany Private Limited
5.	Name: Seema Varshney Father's Name: Satish Chandra Gupta Age: 51 Years Designation: Independent Director Address: H - 32 Patel Nagar - III Ghaziabad, Uttar Pradesh, India - 201001 Occupation: Service Nationality: Indian DIN: 06962470 Term: 5 years w.e.f March 3, 2018	Appointed as an Independent Director on March 3, 2018	Public Limited Company – Nil Private Limited Company Nil

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment / Re-appointment	Other Directorship
6.	Name: Akshay Goel Father's Name: Anil Kumar Goel Age: 29 Years Designation: Independent Director Address: H. No. 430, Sector-39 Faridabad, Haryana – 121 008 India Occupation: Service Nationality: Indian DIN: 06702121 Term: 5 years w.e.f March 3, 2018	Appointed as an Independent Director on March 3, 2018	Public Limited Company – Nil Private Limited Company Nil

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Rajeev Kumar Aggarwal, Promoter and Director

Rajeev Kumar Aggarwal, aged 50 years is the Promoter and Director of our Company. He has been Director of our Company since April 16, 2004. He is the founder of the company. He has completed his Bachelor of Commerce from the University of Delhi, and has completed his L.L.B. from Dr. Bhimrao Ambedkar University, Agra. He is in charge of the administrative affairs of the company. He has an experience of 14 years, in the Field of manufacturing. & processing of textiles. He looks after business development, finance and formulation of overall strategy for growth and future prospects of the Company.

Meenu Aggarwal, Promoter and Managing Director

Meenu Aggarwal, aged 47 years is the Promoter and Managing Director of our Company. She is designated as Director of our Company since April 16, 2004 and re-designated as Managing Director w.e.f. March 3, 2018. She has completed her Bachelor of Commerce from the University of Delhi. Having associated very closely with her husband, Mr. Rajeev Kumar Aggarwal, she has an experience of the textile & manufacturing business tactics for the last 14 years. Ms. Meenu Aggarwal takes overall care of the functional attributes of the company.

Shantanu Ghosh Dastidar, Executive Director

Shantanu Ghosh Dastidar, aged 55 years is an Executive Director of our Company. He has obtained the Indian Air Force Special Certification of Education as per Government of India, Ministry of Education and has defense background as he has served the Indian Air Force for 20 years and joined our company post VRS in 2001 as General Manager of Bangalore Branch. While running textile manufacturing branch of Bangalore profitably for 7 years as Regional Manager, he took full charge of the up-coming projects at Gujarat.

Sanjeev Kumar Bajpai, Independent Director

Sanjeev Kumar Bajpai aged 53 years is an Independent Director of our Company. He has completed his Company Secretary course from ICSI. Presently, he is a Company Secretary of Modi Rubber Limited and has an experience of over 9 years in the area of Corporate Secretarial Compliances.

Seema Varshney, Independent Director

Seema Varshney, aged 51 years is an Independent Director of our Company. She has worked as internal auditor in various bank. She is a Chartered Accountant and has completed her graduation from

University of Bombay. She has over 24 years of experience in the area of internal audit in manufacturing units, PSU. She was also engaged in statutory audit of Banks and also has experience in budget, costing and taxation areas.

Akshay Goel, Independent Director

Akshay Goel aged 29 years is an Independent Director of our Company. He has completed his Master of Laws from Indian Law institute, New Delhi. He is a practicing professional and has an experience of over 7 years in the field of law. His core areas of practice are Real Estate Laws, Criminal, Civil, Corporate Laws, Intellectual Property Law, Family Laws, MACT Cases, Land Acquisition Matters & Property, Service Matters, Negotiable Instrument Act, Transfer Petitions, Special Leave Petitions and Opinion Rendering and advising Company on various Corporate Issues.

CONFIRMATIONS:

As on the date of this Draft Red Herring Prospectus:

1. Except as mentioned below, none of the other Directors of our Company are related to each other as per section 2(77) of the Companies Act, 2013.

Name of First person	Name of the other person	Relationship
Rajeev Kumar Aggarwal	Meenu Aggarwal	Spouse

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, except Roger James Lord, director of the Company.
4. None of the above mentioned Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies
6. None of the Promoter, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Terms of appointment of our Directors:

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to 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. Our Company has one Managing Director. The terms of the appointment of our Executive Directors are set out below:

1. Mr. Rajeev Kumar Aggarwal

Particulars	Remuneration
Remuneration	18 Lakh per annum
Designation	Executive Director
Appointment as Director	April 16, 2004
Remuneration paid for FY 2016-17	Rs. 18 Lakhs
Perquisites	Nil

2. Ms. Meenu Aggarwal

Particulars	Remuneration
Remuneration	Rs. 54 Lakhs per annum (including perquisites) (wef 03.03.2018)

Designation	Managing Director
Appointment as Director	As Managing Director with effect from March 3, 2018
Remuneration paid for FY 2016-17	Rs. 18 Lakhs
Perquisites	Nil

3. Mr. Shantanu Ghosh Dastidar

Particulars	Remuneration
Remuneration	7.92 Lakh per annum
Designation	Executive Director
Appointment as Director	December 9, 2013
Remuneration paid for FY 2016-17	Rs. 7.54 Lakhs
Perquisites	Nil

Terms and conditions of employment of our Independent Directors and Non-Executive Directors

Independent Directors and Non-Executive of our Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and their appointment letters and other applicable laws and regulations.

OTHER CONFIRMATIONS

As on the date on this Draft Red Herring Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Managing Director which has accrued for this year and payable in current or any future period.
2. No compensation was paid to any Director pursuant to bonus or profit sharing plan.

SHAREHOLDING OF OUR DIRECTORS IN THE 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.	Rajeev Kumar Aggarwal	42,77,531	40.80%	[●]
2.	Meenu Aggarwal	33,38,366	31.84%	[●]
3.	Shantanu Ghosh Dastidar	90	0.01%	[●]

INTERESTS OF DIRECTORS

Interest in promotion of our Company

Our Directors Mr. Rajeev Kumar Aggarwal and Ms. Meenu Aggarwal 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 222 of this Draft Red Herring Prospectus.

Interest in the property of our Company

Except as stated/referred to in the heading titled “Land and Properties” under the chapter titled “Our Business” beginning on page 159 and chapter titled “Related Party Transaction” on page 222 of the Draft Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of two years preceding the date of Draft Red Herring Prospectus 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. Further our Directors

do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled “*Land and Properties*” under the chapter titled “*Our Business*” beginning on page 159 of the Draft Red Herring Prospectus.

Interest as member of our Company

As on date of this Draft Red Herring Prospectus, our Directors together hold 76,15,987 Equity Shares in our Company i.e. 72.65% of the pre issue paid up share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared and other distributions, if any, by our Company.

Interest as a Creditor of our Company

As on the date of this Draft Red Herring Prospectus, except as stated in the chapter titled “Financial Indebtedness” and heading titled “Related Party Transactions” under chapter titled “Financial Statements as Restated” our Company has not availed loans from Directors of our Company.

Interest as Director of our Company

Except as stated above and in the chapters titled “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 224 and 97 respectively of this Draft Red Herring Prospectus our Directors, may deemed to be interested to the extent of remuneration, 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

Meenu Aggarwal, Promoter and Managing Director of the Company, Renu Sharma, Chief Financial Officer and Ritu Dhingra, Company Secretary are the Key Managerial Personnel of the 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 other 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 224 of this Draft Red Herring Prospectus.

Interest in transactions involving acquisition of land

Our Directors are not currently interested in any transaction with our Company involving acquisition of land. Except as stated/referred to under the heading titled “*Land and Property*” under chapter titled “*Our Business*” beginning on page 159 of this Draft Red Herring Prospectus, our Promoters has not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Promoters 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 224 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

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 224 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

Except as disclosed under the chapter titled “*History and Certain Other Corporate Matters*” on page 195, none of our Directors hold any share in our subsidiary as on date of filing 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
Swapnil Gupta	August 1, 2015	Appointment	Appointment as Independent Director
Laxmi Narayan Taparia	August 1, 2015	Appointment	Appointment as Independent Director
Satpal Kalra	August 1, 2015	Appointment	Appointment as Independent Director
Satpal Kalra	September 1, 2017	Resignation	Resignation as Independent Director
Swapnil Gupta	September 1, 2017	Resignation	Resignation as Independent Director
Meenu Aggarwal	September 29, 2017	Re-designation	Re-designated as Managing Director
Sanjeev Kumar Bajpai	March 03, 2018	Appointment	Appointment as an Independent Director
Seema Varshney	March 03, 2018	Appointment	Appointment as an Independent Director
Akshay Goel	March 03, 2018	Appointment	Appointment as an Independent Director
Mr. Laxmi Narayan Taparia	March 03, 2018	Resignation	Resignation as Independent Director

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at the Annual General Meeting of our Company held on September 29, 2017 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 as amended from Time to Time, and rules made there under and the Board of Directors (including committees) of the Company be and is hereby authorized to borrow money on such terms and conditions as may be considered and suitable by the Board of Directors up to a limit of Rs. 50,000.00 Lakhs notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from the Temporary Loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves of the Company.

CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied with 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 the various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, there are 6 Directors on our Board out of which one third are Independent Directors i.e. 3 (Three). The constitution of our Board is in compliance with the requirements of section 149 of the Companies Act, 2013.

The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee
- D. Corporate Social Responsibility Committee
- E. IPO 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 March 3, 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 Directors	Status	Nature of Directorship
Seema Varshney	Member	Independent Director
Sanjeev Kumar Bajpai	Member	Independent Director
Rajeev Kumar Aggarwal	Member	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/responsibilities:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the 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 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 Issue document/Draft Red Herring Prospectus/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.

Meeting of Audit Committee and relevant Quorum

- (a) The audit committee shall meet atleast four times in a year and not more than one hundred and twenty days shall elapse between two meetings.
- (b) The quorum for audit committee meeting shall either two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

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 March 3, 2018

The Stakeholders' Relationship Committee comprises the following Directors:

Name of the Directors	Status	Nature of Directorship
Akshay Goel	Chairman	Independent Director
Seema Varshney	Member	Independent Director
Rajeev Kumar Aggarwal	Member	Director

Meenu Aggarwal	Member	Managing Director
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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 Stakeholder's Relationship Committee and its terms of reference shall include the following:

- i. Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
- ii. Redressal of security holders's/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
- iii. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- iv. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- v. Allotment and listing of shares;
- vi. Reference to statutory and regulatory authorities regarding investor grievances; and vii. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- vii. 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 March 3, 2018. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Directors	Status	Nature of Directorship
Sanjeev Kumar Bajpai	Chairman	Independent Director
Rajeev Kumar Aggarwal	Member	Executive Director
Seema varshney	Member	Independent Director
Meenu Aggarwal	Member	Executive Director
Shantanu Ghosh	Member	Executive Director
Akshay Goel	Member	Independent 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:

- i. 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;
- ii. Formulation of criteria for evaluation of independent directors and the Board;
- iii. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iv. Devising a policy on Board diversity; and
- v. 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.

D) Corporate Social Responsibility Committee:

Our Company has re-constituted a Corporate and Social Responsibility Committee in accordance section 135 of Companies Act 2013. The re-constitution of the Corporate and Social Responsibility Committee was approved by a Meeting of the Board of Directors held on March 3, 2018. The said committee is comprised as under:

The Corporate Social Responsibility Committee comprises the following Directors:

Name of the Directors	Status	Nature of Directorship
Meenu Aggarwal	Chairman	Managing Director
Sanjeev Kumar Bajpai	Member	Independent Director
Rajeev Kumar Aggarwal	Member	Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Corporate and Social Responsibility Committee. The terms of reference of the Committee shall include the following:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013 and clarification issued thereunder
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company
- To monitor the CSR policy of the Company from time to time
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors as may be directed by the Board of Directors from time to time.

E) IPO Committee

Our Company has constituted a IPO Committee vide Board Resolution dated March 3, 2018.

The IPO Committee comprises the following Directors:

Name of the Directors	Status	Nature of Directorship
Shantanu Ghosh Dastidar	Chairman	Executive Director
Sanjeev Kumar Bajpai	Member	Independent Director
Meenu Aggarwal	Member	Managing Director

IPO Committee shall have the following Rules for its working:

- **Chairman of the Committee:**

In the absence of the Chairman of the IPO Committee from the meeting, the members of the IPO Committee shall elect one of its members as the Chairman of that Committee meeting.

- **Quorum:** The Quorum for the committee meeting shall be the presence of any 2 (two) of the members.

- **Decision & Voting Power:**

All the decision of the committee shall be taken by vote of majority. Members of the committee shall be entitled to vote, in case of equality. The Chairman shall have one casting vote.

The Secretary and Chief Financial Officer of the Company shall attend and participate at but shall not have the right to vote.

- **Responsibility of Committee:**

The IPO Committee exercises powers in relation to the matters listed below:

1. the IPO Committee has been constituted to decide the terms and conditions of the Issue, finalisation and filing of the Draft Red Herring Prospectus and this Red Herring Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required;
2. handle all matter relating to appointment of intermediaries and advisors in relation to the IPO;

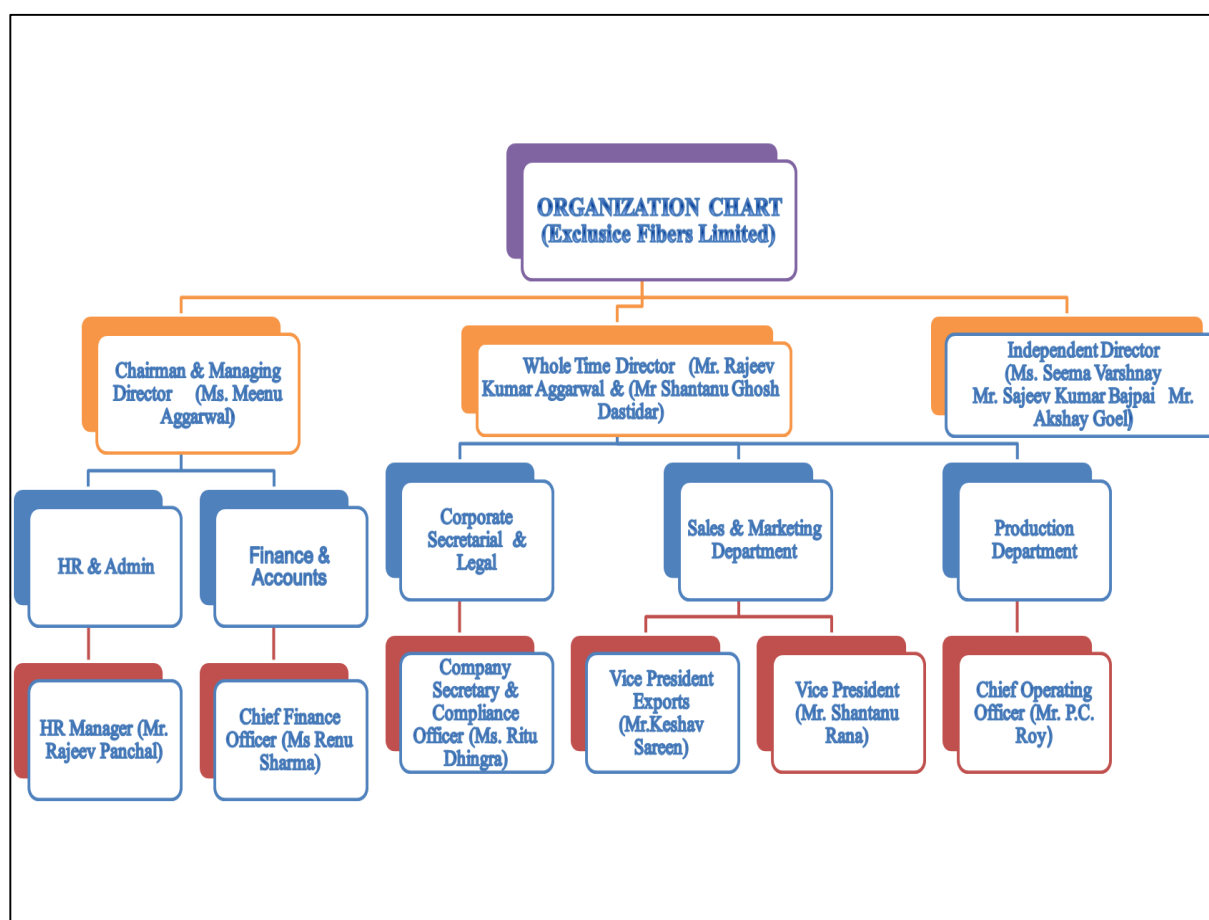
3. deciding on allocation of the equity shares to specific categories of persons;
4. opening of bank accounts, securities account, escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges;
5. determining and finalising the price band, bid opening and closing date of this Issue, approving and finalising the 'Basis of Allocation';
6. determining the price at which the Equity Shares are to be Issued to the investors; settling difficulties and doubts arising in relation to the IPO;
7. empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the IPO; and
8. carry out all acts and take all decisions as may be necessary for the purposes of the IPO and listing.

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 Exchnage Limited. 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 March 3, 2018 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Ritu Dhingra, 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.

ORGANISATIONAL 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:

Set forth below are the details of our Key Management Personnel as prescribed under the Companies Act 2013, in addition to Ms. Meenu Aggarwal, Managing Director as on the date of filing of this Draft Red Herring Prospectus. For details of Ms. Meenu Aggarwal, see “Brief Profile of our Directors” on page 202 of Draft Red Herring Prospectus.

Ritu Dhingra, Company Secretary

Ritu Dhingra, aged 26 years is the Company Secretary and Compliance Officer of our Company. She was appointed as Company Secretary of our Company w.e.f. June 30, 2016. She is an associate member of the Institute of Company Secretaries of India bearing Membership number ACS 38061. She looks after the secretarial affairs and statutory compliances of our company.

Renu Sharma, Chief Financial Officer

Renu Sharma, aged 28 years is the Chief Financial Officer of our Company. She has joined our company w.e.f October 1, 2017. She is Associate Chartered Accountant bearings membership number with Institutes of Chartered Accountants of India and Masters in Commerce from the University of CH Charan Singh University, Meerut. She has experience of five and half years field of finance, accounts and other financial working.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

None of the key managerial personnel are related to the each other within the meaning of Section 2 (77) of the Companies Act, 2013.

RELATIONSHIPS OF DIRECTORS/ AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of our Directors of the Company are related to the Key Managerial Personnel within the meaning of section 2(77) of the Companies Act, 2013:

Director	Key Managerial Personnel	Relationship
Rajeev Kumar Aggarwal	Meenu Aggarwal	Spouse

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 mentioned below, none of our Key Managerial Personnel holds any Equity shares of our company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Key Managerial Personnel	No. of Shares held
1.	Meenu Aggarwal	33,38,366

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

LOANS TO KEY MANAGERIAL PERSONNEL

Our company has not given any loans and advances to the Key Managerial Personnel as on the date of this Draft Red Herring Prospectus.

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 the 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 200 and 222 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

Name of Managerial Personnel	Date of Event	Reason
Divya Sorayan	January 1, 2014	Appointment as Company Secretary
Divya Sorayan	September 30, 2014	Cessation as Company Secretary
Smriti Seth	November 12, 2014	Appointment as Company Secretary
Bikram Singh	May 21, 2015	Appointment as Chief Financial Officer
Smriti Seth	June 29, 2017	Cessation as Company Secretary
Ritu Dhingra	June 30, 2016	Appointment as Company Secretary
Bikram Singh	September 1, 2017	Cessation as Chief Financial Officer
Renu Sharma	September 1, 2017	Appointment as Chief Financial Officer
Meenu Aggarwal	March 3, 2018	Re-designated as Managing Director

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.

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 as Restated*” beginning on page 224 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 PROMOTER AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are Rajeev Kumar Aggarwal and Meenu Aggarwal. As on date of this Draft Red Herring Prospectus, our Promoters hold 76,15,897 Equity Shares representing 72.65% of the pre-issue Paid up Equity Share Capital of our Company.

Brief profile of our Individual Promoters is as under:

	<p>Rajeev Kumar Aggarwal, Promoter Director</p> <p>Rajeev Kumar Aggarwal, aged 50 years, has been associated with our Company since incorporation. He is the Promoter Director of our Company. He is the founder of our company. He holds the degree in Bachelors of Commerce from Delhi University and the degree of LL.B. from Dr. B. R. Ambedkar University, Agra. He also has an experience of more than 14 years in the Industry in which our company operates. He is in charge for developing and executing Company's business strategies & overseeing the company's financial performance, investment & other business ventures. Also, he shall identify and manage potential legal risk, leading corporate legal strategy to promote and protect the Company's matters.</p> <p>Nationality: Indian PAN: AAAPA1708M Passport No.: Z2555358 Driving License: DL-0620160149170 Voters ID: JWP2710853 DIN: 00442120 Address: House No.E-38, 1st floor Greater Kailash, Part-I New Delhi 110048, Delhi, India.</p> <p>Ventures promoted by Rajeev Kumar Aggarwal:</p> <ul style="list-style-type: none"> • Exclusive Carpets Private Limited • Exclusive Fincap Private Limited • Ways Info Technologies Private Limited • Exclusive Printographics Private Limited • Hegatech Private Limited • Riddhi Logistics Private Limited • Exclusive Overseas Private Limited • Shenzhen Properties Private Limited • Law Remedium <p>For further details relating to Rajeev Kumar Aggarwal, including terms of appointment as Director and other directorships please refer to the chapter titled "Our Management" beginning on page 200 of this Draft Red Herring Prospectus.</p>
	<p>Meenu Aggarwal, Promoter and Managing Director</p> <p>Meenu Aggarwal, aged 47 years, has been associated with our Company since incorporation. She is the Promoter and the Managing Director of our Company. She holds the degree in Bachelors of Commerce from Delhi University and also has an experience of more than 14 years in the Industry in which the company operates. She is responsible to oversee the administrative operations of the Company ensuring that the operating objectives and standards of performance are not only understood but owned by the management and other employees and also directing strategy towards the profitable growth and operation of the Company.</p>

	<p> Nationality: Indian PAN: AAHPA6291Q Passport No.: Z2213121 Driving License: DL-0719930076870 Voters ID: JWP2710846 DIN: 00442229 Address: House No.E-38, 1st floor Greater Kailash, Part-I New Delhi 110048, Delhi, India. </p> <p> Ventures promoted by Meenu Aggarwal: <ul style="list-style-type: none"> • Exclusive Carpets Private Limited • Exclusive Fincap Private Limited • Meenu Estates Private Limited • Ways Info Technologies Private Limited • M R Poly-Yarns Private Limited • Exclusive Printographics Private Limited • Hegatech Private Limited • Riddhi Logistics Private Limited • Exclusive Overseas Private Limited </p> <p>For further details relating to Meenu Aggarwal, including terms of appointment as Managing Director and other directorships please refer to the chapter titled “Our Management” beginning on page 200 of this Draft Red Herring Prospectus.</p>
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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 97 of this Draft Red Herring Prospectus.

Our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in our Group Companies with which our company transacts during the course of its operations.

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 refer to the chapter titled “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 200, 224 and 97 respectively of this Draft Red Herring Prospectus.

Except as mentioned in the chapter titled “Our Business” under “Land & Property”, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

For details of related party transactions entered into by our Company during last financial year with our Promoters and Group Companies, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” on page no 222 of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of related party transactions entered into by our Promoters, members of our Promoter Group and Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer chapter titled “Related Party Transactions” on page 222 of this Draft Red Herring Prospectus.

PAYMENT OR BENEFITS TO PROMOTERS

Except as stated otherwise in the chapter titled “*Related Party Transactions*” on page 222 of this Draft Red Herring Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations is as under:

A. Individuals related to our Promoter:

Relationship with Promoters	Rajeev kumar Aggarwal	Meenu Aggarwal
Father	Late Krishan Lal Aggarwal	Mool Chand Goyal
Mother	Krishna Kumari Aggarwal	Shakuntla Devi Goyal
Brother	Sanjeev Kumar Aggarwal Pramod Kumar Aggarwal Pradeep Kumar Aggarwal	Umesh Goyal, Rakesh Goyal
Sister	Monika Choudhary	Babita Goyal
Spouse	Meenu Aggarwal	Rajeev kumar Aggarwal
Son	Krrish Aggarwal (Minor)	Krrish Aggarwal (Minor)
Daughter	Riddhi Aggarwal Jahnvi Aggarwal	Riddhi Aggarwal Jahnvi Aggarwal
Spouse's Father	Mool Chand Goyal	Late Krishan Lal Aggarwal
Spouse's Mother	Shakuntla Devi Goyal	Krishna Kumari Aggarwal
Spouse's Brother	Umesh Goyal, Rakesh Goyal	Sanjeev Kumar Aggarwal Pramod Kumar Aggarwal Pradeep Kumar Aggarwal
Spouse's Sister	Babita Goyal	Monika Choudhary

B. Companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:

- Exclusive Carpets Private Limited
- Exclusive Fincap Private Limited
- Meenu Estates Private Limited
- Ways Info Technologies Private Limited
- M R Poly-Yarns Private Limited
- Exclusive Printographics Private Limited
- Hegatech Private Limited
- Riddhi Logistics Private Limited
- Exclusive Overseas Private Limited
- Shenzhen Properties Private Limited
- Law Remedium

Our Company has issued letters dated **April 11, 2018** to the relatives of our Individual promoters, Rajeev Kumar Aggarwal and Meenu Aggarwal, seeking personal documents for identification of promoter group and the details of Entity(ies) in which they severally or jointly have interest. However, we have not received reply from Krishna Kumari Aggarwal (Mother of Rajeev Kumar Aggarwal), Sanjeev Kumar Aggarwal (Brother of Rajeev Kumar Aggarwal), Pramod Kumar Aggarwal (Brother of Rajeev Kumar Aggarwal), Pradeep Kumar Aggarwal (Brother of Rajeev Kumar Aggarwal), Monika Choudhary (Sister of Rajeev Kumar Aggarwal), Rakesh Goyal (Brother of Meenu Aggarwal). Therefore, the disclosures

made in the Draft Red Herring Prospectus are limited to the extent of the information that has been made available by our Promoters in relation to Promoter Group and Group companies.

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

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, except Rajeev kumar Aggarwal and Meenu Aggarwal who are husband and wife.

DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEAR

None of our promoter(s) have disassociated himself from any company during preceding three years.

CHANGES IN MANAGEMENT OR CONTROL

There has been no change in the management or control of our Company in the last three years.

LITIGATION INVOLVING OUR PROMOTERS

For details of legal and regulatory proceedings involving our Promoters, refer to the chapter titled "*Outstanding Litigation and Material Developments* on page 292 of this Draft Red Herring Prospectus.

CONFIRMATIONS

Our Company, our individual Promoters and their relatives (as defined under the Companies Act, 2013) are not Wilful Defaulters and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in "Related Party Transactions on page 222 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 identification of “Group Companies”, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. Pursuant to a resolution dated February 23, 2018, our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature. Further, companies which have not been disclosed as related parties in the restated financial statements of our company for the last five financial years or which are no longer associated with our Company have not be disclosed as Group Companies.

Based on the above, the following are the Group Companies:

- **Exclusive Overseas Private Limited;**
- **Exclusive Carpet Private Limited;**

OUR GROUP COMPANIES

The details of our Group Companies are provided below:

1. Exclusive Overseas Private Limited (“EOPL”)

Corporate Information:

Exclusive Overseas Private Limited was incorporated on January 4, 1996 under the provisions of Companies Act, 1956. Its registered office is situated at 31/3203, Beadon Pura, Karol Bagh, New Delhi, Delhi-110005, India. The Corporate Identification Number of EOPL is U51311DL1996PTC075187.

Main objects of the Company:

In terms of its Memorandum of Association, it is, *inter-alia*,

1. To carry on the business of importers, exporters, dealers, manufacturers, distributors, agents, brokers, factors, stockists, commission agents, commission agents, processors, spinners, weavers, traders, knitters, coaters, laminators, printers, dyers or otherwise dealer in all kinds of textiles, textile materials, fabrics, yarns, threads, garments, cloths and other items.
2. To import and export all types of materials, commodities, goods and articles whether in form of raw, semi-finished goods to all parts of the world and to act as an import and export house and to act as trading house, liaison agents and consultants in India or abroad.

Board of Directors:

Name	Designation	DIN
Narendra	Director	06730574
Bhushan Kumar Narang	Director	08048809

Capital Structure:

Particulars	Amount (in Rs. Lakhs)
Authorised Capital	7,50,00,000
Paid-up Capital	6,48,83,050

Share Holding Pattern as on the date of this Draft Red Herring Prospectus:

Name of the shareholder	No. of Shares	% of shareholding
Rajeev Kumar Aggarwal	12,72,143	19.61
Meenu Aggarwal	12,84,643	19.80
M/s ways Info Technologies Private Limited	12,00,000	18.49
M/s Exclusive fincap Private Limited	13,70,000	21.11
Riddhi Aggarwal	2,20,000	3.39
Jahnvi Aggarwal	2,90,000	4.47

Krish Aggarwal	2,67,500	4.12
Shantanu Gosh Dastidar	40,000	0.62
Mohammed Rahmatullah	1,10,000	1.70
Shenzen Properties Private Limited	1,35,214	2.08
Exclusve Fibers Limited	2,98,805	4.61
Total	64,88,305	100

Financial information:

(Amount in Rs.)

Particulars	Year Ending March 31, 2017	Year Ending March 31, 2016	Year Ending March 31, 2015
Equity Capital	6,48,83,050	6,19,00,000	5,33,00,000
Reserves & Surplus (excluding revaluation reserves)	4,24,31,704	2,58,43,133	2,18,10,153
Profit/Loss after tax	19,71,473	(17,020)	14,57,314
Earnings per share (Basic)	0.31	0.00	0.27
Earnings per share (Diluted)	0.31	0.00	0.27
Net Worth	10,73,14,754	8,77,43,133	7,51,10,153
Net Asset Value	16.54	14.17	11.58

2. Exclusive Carpets Private Limited (“ECPL”)

Corporate Information:

Exclusive Carpet Private Limited was incorporated on May 24, 2013 under the provisions of companies act, 1956. Its registered office is situated at 31/3203, Beadon Pura, Karol Bagh, New Delhi-110005, India. The Corporate Identification Number is U17220DL2013PTC252599.

Main objects of the Company:

In terms of its Memorandum of Association, it is, *inter-alia*,

1. To carry on business as manufacturers, producers, processors, exporters, importers, wholesalers, retailers of, and dealers in all kinds of carpets, including handmade and machine made tufted, axminster, wilton, brussels, chanlle tapestry, ingrain, velvet, namda carpets, Blankets, under lays, festoons and boblin, linoleum, portiere cords, druggets, dunies, rugs, mattings, floor cloths, floor, converging and furnishing fabrics and materials made wholly or partly of anyone or more of the following materials, namely, wool, hair, silk, jute, flax., yam. spun staples, coir, sisal, cotton, natural and other synthetics or man-made fibres.
2. To carry on the business of packing, grading, crimping, twisting, texturing, bleaching dyeing, printing, mercerizing or otherwise processing yam, cloth, carpets, blankets and other textile goods, whether made from cotton, Jute, wool, silk, art silk, synthetic and other fibers of blends thereof.

Board of Directors:

Name	Designation	DIN
Rajeev Kumar Aggarwal	Director	00442120
Meenu Aggarwal	Director	00442229

Capital Structure:

Particulars	Amount (in Rs.)
Authorised Capital	10,00,000
Paid-up Capital	7,00,000

Share Holding Pattern as on the date of this Draft Red Herring Prospectus:

Name of the shareholder	No. of Shares	% of shareholding
Rajeev Kumar Aggarwal	35,000	50
Meenu Aggarwal	35,000	50
Total	70,000	100

Financial information:

(Amount in Rs.)

Particulars	Year Ending March 31, 2017	Year Ending March 31, 2016	Year Ending March 31, 2015
Equity Capital	1,00,000	1,00,000	1,00,000
Reserves & Surplus (excluding revaluation reserves)	(74,995)	(82,172)	(57,359)
Profit/Loss after tax	7,177	(24,813)	(34,289)
Earnings per share (Basic)	0.72	(2.48)	(3.43)
Earnings per share (Diluted)	0.72	(2.48)	(3.43)
Net Worth	25,005	17,828	42,614
Net Asset Value	2.50	1.78	4.26

Related Party Transactions

For details on related party transactions please refer to “*Financial Statements, as restated – Annexure IX – Restated Statement of Related Parties Transactions*” on page 222 of this Draft Red Herring Prospectus.

Other disclosures:

None of our Group Companies have remained defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing Draft Red Herring Prospectus.

None of our Group Companies fall under the definition of sick industrial companies under Sick Industrial Companies (Special Provisions) Act, 1995.

None of our Group Companies are under any winding up proceedings.

None of our Group Companies are listed on any of the Stock Exchanges and they have not made any public/rights issue in last five years. Further, no action has been taken against these companies by any Stock Exchange or SEBI.

None of our Group Companies has been declared as willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Companies with negative net worth

None of our Group Companies have negative Net Worth as per their respective last audited financial statements.

Nature and Extent of Interest of Group Companies**(a) In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing Draft Red Herring Prospectus.

(c) ***Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company***

For details, please see “*Financial Statements, as restated -Related Party Transactions*” on page 224 of this Draft Red Herring Prospectus.

LITIGATION

For details on litigations, regulatory proceedings and disputes pending against the Group Companies and defaults made by them, please refer to the chapter titled, “*Outstanding Litigations and Material Developments*” on page 292 of this Draft Red Herring Prospectus.

COMMON PURSUITS AMONGST THE GROUP COMPANIES WITH OUR COMPANY

Our Group Companies Exclusive Overseas Private Limited (“EOPL”) and Exclusive Carpets Private Limited (“ECPL”) are having common pursuits with our Company as they are authorised to carry on similar activities as those conducted by our Company. These entities do not have any non-compete agreements in place amongst themselves. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when it arises.

SALE/PURCHASE BETWEEN GROUP COMPANIES AND SUBSIDIARIES EXCEEDING IN VALUE IN AGGREGATE OF 10% OF TOTAL SALES OR PURCHASES OF OUR COMPANY

For details please refer to “*Financial Statements, as restated – Restated Statement of Related Parties Transactions*” on beginning on page 224 of this Draft Red Herring Prospectus.

PAYMENT OF AMOUNT OR BENEFITS TO OUR GROUP COMPANIES DURING THE LAST TWO YEARS

Except as stated in the chapter titled “Related Party Transactions” on page 222 of this Draft Red Herring Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies during the last two years from the date of filing of this Draft Red Herring Prospectus.

BUSINESS INTEREST OF GROUP ENTITIES IN OUR COMPANY

Other than as stated above and as mentioned in the chapter titled “Related Party Transactions” on page 222 of this Draft Red Herring Prospectus, none of our Group Company has any business interest in our Company.

RELATED PARTY TRANSACTION

For details on Related Party Transactions of our Company, please refer to *Annexure IX* of restated financial statement under the section titled, “*Financial Statements*” beginning on page 224 of this Draft Red Herring Prospectus

DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. Our Company does not have a formal dividend policy.

Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last five years.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the record date are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

SECTION V – FINANCIAL STATEMENTS

FINANCIAL STATEMENTS AS RE-STATED

INDEPENDENT AUDITOR’S REPORT ON EXAMINATION OF RE-STATE FINANCIAL STATEMENTS OF EXCLUSIVE FIBERS LIMITED

Report of Auditors on Restated Financial Information of EXCLUSIVE FIBERS LIMITED for each of the period / year ended on December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013

To,
The Board of Directors
Exclusive Fibers Limited
31/3203 Beadonpura Karol Bagh,
New Delhi -110005

Dear Sirs,

1. We have examined the attached Restated Financial Information of **Exclusive Fibers Limited** (hereinafter referred to as “the Company”) as approved by the Board of Directors of the Company in their meeting held on February 23, 2018 prepared by the management of the company in terms of requirement of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rule 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the ‘SEBI Regulations’), the Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘Guidance Note’), and in terms of our engagement agreed upon with you in accordance with our engagement letter dated February 23, 2018 in connection with the proposed Initial Public Offer (IPO) of the Company.
2. These Restated Financial Information (included in Annexure I to XII) have been extracted by the Management of the Company from:
 - (a) The Company’s Audited Financial Statements for the year ended March 31, 2017, 2016, 2015, 2014 and 2013, which have been adopted by the shareholder’s at their meeting held on September 29, 2017, September 30, 2016, September 26, 2015, September 20, 2014, September 25, 2013 and September 29, 2012 respectively and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Information, are the responsibility of the Company’s Management. **The Financial Statement of the Company for the year ended March 31, 2017, 2016, 2015 have been audited by RAJVANSHI & ASSOCIATES and for the year ended March 31, 2014 have been audited by SARVAM & ASSOCIATES and for the year ended march2013, 2012 have been audited by PARM & SMRN and had issued unqualified reports for these years.**
 - (b) The Company’s Financial Statements for the period ended December 31, 2017, which have been approved by the Board of Director at their meeting held on February 23, 2018 and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Information, are the responsibility of the Company’s Management. **The Financial Statement of the Company for the period ended December 31, 2017 by RAJVANSHI & ASSOCIATES and had issued unqualified reports.**

3. In accordance with the requirement of Section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:
 - (i) The Restated Statement of Assets and Liabilities as at December 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure – I to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements’ appearing in Annexure- IV are after making such adjustments and regrouping/reclassification as in our opinion were appropriate. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial interim period / years.
 - (ii) The Restated Statement of Profit and Loss of the Company for the period/year ended December 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure – II to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements’ appearing in Annexure- IV are after making such adjustments and regrouping/re-classification as in our opinion were appropriate. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant nine months period / financial years.
 - (iii) The Restated Statement of Cash flows of the Company for the period/year ended December 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013, examined by us, as set out in Annexure – III (to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements’ appearing in Annexure- IV are after making such adjustments and regrouping/re-classification as in our opinion were appropriate. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant nine months period / financial years.
4. Based on the above, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Financial Information:
 - (a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in nine months period / respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods.
 - (b) have been made after incorporating adjustments for prior period and other material amounts in the nine months period / respective financial years to which they relate to; and
 - (c) do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Information and do not contain any qualification requiring adjustments.
5. We have also examined the following Restated Financial Information as set out in the Annexures to this report and forming part of the Restated Financial Information, prepared by the management of the Company and approved by the Board of Directors on February 23, 2018 relating to the company for the period ended December 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013:
 - i) Restated Statement of Assets and Liabilities included in Annexure – I;
 - ii) Restated Statement of Profit and Loss included in Annexure – II;
 - iii) Restated Statement of Cash flow from Restated Financial Statement included in Annexure III;
 - iv) Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements as included in Annexure IV.
 - v) Restated Statement of Share Capital included in Note No. “1” of Annexure V;
 - vi) Restated Statement of Long Term Borrowings included in Note No. “5” of Annexure V;

- vii) Restated Statement of Long Term & Short Term Loans and Advances included in Note No. “9” of Annexure V;
 - viii) Restated Statement of Contingent Liabilities, included in Note No. “29” of Annexure V;
 - ix) Restated Statement of Earning Per Share, included in Annexure VI;
 - x) Restated Statement of Capitalization, included in Annexure VII;
 - xi) Restated Statement of Tax Shelters, included in Annexure VIII;
 - xii) Restated Statement of Related Party Transaction, included in Annexure IX;
 - xiii) Restated Statement of Accounting Ratios, included in Annexure X;
 - xiv) Restated Statement of Reconciliation of Restated Profit along with notes included in Annexure XI;
 - xv) Restated Statement of Segment Reporting, included in Annexure XII.
6. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the financial statements referred to herein.
7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
8. In our opinion, the above Restated Financial Information contained in Annexure I to XII to this report read along with the Basis of Preparation and Significant Accounting policies (Refer Annexure – IV) and Notes to Restated Financial Information (Refer Annexure – XI) after making adjustments and regrouping/re-classification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
9. Our report is intended solely for use of the Management and for inclusion in the offer documents in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

For Rajvanshi & Associates.
Chartered Accountants
ICAI Firm’s Reg. No. 005069C

Prakshal Jain
(Partner)
M. No. 429807

Place: Jaipur
Dated: June 12, 2018

Annexure - I

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lakhs)

Sr. No.	Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
1)	EQUITY AND LIABILITIES <u>Shareholders Funds</u>						
	a. Share Capital	698.90	676.04	639.38	563.67	541.67	347.17
	b. Reserves & Surplus	1,649.12	956.44	624.22	122.84	(193.12)	203.12)
		2,348.02	1,632.48	1,263.60	686.50	348.55	144.05
2)	Share Application Money Pending Allotment	-	-	-	-	-	142.50
3)	<u>Non-Current Liabilities</u>						
	a. Long Term Borrowings	3,465.25	3,152.25	2,823.24	3,107.67	734.34	130.00
	b. Deferred Tax Liabilities	22.36	15.31	51.06	251.91	222.62	222.81
	c. Other Long term Liabilities	74.11	65.08	45.08	45.08	36.49	-
	d. Long Term Provisions	10.11	8.21	2.71	0.22	0.03	-
		3,571.84	3,240.85	2,922.09	3,404.89	993.48	352.81
4)	<u>Current Liabilities</u>						
	a. Short Term Borrowings	749.52	707.75	443.45	-	1.00	0.85
	b. Trade Payables	1,271.26	631.09	319.50	264.42	179.98	122.02
	c. Other Current Liabilities	385.29	500.53	464.68	34.67	172.23	193.61
	d. Short Term Provisions	211.54	30.48	-	7.22	0.22	0.19
		2,617.62	1,869.85	1,227.63	306.31	353.44	316.68
	TOTAL (1+2+3+4)	8,537.47	6,743.18	5,413.33	4,397.70	1,695.47	956.05

Sr. No.	Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
1)	ASSETS						
	<u>Non-Current Assets</u>						
	ii. Tangible Assets	4,543.81	4,822.18	5,313.36	1,476.39	1,656.28	1,649.84
	ii. Intangible Assets	0.38	0.48	0.62	0.06	0.09	0.12
	iii. Intangible Assets under development	-	-	-	-	-	-
	iv. Capital Work in Progress	1,660.47	1,097.26	9.92	3,321.55	508.26	4.30
	less: Revaluation Reserve	(719.44)	(719.44)	(719.44)	(719.44)	(719.44)	(719.44)
	Net Block	5,485.22	5,200.48	4,604.45	4,078.57	1,445.19	934.82
	c. Non-current Investments	246.95	194.73	41.71	107.42	0.98	-
	d. Long Term Loans & Advances	16.73	21.70	21.70	21.60	9.09	5.00
		5,748.90	5,416.91	4,667.86	4,207.59	1,455.26	939.82
	<u>Current Assets</u>						
	a. Inventories	1,087.81	551.90	399.45	9.27	8.13	5.85
	b. Trade Receivables	1,352.45	538.89	217.74	16.27	11.66	0.54
	c. Cash and Cash Equivalents	56.45	33.81	46.80	120.96	9.33	6.07
2)	d. Short Term Loans & Advances	91.45	31.78	31.37	9.14	205.03	-
	e. Other Current Assets	200.41	169.89	50.11	34.47	6.06	3.76
		2,788.57	1,326.27	745.47	190.11	240.21	16.22
	TOTAL (4+5)	8,537.47	6,743.18	5,413.33	4,397.70	1,695.47	956.05

STATEMENT OF PROFIT AND LOSS AS RESTATED

Annexure-II
(Rs. In Lakhs)

Sr. No.	Particulars	For the period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
A	INCOME						
	Revenue from Operations	3,216.56	2,545.08	1,451.29	1,118.75	985.40	980.33
	Other Income	6.48	44.95	24.64	9.44	12.20	13.03
	Total Income (A)	3,223.04	2,590.03	1,475.93	1,128.19	997.60	993.36
B	EXPENDITURE						
	Cost of materials consumed	2,079.55	1,653.34	251.15	-	-	-
	Purchase of Stock-in-Trade Goods	-	-	689.33	1,037.85	887.61	875.77
	Changes in inventories of finished goods, traded goods and work-in-progress	(402.31)	(260.12)	(198.41)	(1.14)	(2.28)	30.70
	Employee benefit expenses	132.60	170.22	104.26	24.93	29.00	7.92
	Finance costs	164.78	218.97	238.03	2.03	0.84	13.65
	Depreciation and amortization expense	329.12	530.23	300.46	13.42	27.86	28.53
	Other Expenses	122.29	133.78	91.09	37.47	40.25	33.16
	Total Expenses (B)	2,426.03	2,446.42	1,475.91	1,114.56	983.28	989.73
C	Profit before tax	797.01	143.61	0.02	13.62	14.32	3.63
	Prior period items (Net)	-	-	-	-	-	-
	Profit before exceptional, extraordinary items and tax (A-B)	797.01	143.61	0.02	13.62	14.32	3.63
	Exceptional items	-	-	-	-	-	-
	Profit before extraordinary items and tax	797.01	143.61	0.02	13.62	14.32	3.63
	Extraordinary items	-	-	-	-	-	-

Sr. No.	Particulars	For the period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
D	Profit before tax	797.01	143.61	0.02	13.62	14.32	3.63
	Tax expense :						
	(i) Current tax	211.54	30.48	-	7.22	4.22	0.69
	(ii) Deferred tax	7.05	(35.75)	(200.85)	29.29	(0.19)	222.40
	(iii) MAT credit	-	-	-	-	0.30	(0.30)
E	Total Tax Expense	218.59	(5.27)	(200.85)	36.51	4.33	222.79
		-	-	-	-	-	-
F	Profit/ (Loss) for the year/period (D-E)	578.42	148.88	200.88	(22.88)	9.99	(219.15)

STATEMENT OF CASH FLOW AS RESTATED

Annexure-III
(Rs. In Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Cash flow from operating activities:						
Net Profit before tax as per Profit And Loss A/c	797.01	143.61	0.02	13.62	14.32	3.63
Adjusted for:						
Depreciation & Amortization	329.12	530.23	300.46	13.42	27.86	28.53
Provision for gratuity	1.90	5.50	2.49	0.19	0.03	-
Interest & Finance Cost	164.78	218.97	238.03	2.03	0.84	13.65
Loss on sale of Fixed Asset	-	-	-	7.37	-	-
Difference in Income Tax due to Restatement	(0.21)	(0.01)	-	-	-	-
Profit from Futures & Options	-	-	(4.07)	-	-	-
Loss from equity trading	-	-	0.49	-	-	-
Rental income	-	-	-	-	(12.00)	(12.00)
Interest Received	(0.02)	(2.57)	(5.49)	-	-	(1.02)
Operating Profit Before Working Capital Changes	1,292.58	895.73	531.93	36.64	31.05	32.79
Adjusted for (Increase)/ Decrease:						
Increase/(decrease) in trade payables	640.17	311.59	55.08	84.44	57.96	122.02
Increase/(decrease) in short term loans and advances	(59.68)	(0.41)	(22.23)	195.89	(205.03)	94.93
Increase/(decrease) in other current liabilities	(115.23)	35.85	430.04	(137.56)	(21.38)	30.46
Increase/(decrease) in other current assets	(30.52)	(119.78)	(15.64)	(28.41)	(2.30)	6.06
Increase/(decrease) in short term borrowings	41.78	264.30	443.45	(1.00)	0.15	-
Decrease/(increase) in trade receivable	(813.55)	(321.16)	(201.47)	(4.61)	(11.12)	(0.54)
Decrease/(increase) in inventories	(535.91)	(152.45)	(390.18)	(1.14)	(2.28)	30.70
Decrease/(increase) in Short term Provision	-	-	-	4.00	(3.50)	(0.50)
Cash Generated From Operations Before Extra-Ordinary Items	419.64	913.68	830.98	148.25	(156.45)	315.92
Add:- Extra-Ordinary Items						
Cash Generated From Operations	419.64	913.68	830.98	148.25	(156.45)	315.92
Direct Tax Paid	(30.28)	-	(7.22)	(4.22)	(0.99)	(0.58)
Net Cash Flow from/(used in) Operating Activities: (A)	389.36	913.68	823.76	144.03	(157.44)	315.34
Cash Flow From Investing Activities:						
Purchase of Fixed Assets	(50.65)	(38.92)	(4,137.97)	(53.13)	(34.27)	(614.64)
Sale of Fixed Asset				212.63		
Increase/Decrease in Investment	(52.22)	(153.02)	65.71	(106.44)	(0.98)	-
Capital WIP	(563.21)	(1,087.34)	3,311.63	(2,813.29)	(503.96)	-
Movement of Loans and Advances	4.98	-	(0.10)	(12.52)	(4.09)	(7.41)
Rent Income	-	-	-	-	12.00	12.00
Loss from Equity Trading		-	(0.49)			

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Profit from Futures & Options	-	-	4.07	-	-	-
Interest received	0.02	2.57	5.49	-	-	1.02
Net Cash Flow from/(used in) Investing Activities: (B)	(661.09)	(1,276.71)	(751.66)	(2,772.75)	(531.30)	(609.03)
Cash Flow from Financing Activities:						
Proceeds From Share Capital	22.85	36.67	75.71	22.00	194.50	-
Proceeds From Share Application Money	-	-	-	-	-	164.50
Repayment of Share Application Money	-	-	-	-	(142.50)	-
Proceeds from borrowings (Net)	313.00	329.01	(284.43)	2,373.34	604.34	123.72
Other long term liabilities	9.04	20.00	(0.00)	8.59	36.49	-
Loan from Directors	-	-	-	-	-	0.85
Increase in share premium	114.27	183.33	54.29	159.82	-	-
Interest & Financial Charges	(164.78)	(218.97)	(238.03)	(2.03)	(0.84)	(13.65)
Increase in Capital Reserve (Subsidy)	-	-	246.21	178.64	-	-
Net Cash Flow from/(used in) Financing Activities (C)	294.38	350.04	(146.25)	2,740.35	691.99	275.42
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	22.64	(12.99)	(74.16)	111.63	3.26	(18.27)
Cash & Cash Equivalents As At Beginning of the Year/Period	33.81	46.80	120.96	9.33	6.07	24.34
Cash & Cash Equivalents As At End of the Year/Period	56.45	33.81	46.80	120.96	9.33	6.07

Notes:

3. The Cash Flow statement has been prepared under Indirect Tax Method as per Accounting Standard – 3 “Cash Flow Statements”

4. Figures in brackets represent outflow

The above statements should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and Loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I, II and IV (A) respectively.

Annexure IV: Basis of Preparation and Significant Accounting Policies of the Restated Standalone Financial Statements for the nine months ended December 31, 2017 and years ended March 31, 2017, 2016, 2015, 2014 and 2013.

1. General Information

Exclusive Fibers Limited incorporated as a limited company in India on 16th April, 2004 under the provision of Companies Act 1956, now Companies Act, 2013. The company is engaged in manufacturing of carpets and other textiles products.

2. Basis of Preparation of Restated Standalone Summary Financial Information

i. The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at December 31, 2017 and March 31, 2017, 2016, 2015, 2014 and 2013 and the related Restated Standalone Summary Statement of Profit and Loss and Cash Flows for the nine months ended December 31, 2017 and years ended March 31, 2017, 2016, 2015, 2014 and 2013 (collectively referred to as the 'Restated Standalone Summary Financial Information') have been prepared specifically for the purpose of inclusion in the Offer Documents to be filed with EMERGE platform of National Stock Exchange of India Limited in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

ii. The Restated Standalone Summary Financial Information has been prepared by applying necessary adjustments to:

a. the standalone financial statements ('financial statements') of the Company for the years ended March 31, 2017, 2016, 2015, 2014 and 2013, prepared and presented under the historical cost convention using the accrual system of accounting in accordance with the generally accepted accounting principles in India ('Indian GAAP'), the provisions of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act, 2013 (with effect from 01 April, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act")) read with Rule 7 of Companies (Accounts) Rules, 2014), to the extent applicable and in the manner so required, and ;.

b The Restated Standalone Summary Statement of Assets and Liabilities of the Company as on December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, and the Restated Standalone Summary Statement of Profit and Loss and Restated Summary Standalone Statements of Cash Flows for the period ended on December 31, 2017 and for the year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the annexure thereto (collectively, the "Restated Standalone financial Statements" or "Restated Standalone Summary Statements") have been extracted by the management from the Audited Financial Statements of the Company for the period ended December 31, 2017 and for the year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act")) read with Rule 7 of Companies (Accounts) Rules, 2014).

iii. With effect from 1 April, 2014, Schedule III notified under the Act, has become applicable to the Company for the preparation and presentation of its financial statements. Accordingly, previous years' figures have been regrouped/reclassified wherever applicable. Appropriate re-classifications/regrouping have been made in the Restated Standalone Summary Financial Information wherever required, to corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Company and the requirement

of SEBI Regulations. The financial statements are prepared in Indian rupees rounded off to the nearest lakhs.

3. Significant Accounting Policies:

3.1 Use of Estimates

The preparation of financial statements in conformity with GAAP in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. On an ongoing basis, estimates are evaluated based on historical experience and on various other assumptions that are believed to be reasonable, the results of which forms the basis for making judgments about the carrying value of assets and liabilities. Actual results could differ from those estimates. Any revision to estimates or difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

3.2 Fixed Assets

(i) Fixed assets are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any.

(ii) Expenditure on renovation/ modernization relating to existing fixed assets is added to the cost of such assets where it increases its performance/life significantly.

3.3 Depreciation

(i) Depreciation on tangible fixed assets has been provided as per Schedule II of the Companies Act, 2013 under which assets have been depreciated over their remaining life from 1st April, 2014 onwards. The total useful span of the assets being the one as prescribed under Schedule II of the Act.

(ii) No Depreciation is provided on land/ building under construction.

(iii) For the assets existing on 1st April 2014 and whose life from the date of their purchase has already exceeded the life prescribed under Schedule of the Act, 5% of their original cost is being carried forward as their residual value and no depreciation has been charged on them. Residual value is a part of closing WDV. The difference between their WDV as on 1st April, 2014 and their residual value has been adjusted through the profit & loss account for the year ending 31-03-2014.

(iv) For the assets existing on 1st April, 2014 which still have useful life as per the prescribed life, Depreciation has been provided on WDV basis on such rates so as to depreciate them up to 95% of their actual cost till their remaining life.

(v) For the assets purchased after 1st April 2014, the depreciation is being provided at the prescribed SLM rates on pro-rata basis over their prescribed life till the time their WDV reaches their residual value i.e. 5% of their original cost.

3.4 Revenue Recognition

Revenue is primarily derived from business of manufacturing of carpets. Revenue part also comprises of income from trading of Fabric. The Income and Expenditure are accounted on accrual basis. Revenue from sale of goods, net of trade discounts and sale returns, is recognized on transfer of significant risk and reward of ownership to the buyer. Interest income is accounted on accrual basis. Revenue from services are recognized when the services have been performed and excluding GST.

3.5 Provisions and contingent liabilities

(i) The Company creates a provision when there is a present obligation arising as result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date and are not discounted to its present value.

(ii) A disclosure for a contingent liability is made when there is a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

3.6 Inventory Valuation

Stock has been valued at cost or net realizable value whichever is lower. Raw material & Semi finished goods are valued at estimated cost price. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. It has been taken valued, verified and certified by the management.

3.7 Impairment of Assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impaired loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

3.8 Borrowing costs

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition/construction of qualifying assets are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of profit and loss. There is no borrowing cost during the year.

3.9 Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non-monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

3.10 Taxation

Provision for current taxes is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred Tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and laws that have been substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

3.11 Government Grants

Government grants of the nature of promoters’ contribution are credited to Capital Reserve and treated as a part of shareholders’ funds, however company has not received any grant during the reporting period.

3.12 Cash and Cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and financial institutions. The Company considers all liquid investments with are maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

3.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if the Company has a present obligation as a result of past event, a probable outflow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation, a present obligation arising from past events, when no reliable estimate is possible and a present obligation arising from past events, when the probability of outflow of resources is not remote.

Contingent Assets are neither recognized nor disclosed. Provisions & contingent liabilities are reviewed at each Balance Sheet date. This policy is also in line with ICDS-X.

3.14 Employees benefit

Provident Fund of the Regional Provident Fund Commissioner is a defined contribution scheme, and contribution made to Regional Provident Fund Commissioner is charged to Statement of profit & loss.

Company has provided Gratuity liability in books on certain specified employees in accordance with payment of Gratuity Act 1972 for which Provision has been made in books of accounts as per AS-15 “Employee Benefits” issued by the Institute of Chartered Accountant of India.

Liability towards Leave Entitlement Benefit is not provided by the Company. As stated by the management that leaves accrued in a year lapses automatically if not availed.

3.15 Investments

Investments are classified as long term or current based on intention of the management at the time of purchase.

Initially investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges. Dividend re-invested in case of mutual funds is added to the value of investment in mutual funds while corresponding credit is recorded in the Statement of Profit and Loss.

Current investments are carried in the financial statements at lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit & Loss.

3.16 Prior Period Items

Prior period items which arise in the current period as a result of 'errors' or 'omissions' in the financial statements prepared in earlier years affects changes in estimates of which are not treated as omission or error.

3.17 Earnings per Share:

Basic earnings per share is calculated by dividing net profit of the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.18 Operating Segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker (CODM), The CODM, who is responsible for deciding how to allocate resources and assessing performance of the operating segments. Exclusive Fiber's Chief operating decision maker is the Chief Executive Officer and Managing Director.

Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment. Accordingly, the disclosure requirements of Ind AS 108 are not applicable. However the details of segment reporting has been mentioned in the annexure XII.

ANNEXURE V: Notes to Accounts

1. Details of Share Capital

(Rs. In Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<u>Equity Share Capital</u>						
Authorized Share capital						
Equity Share of Rs. 10/- each	1,100.00	1,000.00	1,000.00	1,000.00	1,000.00	500.00
	1,100.00	1,000.00	1,000.00	1,000.00	1,000.00	500.00
Issued, Subscribed & Fully Paid Up Share Capital						
Equity Share of Rs. 10/- each	698.90	676.04	639.38	563.67	541.67	347.17
T O T A L	698.90	676.04	639.38	563.67	541.67	347.17

2. Reconciliation of number of shares outstanding at the end of year/period

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2017	As at December 31, 2017
Equity shares at the beginning of the year/period	67,60,431	63,93,769	56,36,660	54,16,660	63,93,769	67,60,431
Add: Shares Allotted during the year/period/Bonus Issue	2,28,537	3,66,662	7,57,109	2,20,000	3,66,662	2,28,537
Equity Shares at the end of the year/period	69,88,968	67,60,431	63,93,769	56,36,660	67,60,431	69,88,968
Weighted average no. of equity shares	69,69,854	64,35,367	59,59,088	55,09,592	64,35,367	69,69,854

3. Terms/ Rights attached to Equity Shares

The company has equity shares having a face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the company the holder of the equity share will be entitled to receive remaining assets after deducting all its liabilities in proportion to the no. of equity shares held.

Details of shareholders holding more than 5% of the aggregate shares in the company

Name of Shareholder	As at 31st December, 2017		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
1. Rajeev Kumar Aggarwal	28,51,687	40.80%	28,51,687	42.18%	28,10,021	43.95%	24,11,335	42.78%	22,21,435	41.01%	17,46,435	50.00%
2. Meenu Aggarwal	22,25,577	31.84%	22,25,577	32.92%	21,83,911	34.16%	18,85,225	33.45%	18,85,225	34.80%	17,25,225	50.00%
3. Exclusive Overseas Private Limited	5,30,000	7.58%	5,30,000	7.84%	5,30,000	8.29%	5,30,000	9.40%	5,30,000	9.78%	-	-
4. Shenzhen Properties Pvt. Ltd.	-	0.00%	-	0.00%	3,00,000	4.69%	3,00,000	5.32%	3,00,000	5.54%	-	-
Total	56,07,264	80.22%	56,07,264	82.94%	58,23,932	91.09%	51,26,560	90.95%	49,36,660	91.13%	34,71,660	100.00%

3. DETAILS OF RESERVES & SURPLUS AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<u>Capital Reserve</u>						
Opening Balance	179.01	179.01	179.01	-	-	-
Add: Subsidy received	-	-	-	179.01	-	-
Closing Balance	179.01	179.01	179.01	179.01	-	-
<u>Subsidy</u>						
Opening Balance	246.21	246.21	-	-	-	-
Add: Subsidy received from TUFs	-	-	246.21	-	-	-
Closing Balance	246.21	246.21	246.21	-	-	-
<u>Security Premium</u>						
Opening Balance	401.59	218.26	163.97	4.14	4.14	119.87
Add: Share premium	114.27	183.33	54.29	159.82	-	-
Less: utilized for bonus	-	-	-	-	-	115.72
Closing Balance	515.86	401.59	218.26	163.97	4.14	4.14
<u>Surplus/ (Deficit) (Profit & Loss Account)</u>						
Opening Balance	129.64	(19.24)	(220.14)	(197.26)	(207.25)	11.90
Add: Profit/ (Loss) for the year/period	578.42	148.88	200.88	(22.88)	9.99	(219.15)
Closing Balance	708.06	129.64	(19.24)	(220.14)	(197.26)	(207.25)
T O T A L	1,649.12	246.21	624.22	122.84	(193.12)	(203.12)

4. SHARE APPLICATION MONEY PENDING ALLOTMENT

In the Financial Year 2012-13 company had received Rs. 2,06,50,000/- share application money from various parties out of which 64,00,000/- had been returned and for the rest of the amount company issued equity shares of Rs. 10 each at face value till March 2014.

5. - DETAILS OF LONG TERM BORROWINGS AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Secured						
Payable to GIDC	-	-	-	-	24.69	123.79
Term loan from Corporation Bank	1,562.70	1,813.09	2,134.22	2,535.95	707.60	6.21
Auto loan from HDFC Bank	2.77	9.53	23.48	7.35	2.05	-
Buyers Credit on Capital Goods	665.55	665.55	665.55	564.37	-	-
Term Loan from PNB	882.28	664.09	-	-	-	-
PCLS Loan Account	306.33	-	-	-	-	-
Foreign LC	45.62	-	-	-	-	-
T O T A L	3,465.25	3,152.25	2,823.24	3,107.67	734.34	130.00

(a) Loan From GIDC (Gujarat Industrial Development Corporation): Loan of Rs. 2,86,33,441/- given by the GIDC for purchase of land at 14% rate of interest during FY 2012-13.

(b) Terms of Repayment of Other Loans

Name of Bank	Facility Type	Loan Amount (Rs. In Lakhs)	Rate of Interest (%)	Repayment Terms (Monthly/Quarterly)	Outstanding as on December, 31 2017 (Rs. In Lakhs)	Security as per loan agreement
Corporation Bank Limited	Term Loan	2148.00	One Year MCLR + 6.70% i.e. 15.45%.	84 Monthly	1565.06	Hypothecation/First Charge on P&M and other moveable assets. EMG/First Charge on Factory Land & Building.
Corporation Bank Limited	Term Loan	489.00	One Year MCLR + 6.70% i.e. 15.45%.	84 Monthly	333.99	Hypothecation /First Charge on P&M and other moveable assets EMG/First Charge on Factory Land & Building.
Corporation Bank Limited	Car Loan	9.00	9.95%	35 monthly	6.46	Against Hypothecation of Car and personal Guarantee of Directors
Corporation Bank Limited	CC	700.00	One Year MCLR + 5.70% i.e. 14.45%.	Running account repayable on demand.	708.79	Hypothecation /First Charge on Inventory Cum Book Debts/All Current Assets of the Company.

Name of Bank	Facility Type	Loan Amount (Rs. In Lakhs)	Rate of Interest (%)	Repayment Terms (Monthly/Quarterly)	Outstanding as on December, 31 2017 (Rs. In Lakhs)	Security as per loan agreement
Corporation Bank Limited	PCL	300.00	One Year MCLR + 0.60% i.e. 9.35%.	Running account repayable on demand.	306.34	Hypothecation /First Charge on Inventory Cum Book Debts/All Current Assets of the Company.
Corporation Bank Limited	Foreign LC(RM)	150.00	Sub Limit of CC (14.45%)	LC-DP/DA (if DA, usance not exceeding 90 days)	45.62	Hypothecation /First Charge on Inventory Cum Book Debts/All Current Assets of the Company.
Corporation Bank Limited	BCR(RM)	150.00	Sub Limit of CC (14.45%)	360 days/within the operating cycle whichever is lesser	28.84	Hypothecation /First Charge on Inventory Cum Book Debts/All Current Assets of the Company.
Corporation Bank Limited	BCR(CG)	1000.00	Sub Limit of Term Loan (15.45%)	Usance 36 months	665.54	Hypothecation /First Charge on P&M and other moveable assets EMG/First Charge on Factory Land & Building.
Punjab National Bank Limited	Term Loan	2100.00	Base Rate + 1.50% + TP i.e. 11.60%	20 Quarterly	139.65	1. Hypothecation of Plant & Machinery, Electric Equipment's & Installation & Miscellaneous Fixed Assets. Our Bank shall have exclusive first charge on assets financed being primary security i.e. Plant & Machinery and Buildings. 2. Equitable mortgage of factory land located at D-2/E-16, Dahej-II, Industrial Estate, Mouje Gajenda, GIDC Industrial Estate Dist. Bharuch (Gujarat) on Pari-Passu basis with Corporation Bank having Land Area 53591.99 Sqmt.

Name of Bank	Facility Type	Loan Amount (Rs. In Lakhs)	Rate of Interest (%)	Repayment Terms (Monthly/Quarterly)	Outstanding as on December, 31 2017 (Rs. In Lakhs)	Security as per loan agreement
Punjab National Bank Limited	FCTL	4300.00	6 Months LIBOR + 5.50%	20 Quarterly	742.63	As Applicable to Existing as well as proposed term loans. Matching DP to be earmarked.
HDFC Bank Limited	Commercial Vehicle Loan	6.00	12.51%	48 Monthly	2.47	Against Hypothecation of Car and personal Guarantee of Directors
HDFC Bank Limited	Car Loan	11.00	10.51%	60 Monthly	4.12	Against Hypothecation of Car and personal Guarantee of Directors
HDFC Bank Limited	Commercial Vehicle Loan	13.00	12.01%	48 Monthly	5.04	Against Hypothecation of Car and personal Guarantee of Directors

6. - DEFERRED TAX ASSET/LIABILITY

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
WDV as per book	4,544.19	4,822.66	5,313.97	1,476.46	1,656.37	1,649.96
WDV as per IT	4,461.13	4,770.86	5,146.24	660.71	935.45	928.37
Time Difference (Liability)	83.06	51.80	167.73	815.75	720.92	721.59
Disallowance u/s 35D	-	-	-	(0.31)	(0.44)	(0.52)
Gratuity	(1.90)	(5.50)	(2.49)	(0.19)	(0.03)	-
Timing Difference (Asset)	(1.90)	(5.50)	(2.49)	(0.50)	(0.47)	(0.52)
Net Timing Difference (A)	81.16	46.30	165.24	815.25	720.45	721.07
Tax Rate (B)	27.55%	33.06%	30.90%	30.90%	30.90%	30.90%
Closing DTL/(DTA) {A*B}	22.36	15.31	51.06	251.91	222.62	222.81
As per B/s DTL opening	15.31	51.06	251.91	222.62	222.81	0.41
Transfer to P & L A/c	(7.05)	35.75	200.85	(29.29)	0.19	(222.40)

7. - OTHER LONG TERM LIABILITIES AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Security deposits from parties	45.00	45.00	25.00	25.00	25.00	-
Retention Money	29.11	20.08	20.08	20.08	11.49	-
TOTAL	74.11	65.08	45.08	45.08	36.49	-

8. - DETAILS OF LONG TERM PROVISIONS AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2014
Others						
Provision for Gratuity	10.11	8.21	2.71	0.22	0.03	0.03
T O T A L	10.11	8.21	2.71	0.22	0.03	0.03

9. DETAILS OF SHORT TERM BORROWINGS AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<u>Secured</u>						
Foreign Currency Loan- Buyer's credit on Raw Material	28.84	-	154.73	-	-	-
Corporation Bank CC	708.79	707.75	288.71	-	-	-
<u>Unsecured</u>						
Loans from Related Parties	11.89	-	-	-	1.00	0.85
T O T A L	749.52	707.75	443.45	-	1.00	0.85

10. - TRADE PAYABLES AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Trade Payables						
Trade payables due to MSME	-	-	-	-	-	-
Trade payables due to Other Parties	1271.26	631.09	319.5	264.42	179.98	122.02
TOTAL	1271.26	631.09	319.5	264.42	179.98	122.02

11. - DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<u>Other Current Liabilities</u>						
Share application money	-	-	-	-	-	64.00
Statutory Dues Payable*	2.50	1.35	0.38	1.42	9.72	1.97
Advance against property	-	-	-	-	15.00	-
Payable to Party (Hari Construction)	-	-	-	-	17.47	-
Credit card balance payable	3.75	4.04	1.95	-	-	-

Advance received from Customers	27.37	30.59	4.76	-	-	-
Current Maturities of Long Term Debt						
Payable to GIDC	-	-	-	28.35	127.97	127.64
Term Loan from Corporation Bank	342.81	457.08	457.08	-	-	-
Auto loan from HDFC	8.86	7.47	0.51	4.90	2.07	-
T O T A L	385.29	500.53	464.68	34.67	172.23	193.61

*Statutory Dues primary include payables in respect of Excise Duty, Service Tax, VAT, Professional Tax, PF and Tax Deducted at Source.

12. - DETAILS OF SHORT TERM PROVISIONS AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Provision for Income Tax	211.54	30.48	-	7.22	0.22	0.19
T O T A L	211.54	30.48	-	7.22	0.22	0.19

13. - DETAILS OF FIXED ASSETS AS RESTATED

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2012	Additions during the Year	Deletion during the Year	As at March 31, 2013	As at April 1, 2012	Depreciation charge for the year	Depreciation Reversed on Sale	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013
<u>Tangible Assets</u>										
Land	62.75	1,333.78	-	1,396.53	-	-	-	-	62.72	1,396.53
Building	306.02	-	-	306.02	28.15	27.79	-	55.94	306.02	250.08
Office Equipment	4.09	0.15	-	4.24	0.27	0.74	-	1.01	3.82	3.23
Sub-Total	372.86	1,333.93	-	1,706.79	28.42	28.53	-	56.95	372.56	1,649.84
<u>Intangible Assets</u>										
Software	-	-	-	-	-	-	-	-	-	-
	-	0.12	-	0.12	-	-	-	-	-	0.12
Sub-Total	-	0.12	-	0.12	-	-	-	-	-	0.12
<u>Capital WIP</u>	-	4.30	-	4.30	-	-	-	-	-	4.30
Total	372.86	1,338.35	-	1,711.21	28.42	28.53	-	56.95	372.56	1,654.26
Previous Year	-	-	-	-	-	-	-	-	-	-

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2013	Additions during the Year	Deletion during the Year	As at March 31, 2014	As at April 1, 2013	Depreciation charge for the year	Depreciation Reversed on Sale	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014
<u>Tangible Assets</u>										
Land	-	-	-	-	-	-	-	-	-	-
	1,396.53	25.00	-	1,421.53	-	-	-	-	1,396.53	1,421.53
Building	306.02	-	-	306.02	55.94	25.00	-	80.94	250.08	225.08

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2013	Additions during the Year	Deletion during the Year	As at March 31, 2014	As at April 1, 2013	Depreciation charge for the year	Depreciation Reversed on Sale	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014
Office Equipment	4.24	2.12	-	6.36	1.01	1.14	-	2.15	3.23	4.21
Vehicles	-	7.14	-	7.14	-	1.69	-	1.69	-	5.45
	-	-	-	-	-	-	-	-	-	-
Sub-Total	1,706.79	34.27	-	1,741.06	56.95	27.83	-	84.78	1,649.84	1,656.28
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Software	0.12	-	-	0.12	-	0.03	-	0.03	0.12	0.09
	-	-	-	-	-	-	-	-	-	-
Sub-Total	0.12	-	-	0.12	-	0.03	-	0.03	0.12	0.09
	-	-	-	-	-	-	-	-	-	-
Capital WIP	4.30	503.96	-	508.26	-	-	-	-	-	508.26
	-	-	-	-	-	-	-	-	-	-
Total	1,711.21	538.23	-	2,249.45	56.95	27.86	-	84.81	1,649.96	2,164.63
Previous Year	372.86	1,338.35	-	1,711.21	28.42	28.53	-	56.95	372.56	1,654.26

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2014	Additions during the Year	Deletion during the Year	As at March 31, 2015	As at April 1, 2014	Depreciation charge for the year	Depreciation Reversed on Sale	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015
Tangible Assets	-	-	-	-	-	-	-	-	-	-
Land	1,421.53	37.96	-	1,459.49	-	-	-	-	1,421.53	1,459.49
Building	306.02	-	306.02	0.00	80.94	5.41	86.35	-	225.08	0.00
Office Equipment	6.36	1.30	-	7.66	2.11	2.94	-	5.05	4.25	2.61
Vehicles	7.14	13.88	-	21.02	1.69	5.04	-	6.73	5.45	14.29
	-	-	-	-	-	-	-	-	-	-
Sub-Total	1,741.06	53.13	306.02	1,488.17	84.74	13.39	86.35	11.78	1,656.32	1,476.39
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Software	0.12	-	-	0.12	0.03	0.03	-	0.06	0.09	0.06
	-	-	-	-	-	-	-	-	-	-

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2013	Additions during the Year	Deletions during the Year	As at March 31, 2014	As at April 1, 2013	Depreciation charge for the year	Depreciation Reversed on Sale	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014
Sub-Total	0.12	-	-	0.12	0.03	0.03	-	0.06	0.09	0.06
Capital WIP	-	-	-	-	-	-	-	-	-	-
Total	2,249.45	2,866.42	306.02	4,809.85	84.77	13.42	86.35	11.84	2,164.67	4,798.01
Previous Year	1,711.21	538.23	-	2,249.45	56.95	27.86	-	84.81	1,649.96	2,164.63

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2015	Additions during the Year	Deletions during the Year	As at March 31, 2016	As at April 1, 2015	Depreciation charge for the year	Depreciation Reversed on Sale	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016
Tangible Assets	-	-	-	-	-	-	-	-	-	-
Land	1,459.49	575.71	-	2,035.20	-	-	-	-	1,459.49	2,035.20
Building Plant & Machinery	0.00	1,220.65	-	1,220.65	-	59.13	-	59.13	0.00	1,161.53
Office Equipment	-	2,023.90	-	2,023.90	-	188.87	-	188.87	-	1,835.03
Furniture & Fixtures	7.66	43.96	-	51.62	5.05	11.56	-	16.61	2.61	35.01
Vehicles	-	51.73	-	51.73	-	6.60	-	6.60	-	45.13
Equipment's & Electrical Installations	21.02	22.98	-	44.00	6.73	8.11	-	14.84	14.29	29.16
	-	198.43	-	198.43	-	26.13	-	26.13	-	172.31
Sub-Total	1,486.90	4,137.35	-	5,624.25	11.78	300.39	-	312.17	1,475.12	5,313.36
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Software	0.06	0.62	-	0.69	-	0.07	-	0.07	0.06	0.62

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2013	Additions during the Year	Deletions during the Year	As at March 31, 2014	As at April 1, 2013	Depreciation charge for the year	Depreciation Reversed on Sale	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014
	-	-	-	-	-	-	-	-	-	-
Sub-Total	0.06	0.62	-	0.69	-	0.07	-	0.07	0.06	0.62
Capital WIP	-	-	-	-	-	-	-	-	-	-
	3,321.55	9.92	3,321.55	-	-	-	-	-	-	9.92
	-	-	-	-	-	-	-	-	-	-
Total	4,808.51	4,147.89	3,321.55	5,624.94	11.78	300.46	-	312.24	1,475.18	5,323.89
Previous Year	2,249.45	2,866.42	306.02	4,809.85	84.77	13.42	86.35	11.84	2,164.67	4,798.01

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions during the Year	Deletions during the Year	As at March 31, 2017	As at April 1, 2016	Depreciation charge for the year	Depreciation Reversed on Sale	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017
<u>Tangible Assets</u>										
Land	2,035.20	6.64	-	2,041.83	-	-	-	-	2,035.20	2,041.83
Building Plant & Machinery	1,220.65	5.47	-	1,226.12	59.13	110.77	-	169.89	1,161.53	1,056.23
Office Equipment	2,023.90	9.66	-	2,033.56	188.87	334.12	-	522.99	1,835.03	1,510.57
Furniture & Fixtures	51.62	3.13	-	54.74	16.61	17.28	-	33.89	35.01	20.86
Vehicles	51.73	0.88	-	52.61	6.60	11.80	-	18.40	45.13	34.21
Equipment's & Electrical Installations	44.00	11.56	-	55.56	14.84	11.06	-	25.90	29.16	29.66
	198.43	1.59	-	200.02	26.13	45.07	-	71.20	172.31	128.82
Sub-Total	5,624.25	38.92	-	5,663.16	312.17	530.09	-	842.26	5,312.08	4,822.18
<u>Intangible Assets</u>										
Software	-	-	-	-	-	-	-	-	-	-
	0.69	-	-	0.69	0.07	0.14	-	0.21	0.62	0.48

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions during the Year	Deletions during the Year	As at March 31, 2017	As at April 1, 2016	Depreciation charge for the year	Depreciation Reversed on Sale	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017
	-	-	-	-	-	-	-	-	-	-
Sub-Total	0.69	-	-	0.69	0.07	0.14	-	0.21	0.62	0.48
Capital WIP	-	-	-	-	-	-	-	-	-	-
	-	1,097.26	-	1,097.26	-	-	-	-	-	1,097.26
	-	-	-	-	-	-	-	-	-	-
Total	5,624.94	1,136.18	-	6,761.11	312.24	530.23	-	842.47	5,312.70	5,919.92
Previous Year	4,808.51	4,147.89	3,321.55	5,624.94	11.78	300.46	-	312.24	1,475.18	5,323.89

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2017	Additions for the period ended 31, December 2017	Deletions for the period ended 31, December 2017	As at December 31, 2017	As at April 1, 2016	Depreciation charge for the period ended 31, December 2017	Depreciation Reversed on Sale	As at December 31, 2017	As at March 31, 2017	As at December 31, 2017
Tangible Assets	-	-	-	-	-	-	-	-	-	-
Land	2,041.83	43.77	-	2,085.60	-	-	-	-	2,040.56	2,085.60
Building	1,226.12	-	-	1,226.12	169.89	75.65	-	245.55	1,056.23	980.57
Plant & Machinery	2,033.56	3.47	-	2,037.03	522.99	206.72	-	729.71	1,510.57	1,307.32
Office Equipment	54.74	3.34	-	58.08	33.89	8.19	-	42.07	20.86	16.01
Furniture & Fixtures	52.61	0.07	-	52.68	18.40	6.70	-	25.10	34.21	27.58
Vehicles	55.56	-	-	55.56	25.90	6.55	-	32.45	29.65	23.11
Equipment's & Electrical Installations	200.02	-	-	200.02	71.20	25.20	-	96.40	128.82	103.61
	-	-	-	-	-	-	-	-	-	-
Sub-Total	5,663.16	50.65	-	5,713.82	842.26	329.01	-	1,171.28	4,820.90	4,543.81
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Software	0.69	-	-	0.69	0.21	0.10	-	0.31	0.48	0.38

	-	-	-	-	-	-	-	-	-	-
Sub-Total	0.69	-	-	0.69	0.21	0.10	-	0.31	0.48	0.38
	-	-	-	-	-	-	-	-	-	-
Capital WIP	1,097.26	563.21	-	1,660.47	-	-	-	-	1,097.26	1,660.47
	-	-	-	-	-	-	-	-	-	-
Total	6,761.11	613.86	-	7,374.98	842.47	329.12	-	1,171.59	5,918.64	6,204.66
Previous Year	5,624.94	1,136.18	-	6,761.11	312.24	530.23	-	842.47	5,312.70	5,919.92

14. - DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<u>Non-Current Investments</u>						
Equity instruments of Exclusive Carpets Pvt. Ltd.	-	-	-	0.98	0.98	-
Number of Shares	-	-	-	9,800	9,800	-
Face Value per share	-	-	-	10	10	-
Premium per share	-	-	-	-	-	-
Quoted/Unquoted	-	-	-	Unquoted	Unquoted	-
Party paid/ Fully paid	-	-	-	Fully	Fully	-
Extent of holding	-	-	-	98%	98%	-
Amount	-	-	-	98,000	98,000	-
Basis of Valuation				Cost	Cost	Cost
Equity instruments of Exclusive Overseas Pvt. Ltd.	176.00	176.00	-	-	-	-
Number of Shares	298,305	298,305	-	-	-	-
Face Value per share	49	49	-	-	-	-
Premium per share	10	10	-	-	-	-
Quoted/Unquoted	Unquoted	Unquoted	-	-	-	-
Party paid/ Fully paid	Fully	Fully	-	-	-	-
Extent of holding	22.53	23	-	-	-	-
Amount	17,599,995	17,599,995	-	-	-	-
Basis of Valuation	Cost	Cost	-	-	-	-
Fixed deposits	70.95	18.73	41.71	106.44	-	-
TOTAL	246.95	194.73	41.71	107.42	0.98	-

15. - DETAILS OF LONG TERM LOANS & ADVANCES AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<u>Unsecured considered good</u>						
Security Deposit with Parties	16.73	21.70	21.70	21.60	9.09	5.00
T O T A L	16.73	21.70	21.70	21.60	9.09	5.00

16. - DETAILS OF INVENTORIES AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Raw materials	217.70	84.10	191.78	-	-	-
Work-in-progress	220.33	-	-	-	-	-
Finished goods	649.78	467.80	207.67	9.27	8.13	5.85
T O T A L	1,087.81	551.90	399.45	9.27	8.13	5.85

17. - DETAILS OF TRADE RECEIVABLES AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<u>Unsecured, considered good</u>						
-						
<u>Debtors Less than 6 Months</u>						
From Related Parties	53.49	47.25	-	-	-	-
From Other than Related Parties	709.42	252.35	-	-	11.66	0.54
	762.91	299.60	-	-	11.66	0.54
<u>Debtors more than 6 Months</u>						
From Related Parties	-	-	-	-	-	-
From Other than Related Parties	589.54	239.29	217.74	16.27	-	-
	589.54	239.29	217.74	16.27	-	-
T O T A L	1,352.45	538.89	217.74	16.27	11.66	0.54

18. - DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
(a) Cash in hand	18.65	6.02	13.44	2.92	6.68	2.81
(b) Balances with Banks:						
- in current accounts	37.8	27.79	33.36	118.04	2.65	3.26
- Recurring deposits	-	-	-	-	-	-
TOTAL	56.45	33.81	46.80	120.96	9.33	6.07

19. - DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Advance to supplier	90.73	31.05	30.29	9.14	-	-
Balance with Broker	0.72	0.72	1.08	-	-	-
Advance for Capital Goods	-	-	-	-	201.28	-
PNB ISL	-	-	-	-	3.75	-
T O T A L	91.45	31.78	31.37	9.14	205.03	-

20. - DETAILS OF OTHER CURRENT ASSETS AS RESTATED

(Rs. in Lakhs)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
MAT Credit Entitlement	-	-	-	-	-	0.30
Advance with Public Bodies*	80.79	7.19	48.66	34.18	5.84	3.46
Interest Receivable on FDR	1.12	1.12	1.00	-	-	-
Prepaid Insurance	0.62	0.57	0.39	0.09	-	-
Advance Salary	-	-	0.06	-	-	-
Other Receivables (for expense)	0.05	-	-	0.20	0.22	-
Interest Subsidy Receivable	117.83	161.01	-	-	-	-
T O T A L	200.41	169.89	50.11	34.47	6.06	3.76

*Advance with public bodies primarily relate to duty credit entitlements, Income Tax refunds, Sales Tax refunds, TDS Receivable and Input available under GST Law.

21. - REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Revenue from Operations						
Export	685.99	825.19	446.89	-	-	-
Domestic	2,530.57	1,668.12	1,004.40	1,118.75	985.40	980.33
Total	3,216.56	2,493.31	1,451.29	1,118.75	985.40	980.33
Sale of Manufactured Goods	3,216.56	2,493.31	479.96	-	-	-
Sale of Traded Goods	-	-	971.32	1,118.75	985.40	980.33
Sale of Services	-	-	-	-	-	-
Turnover in respect of products not normally dealt with	-	-	-	-	-	-
Total	3,216.56	2,493.31	1,451.29	1,118.75	985.40	980.33
Other Operating Income						
Duty Drawback	-	51.77	-	-	-	-
Revenue from operations (Gross)	3,216.56	2,545.08	1,451.29	1,118.75	985.40	980.33

22. - DETAILS OF OTHER INCOME AS RESTATED

(Rs. in Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Other income						
Interest on FDR	0.02	2.50	5.40	9.14	-	1.02
Rent	-	-	-	-	12.00	12.00
Misc. Income	0.73	-	0.28	-	0.20	0.01
Discount Received	1.26	0.10	0.38	-	-	-
Interest on Security Deposit- DGVCL	-	0.08	0.08	-	-	-
Profits from Future Options	-	-	4.07	-	-	-
Loss from Equity trading	-	-	(0.49)	-	-	-
Provision for salary written back	-	-	0.05	-	-	-
Liabilities written off	3.87	22.11	14.38	-	-	-
Foreign Exchange Profit	-	19.53	-	-	-	-
Transport Expenses Received	0.58	-	-	-	-	-
Refund of Commission on Bank Guarantee	-	0.61	-	-	-	-
Profit from Mutual Funds	-	0.03	-	-	-	-
Sampling Charges Recovered	0.02	-	-	-	-	-

Excess Provision for Tax Written Back	-	-	0.48	0.30	-	-
TOTAL	6.48	44.95	24.64	9.44	12.20	13.03

23. - COST OF MATERIAL CONSUMED

(Rs. In Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Material Consumed						
Inventory at the beginning of the year/period	84.1	191.78	-	-	-	-
Add: Purchase	2218.33	1521.94	408.89	-	-	-
Add: Direct Expense						
Power and Fuel	14.55	22.87	9.11	-	-	-
Clearing charges	7.65	0.85	-	-	-	-
Custom Duty	48.73	-	23.16	-	-	-
Excise Duty (Exp.)	-	-	1.77	-	-	-
Less: Input of IGST	76.11	-	-	-	-	-
Less: inventory at the end of the year/period	217.7	84.1	191.78	-	-	-
TOTAL	2,079.55	1,653.34	251.15	-	-	-

24. - PURCHASE OF STOCK-IN-TRADE GOODS

(Rs. In Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Purchase of Stock-in-Trade Goods	-	-	689.33	1037.85	887.61	875.77
TOTAL	-	-	689.33	1,037.85	887.61	875.77

25. - CHANGE IN STOCK

(Rs. In Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Opening Stock						
Work in progress	-	-	-	-	-	-
Finished Goods						
Traded Goods	-	-	9.26	8.13	5.85	36.55
Manufactured Goods	467.80	207.67	-	-	-	-
Total	467.80	207.67	9.26	8.13	5.85	36.55
Closing Stock						

Work in progress	220.33	-	-	-	-	-
Finished Goods						
Traded Goods	-	-	-	9.27	8.13	5.85
Manufactured Goods	649.78	467.79	207.67	-	-	-
Total	870.11	467.79	207.67	9.27	8.13	5.85
Increase/Decrease in Stock	(402.31)	(260.12)	(198.41)	(1.14)	(2.28)	30.70

26. - EMPLOYEES BENEFIT EXPENSES

(Rs. In Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Staff welfare expenses	0.89	1.92	1.02	1.60	0.77	0.08
Salary	44.32	46.41	29.13	5.14	10.20	4.00
Wages	56.63	78.13	35.62	-	-	-
Director Salary	27.00	36.00	36.00	18.00	18.00	3.84
Bonus	0.59	-	-	-	-	-
Employer contribution to PF	1.27	2.26	-	-	-	-
Provision for Gratuity	1.90	5.50	2.49	0.19	0.03	-
TOTAL	132.60	170.22	104.26	24.93	29.00	7.92

27. - FINANCE COST

(Rs. In Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Interest paid to Banks						
Corporation Bank CC (Dahej)	0.86	1.04	0.49	-	-	0.50
Corporation CC a/c	75.61	37.86	9.83	-	-	-
Term Loan	72.09	114.42	191.99	-	-	-
Buyers Credit	0.48	3.73	1.68	-	-	-
Export Bill Discounting	-	37.57	-	-	-	-
PCL	6.34					
Bank Charges	6.52	18.35	20.48	0.33	0.04	0.21
Other Charges						
Processing Charges	0.45	0.49	1.36	0.33	-	12.91
LC Charges	0.57	0.29	1.16	-	-	-
Buyers Credit Charges	-	-	5.65	-	-	-
Renewal Charges	-	2.01	1.50	-	-	-
Bank Guarantee Charges	-	-	0.34	-	-	-
Bank Remittance Charges	-	0.49	0.11	-	-	-
Mortgage Charges	-	0.29	-	-	-	-
Interest on income tax	-	-	0.36	0.14	0.02	0.03

Interest on Service Tax		0.02	0.01	0.04	0.26	-
Interest on TDS	0.09	0.01	0.06	0.10	0.14	-
Vehicle Loans						
Car Loan	1.27	2.40	3.00	1.09	0.38	-
Vehicle Loans	0.50	-	-	-	-	-
TOTAL	164.78	218.97	238.03	2.03	0.84	13.65

28. - OTHER EXPENSES

(Rs. In Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Indirect Expenses						
Administrative Expenses						
Power & Fuel	-	-	-	-	0.62	0.53
Admin Charges(PF)	0.93	0.15	-	-	-	-
Architect Expenses	-	-	0.04	-	-	-
Accommodation Expenses	3.86	5.26	-	-	-	-
Conveyance	4.25	6.7	6.85	1.96	1.47	0.70
Digital signature expenses	-	-	0.02	0.05	-	-
Festival Expenses	2.27	2.31	0.19	-	-	-
Donation	-	-	-	0.32	-	-
Expenses on issue of shares		0.04	-	0.06	-	-
Fees & subscription	0.43	2.07	2.61	1.38	0.74	0.23
Filing fees	0.92	0.13	0.14	0.47	2.53	1.35
Foreign Exchange Loss	1.59	9.54	9.50	-	4.77	-
Excess Income Tax due to Restatement	1.94	-	-	-	-	-
Insurance	3.25	4.09	1.37	0.38	-	-
Internet charges	0.63	0.8	0.31	-	-	-
Inspection Charges	0.28	1.34	0.56	-	-	-
Installation charges	0.09	0.76	-	-	-	-
Misc. Expenses	0.76	0.27	1.87	0.12	0.08	0.07
Legal Expenses	0.18	0.23	0.24	-	-	-
Loss on sale of fixed assets	-	-	-	7.37	-	-
Office expenses	8.55	1.1	0.42	1.34	1.16	0.25
Plantation expenses	0.03	0.48	-	-	-	-
Postage & courier	2.09	2.37	0.91	0.05	0.19	0.07
Printing & stationery	1.06	1.72	0.84	0.56	0.45	0.20
Professional fees	7.58	9.57	4.29	1.98	2.19	7.60
Property tax	-	-	0.11	0.11	0.11	0.12
Revenue charges for land	-	-	-	-	-	3.96
Recruitment charges	0.41	0.21	-	0.40	-	-
Rent	4.07	2.52	4.25	-	-	-

Repair & Maintenance	2.79	7.24	3.65	1.23	1.55	1.06
Service tax	0.09	0.05	-	-	-	-
Security Expenses	9.99	14.61	6.35	-	-	-
Stores and spares	1.62	4.66	0.70	-	-	-
Survey charges	-	-	-	0.20	-	-
Sundry expenses/refunds written off	-	-	0.43	-	0.03	-
Telephone expenses	1.46	1.95	0.91	0.18	0.84	0.28
Tour & Travel	27.79	24.16	11.58	4.75	9.44	6.53
Transportation expenses	1.04	3.05	1.55	-	-	-
Water and Gas expenses	0.41	0.56	0.58	-	0.16	0.07
Payment to Auditors :						
Audit Fee	0.99	0.86	1.03	0.90	0.28	0.15
Tax audit fees		0.69	0.46	0.45	0.11	0.10
Taxation Matter			0.23	0.11	0.36	0.30
Company Law matter			-	-	-	0.05
Selling & Distribution Expenses						
Advertisement expenses	0.04	0.04	0.18	0.61		
Business Promotion	3.07	4.45	4.30	3.38	2.94	0.53
Freight & Carriage	0.25	2.02	2.40	9.12	10.23	9.01
Loading Charges		0.03	0.10	-		
Lodging Expense			0.28	-		
Packing Charges	1.00	3.99	3.81	-		
Shipping charges	26.58	13.76	17.16	-		
Wrapping expenses			0.87	-	-	
Grand Total	122.29	133.78	91.09	37.47	40.25	33.16

29. - DETAILS OF CONTINGENT LIABILITY AS RESTATED

There is no contingent liability of the company in any of the Restated Years/period.

ANNEXURE – VII

Capitalization Statement as at 31st December 2017

(Rs. In Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	749.52	[●]
Long Term Debt (B)	3,465.25	[●]
Total debts (C)	4,214.78	[●]
Shareholders' funds		
Equity share capital	698.90	[●]
Reserve and surplus - as restated	1,649.12	[●]
Total shareholders' funds	2,348.02	[●]
Long term debt / Shareholders funds	1.48	[●]
Total debt / Shareholders funds	1.80	[●]

ANNEXURE – VI

(Rs. In Lakhs)

Earnings Per Share

Sr · N o	EARNINGS PER SHARE	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	As at December 31, 2017
	Profit/ (Loss) for the period attributable to Equity Shareholder	(219.15)	9.99	(22.88)	200.88	148.88	578.42
	No of weighted average equity shares outstanding during the year/period	34,71,660	44,17,550	55,09,592	59,59,088	64,35,367	69,69,854
	Nominal Value of Equity Share	10	10	10	10	10	10
	Basic and Diluted Earnings Per Share	-6.31	0.23	-0.42	3.37	2.31	8.30
Sr · N o	ADJUSTED EARNINGS PER SHARE AFTER BONUS ISSUE	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	As at December 31, 2017
	No of weighted average adjusted equity shares outstanding during the year/period**	69,66,146	79,12,036	90,04,078	94,53,574	99,29,853	1,04,64,340
	Adjusted Earning per equity share(face value of Rs.10/- each): Basic and Diluted	-3.15	0.13	-0.25	2.12	1.50	5.53

*Since the bonus issue is an issue without consideration, the issue is treated as if it had occurred prior to the beginning of the year 2013, the earliest period reported.

** Adjusted EPS has been calculated considering the effect of the bonus issue made in March 2018 in all the Restated Financial Years.

ANNEXURE – VIII - Statement of Tax Shelters

(Rs. in Lakhs)

Particulars	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Profit before tax as per books	797.01	143.61	0.02	13.62	14.32	3.63
Tax Rate (%)	27.55%	30.90%	30.90%	30.90%	30.90%	30.90%
Adjustments :						
Permanent Differences						
Expenses disallowed under Income Tax Act, 1961						
ROC Fees	-	-	-	-	2.50	1.30
Interest on Income Tax/TDS	0.10	0.01	0.43	0.24	0.16	0.03
Property Tax	-	-	-	-	0.11	0.12
Donation	-	-	-	0.32	-	-
Digital Signature Expenses	-	-	-	0.05	-	-
Expenses on issue of shares	-	0.04	-	0.06	-	-
Professional Tax Payable	-	0.12	-	-	-	-
Prior Period Expenses	-	0.25	-	-	-	-
PF Payable	-	0.78	-	-	-	-
Total Permanent Differences(B)	0.10	1.20	0.43	0.66	2.77	1.45
Income considered separately						
Interest on FDR	0.02	2.50	5.40	9.13	-	1.02
Rent Income	-	-	-	-	12.00	12.00
Total Income considered separately (C)	0.02	2.50	5.40	9.13	12.00	13.02
Timing Differences						
Depreciation as per Companies Act	329.12	530.23	300.46	13.42	27.86	28.53
Depreciation as per Income Tax	360.37	414.26	471.04	4.23	27.19	28.16
Difference between tax depreciation and book depreciation	(31.25)	115.97	(170.58)	9.19	0.67	0.37
Difference due to expenses allowable/disallowable u/s 43B						
C/F loss & Unabsorbed depreciation for adjustment	-	(167.64)	-	-	-	-

Expense allowed u/s 35D			-	-0.31	-0.44	-0.52
Provision for Gratuity	1.9	5.50	2.49	0.19	0.03	-
Total Timing Differences (D)	(29.35)	(46.17)	(168.09)	9.07	0.26	(0.15)
Net Adjustments E = (A+B-C-D)	767.74	96.14	(173.04)	14.22	5.35	(8.09)
Income from House Property						
Rental Income	-	-	-	-	12.00	12.00
Less: Property Tax	-	-	-	-	0.11	0.13
	-	-	-	-	11.89	11.87
Less: Deduction u/s 24(b)	-	-	-	-	3.57	3.56
Net Income from House Property (F)	-	-	-	-	8.32	8.31
Income from Other Sources						
Interest on FDR	0.02	2.50	5.40	9.13	-	1.02
Income from Other Sources (G)	0.02	2.50	5.40	9.13	-	1.02
Taxable Income/(Loss) (E+F+G)	767.76	98.64	(167.64)	23.35	13.67	1.24
Tax as per Normal Provision	211.53	30.48	-	7.21	4.23	0.38
Taxable Income/(Loss) as per MAT	797.01	143.61	0.02	13.62	14.32	3.63
Income Tax as returned/computed	20.39%	20.39%	19.06%	19.06%	19.06%	19.06%
Tax as per MAT	162.51	29.28	0.00	2.60	2.73	0.69
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal	Normal	MAT

Related Party Transaction**ANNEXURE – IX**

(Rs. In Lakhs)

Name	Relation	Nature of Transaction	Amount of Transaction in 2012-13	Amount outstanding as on 31.03.13 (Payable) / Receivable	Amount of Transaction in 2013-14	Amount outstanding as on 31.03.14 (Payable) / Receivable	Amount of Transaction in 2014-15	Amount outstanding as on 31.03.15 (Payable)/Receivable	Amount of Transaction in 2015-16	Amount outstanding as on 31.03.16 (Payable) / Receivable	Amount of Transaction in 2016-17	Amount outstanding as on 31.03.17 (Payable) / Receivable	Amount of Transaction in April 7 - Dec 17	Amount outstanding as on 31.12.17 (Payable) / Receivable
Key Managerial Personnel														
Rajeev Kumar Aggarwal	Director	Director Remuneration	1.92	0.37	9.00	1.00	9.00	0.68	18.00	3.74	18.00	2.87	13.50	2.87
Meenu Aggarwal	Director	Director Remuneration	1.92	0.48	9.00	-	9.00	0.68	18.00	4.05	18.00	1.44	13.50	2.87
Shantanu Ghosh	Director	Director Remuneration	-	-	-	-	-	-	-	-	-	-	5.28	0.66
Exclusive Overseas Pvt. Ltd.	Associate Company	Share application money returned			30.00									
		Investment in shares (2,98,305 equity shares of Rs. 59 each)									176.00			
Investment in Exclusive	Associate	Investment	-	-	0.98									

Carpets Pvt. Ltd. (9800 equity shares of Rs. 10 each)	Company													
Rajeev Kumar Aggarwal	Director	Loan	-	-	-	-	-	-	-	-	-	-	2.10	1.28
Mr. Meenu Aggarwal	Director	Loan	-	-	-	-	-	-	-	-	-	-	71.44	10.61
Exclusive Overseas Pvt. Ltd.	Associate Company	Loan		-	-	-	-	-	-	-	-	-		
Exclusive Overseas Pvt. Ltd.	Associate Company	Loan Repaid	12.00	-	-	-	-	-	-	-	-	-	-	-
Law Remedium	Sole Proprietorship by Rajeev Kumar Aggarwal (Director)	Professional Services Received	-	-	-	-	-	-	-	-	2.00	-	0.29	-
Exclusive Overseas Pvt. Ltd.	Associate Company	Sales	-	-							254.15	47.24	60.49	53.49
		Purchases	-	-							668.58	201.33	612.86	406.61

Summary of Accounting Ratios

**Annexure –
X**
(Rs. in lakhs)

Ratios	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Restated Profit/ (Loss) after tax as per P& L Account	578.42	148.88	200.88	(22.88)	9.99	(219.15)
Number of Equity Shares at the end of the Year/period	69,88,968.00	67,60,431.00	63,93,769.00	56,36,660.00	54,16,660.00	34,71,660.00
No of weighted average equity shares outstanding during the period	69,69,854.00	64,35,367.00	59,59,088.00	55,09,592.00	44,17,550.00	34,71,660.00
No of weighted average equity shares outstanding during the period (After Considering Bonus Issue)*	1,04,64,340.00	99,29,853.00	94,53,574.00	90,04,078.00	79,12,036.00	69,66,146.00
Net Worth	2,348.02	1,632.48	1,263.60	686.50	348.55	144.05
Earnings Per Share						
Basic & Diluted	8.30	2.31	3.37	(0.42)	0.23	(6.31)
Adjusted Earning Per Share						
Basic & Diluted	5.53	1.50	2.12	(0.25)	0.13	(3.15)
Return on Net Worth (%)	24.63%	9.12%	15.90%	-3.33%	2.87%	-152.14%
Net Asset Value Per Share (Rs)	33.60	24.15	19.76	12.18	6.43	4.15
Net Asset Value Per Share after adjustment of Bonus issue in March 2018 (Rs)	22.40	15.92	12.78	7.52	3.91	2.07
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00

Reconciliation of Restated profit:**Annexure - XI**

Adjustments for	For the Period ended December 31, 2017	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	570.39	164.70	(65.21)	11.75	10.19	3.19
<u>Adjustments for:</u>						
Tax as per Audited Profit & Loss	220.80	32.43	3.46	3.27	4.23	0.69
Deferred Tax Liability/Asset	9.66	(35.92)	53.89	(2.76)	(0.07)	0.05
Mat Credit	-	(2.15)	-		-	(0.30)
Adjustment due to Restatement (MAT Credit and Income Tax paid)	(1.94)	-	0.48	0.30	-	-
Prior period expenses adjusted	-	(9.95)	9.92	1.27	-	-
Provision for gratuity	(1.90)	(5.50)	(2.50)	(0.19)	(0.03)	-
Deferred Tax Liability / Asset Adjustment	(7.05)	35.75	200.85	(29.29)	0.19	(222.40)
MAT Credit Adjusted	-	-	-	-	(0.30)	0.30
Taxes adjusted in Current period	(211.54)	(30.48)	-	(7.22)	(4.22)	(0.69)
Net Profit/ (Loss) After Tax as Restated	578.42	148.88	200.89	(22.88)	9.99	(219.16)

Notes:

- 1. Tax as per Audited Profit & Loss** refers to the Tax in the Audited Financial Statement calculated on the Profit as per the audited Financial Statements which has been added back as Restated Tax calculated on the Restated Profit is different from the audited Tax Liability.

2. **Deferred Tax Liability/Asset** as per Audited Financial Statement is reversed as earlier deferred tax liability/asset was calculated on the difference amount of Depreciation as per Companies Act and Depreciation as per Income Tax Act which is not correct in our opinion. However the same has been corrected in the Restated Financial statement and Deferred Tax Liability/Asset is calculated on the difference of WDV as per Companies act and WDV as per Income Tax Act.
3. **MAT Credit** as per Audited Financial Statement is reversed and MAT Credit Entitlement as per Restated Financial Statement is treated accordingly which was not earlier included in Profit and Loss Statement in the year in which it was used.
4. **Adjustment due to Restatement (MAT Credit and Income Tax paid)** refers to the difference in the Tax as per Financial Statement and Tax as per Restatement affecting the Statement of Profit and Loss. Due to Restatement of Financial Statement, tax liability in the F.Y. 16-17 is calculated as per normal provision and not as per MAT.
5. **Prior period expenses adjusted** refers to the amount of Prior Period Expense in F.Y. 2015-16 which was earlier treated as an expense which however belonged to Capital WIP, which has now been treated accordingly. Also an amount of Rs. 30000 treated as investment in F & O, which was found to be Bank charges has been treated accordingly in the Restated Financial Statement. Apart from this in F.Y. 2014-15, an expense of interest on Land at Atali was supposed to be capitalized being expense incurred on acquisition of land but was treated as an expense in the said year, the same has now been capitalized in Restated Financial Statement.
6. **Provision for gratuity** has been incorporated during the preparation of Restated Financial Statement and hence did not appear in the Audited Financial Statement, thus the same has been deducted in the Restated Financial Statement.
7. **Taxes adjusted** in Current period refers to tax liability calculated on the Profit as per Restated Financial statement.
8. **BG (Encash)** of Rs. 6,82,400/- and Performance security of Rs. 3,93,366/- in FY 2014-15 were belongs to M/s. Veda Constructions and this BG was encashed during FY 2015-16, hence the same has been adjusted in the restated financial statements.

Annexure – XII

Segment Reporting as Restated

Operating Segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM), The CODM, who is responsible for deciding how to allocate resources and assessing performance of the operating segments. Exclusive Fiber's chief operating decision maker is the Chief Executive Officer and Managing Director. Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

The Management has identified business segments (Geographical) as reportable segments. The business segments comprise:

- 1.) UAE
- 2.) China
- 3.) USA
- 4.) Australia
- 5.) Hongkong
- 6.) Malaysia

And previous years have been restated accordingly.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment to total turnover. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

No segment assets and liabilities are regularly provided to the CODM to assess the segment performance or to allocate the resources and therefore segment assets and liabilities are not disclosed. However the management discloses allocable assets and liabilities voluntarily, but no separate records have been maintained for each reportable segment.

Revenue by Geography

Geographical revenue is allocated based on the location of the customers. The Information regarding geographical revenues are as follows:

<u>Geography</u>	Period ended December 31, 2017	Year ended March 31, 2017	Year ended March 31, 2016
	(Rs. in Lakhs)		
UAE	357.51	570.24	446.89
Shanghai China	0	54.08	0
USA	0	200.87	0
Australia	188.11	0	0
Hongkong	55.36	0	0
Malaysia	85.01	0	0
Rest of the World	2530.57	1668.12	1004.40
Total	3216.56	2493.31	1451.29

Assets and liabilities that are directly attributable or allocable to segments as per the management representation are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment and other assets that are used interchangeably among segments are not allocated to reportable segments.

Rs. In lakhs

For the Year ended 31st March, 2016	Business Segments				
Particulars	UAE	China	USA	Rest of the world	Total
Revenue	446.89	-	-	1004.4	1451.29
Segment Result	369.56	-	-	830.59	1200.15
Total Unallocable expenses					1224.77
Operating Income					-24.62
Other Income (Net)					24.64
Profit Before Taxes					0.02
Tax Expense					-200.85
Profit for the year					200.87

Rs. In lakhs

As at 31st March, 2016	Business Segments				
Particulars	UAE	China	USA	Rest of the World	Total
Segment Assets	212.87	-	-	4.87	217.74
Unallocable Assets					5195.59
Total Assets					5413.33
Segment Liabilities	-	-	-	-	-
Unallocable Liabilities					4149.72
Total Liabilities					4,149.72

Rs. In lakhs

For the year ended 31st March, 2017	Business Segments							
Particulars	UAE	China	USA	Australia	Hongkong	Malaysia	Rest of the world	Total
Revenue	570.23	54.07	200.87	-	-	-	1719.91	2545.08
Segment Result	192.16	18.21	67.69	-	-	-	613.95	892.01
Total Unallocable expenses								793.35
Operating Income								98.66
Other Income (Net)								44.95
Profit Before Taxes								143.61
Tax Expense								-5.27
Profit for the year								148.88

Rs. In lakhs

As at 31st March, 2017	Business Segments							
Particulars	UAE	China	USA	Australia	Hongkong	Malaysia	Rest of the World	Total
Segment Assets	285.78	52.21	147.42	-	-	-	53.48	538.89
Unallocable Assets								6204.29
Total Assets								6743.18
Segment Liabilities	-	-	-	-	-	-	-	-
Unallocable Liabilities								5110.7
Total Liabilities								5,110.70

Rs. In lakhs

For the Period Ended 31st December, 2017	Business Segments							
Particulars	UAE	China	USA	Australia	Hongkong	Malaysia	Rest of the world	Total
Revenue	357.51	-	-	188.11	55.36	85.01	2530.57	3216.56
Segment Result	123.18	-	-	64.81	19.07	29.28	895.24	1131.58
Total Unallocable expenses								341.05
Operating Income								790.53
Other Income (Net)								6.48
Profit Before Taxes								797.01
Tax Expense								218.59
Profit for the year								578.42

Rs. In lakhs

As at Period Ended 31 st December, 2017	Business Segments							
Particulars	UAE	China	USA	Australia	Hongkong	Malaysia	Rest of the World	Total
Segment Assets	698.66	51.48	-	-	-	-	602.31	1352.45
Unallocable Assets								7185.02
Total Assets								8537.47
Segment Liabilities	159.65	-	-	84	24.72	37.96	-	306.33
Unallocable Liabilities								5883.12
Total Liabilities								6189.45

Information about major customers: Following Customer represents 10% or more of the Company's total revenue in fiscals 2017, 2016 and 2015:-

Rs. In Lakhs

Name of Customer	As per 2017	As per 2016	As per 2015
R v International fzc	0	15.4	20.61
Mid Valley international	0	7.46	10.17
UVA International Trading LLC	11.11	0	0

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which have been included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements for the years ended March 31, 2017, 2016, 2015, and period ended December 31, 2017 including the related notes and reports, included in this Draft Red Herring Prospectus have been prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective years and period ended December 31, 2017. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 21 and 20, respectively, and elsewhere in this Draft Red Herring Prospectus.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

OVERVIEW OF THE BUSINESS:

Our Company was incorporated as "Exclusive Fibers Private Limited" at New Delhi as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 16, 2004 bearing Corporate Identification Number U74999DL2004PTC125846 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extra-ordinary General Meeting held on March 25, 2014 and the name of our Company was changed to "Exclusive Fibers Limited" vide a fresh Certificate of Incorporation dated April 17, 2014 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Corporate Identification Number of our Company is U74999DL2004PLC125846.

Incorporated in the year 2004, we were engaged in trading of different types of Textile Fibers and other textile related materials including Bulk Continuous Filament (BCF) Yarn until year 2015. Subsequently, we decided to foray into Carpet Manufacturing (Weaving). Our Company was allotted a leased land of approx. 54,457.96 square meters in Dahej Industrial Estate, Gujarat to set up a manufacturing facility for manufacturing of Carpets and Yarns in the year 2012. We decided to set-up facility in two phases in the allotted land and consequently started construction of Phase I unit in the year 2012. We commissioned our first commercial production in Phase I unit in year 2015. The manufacturing facility of Phase I has an installed capacity of 4,50,000 square meters per annum for weaving carpets.

In Phase II, the Company is intending to enhance the Carpet Manufacturing Capacity as well as to set up a plant to manufacture Bulk Continuous Filament Yarn (BCF). The BCF Yarn is primarily for in house consumption and surplus is proposed to be sold in the domestic as well as Export Market. Our Company proposes to set up 6,00,000 square meters per annum capacity of Carpets weaving and 1,800 Tons per annum capacity of BCF yarn in Phase II at Dahej. Reducing cost of production is an important aspect to increase the profitability. Manufacturing of Carpets uses BCF Yarn as a major raw material. Cost of material consumed accounts for substantial portion of the total expenses of the Company. With the proposed facility, our Company will be able to meet 100% of its BCF Yarn requirement from in-house production and there

would be no need of importing BCF Yarn thereby reducing our costs substantially and generating more revenues. We also intend to set up Carpet Weaving Technology Training Institute.

The Registered Office of the Company is situated at 31/3203, Beadonpura Karol Bagh, New Delhi – 5, Delhi – 110005, India. Our Company has its Corporate Office located at C-203, Greater Kailash Part-1, New Delhi, 110048, India. Further, the Manufacturing Unit, Warehouse and Raw Material Storage of our Company is situated at D-2/E-16, Dahej Industrial Estate, Bharuch, Gujarat – 392130, India.

We are now engaged in the business of manufacturing and trading of Carpets and cater to both domestic as well as foreign markets. Our Company exports its products to countries like United Arab Emirates, Malaysia, Hong Kong and Australia apart from selling in domestic markets. The Company has been recognised as “One Star Export House” by Directorate General of Foreign Trade and holds the valid certificate for the same.

Technology is a crucial aspect of the carpet and BCF yarn industry. The level of advancement determines the productivity of machines and labor, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern technology and processing techniques by virtue of which we are able to ensure quality products. The demand of carpets varies from sizes, design, and quality among others. Our Company manufactures different types of carpets varying in terms of its characteristics. Our customers are mostly distributors and traders who ensure bulk orders.

Our Company is promoted by Rajeev Kumar Aggarwal and Meenu Aggarwal. They have sound knowledge and experience in the industry in which we operate. Our Promoters have knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the Technical textile industry especially Home Tech Domestic Textiles which includes Carpets. They are guiding force behind the operational, strategic and financial decisions of our Company.

We focus on producing quality product to increase customer satisfaction and develop a positive brand image in the industry. Our management and team has enable us to maintain continuing customer relations, ensuring repeat order flows. Promoters having experience in the technical textile industry has maintained close relations with its suppliers and tries to strengthen the same.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The shareholders approved and passed resolution on March 03, 2018 to increase the authorised share capital to Rs. 15,00,00,000 consisting of 1,50,00,000 Equity shares of Rs. 10 each from Rs. 11,00,00,000 consisting of 1,10,00,000 Equity shares of Rs. 10 each.
2. The Board approved and passed special resolution on February 23, 2018 to raise funds by making Initial Public Offer.
3. The shareholders approved and passed resolution on March 03, 2018 to authorize the Board of Directors to raise funds by making Initial Public Offer.
4. Our Company has issued 34,94,486 Equity shares pursuant to Bonus Issue vide shareholders Resolution dated March 3, 2018.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 21 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Cost and availability of raw material:
- Credit availability:
- Change in customer preference:
- Technological changes:
- Competition from existing and new entrants:
- General economic and demographic conditions :
- Changes in laws and regulations that apply to the industry in which operate:
- Brand Image:

SIGNIFICANT ACCOUNTING POLICIES

1. Use of Estimates

The preparation of financial statements in conformity with GAAP in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. On an ongoing basis, estimates are evaluated based on historical experience and on various other assumptions that are believed to be reasonable, the results of which forms the basis for making judgments about the carrying value of assets and liabilities. Actual results could differ from those estimates. Any revision to estimates or difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

2. Fixed Assets

Fixed assets are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any.

Expenditure on renovation/ modernization relating to existing fixed assets is added to the cost of such assets where it increases its performance/life significantly.

3. Depreciation

Depreciation on tangible fixed assets has been provided as per Schedule II of the Companies Act, 2013 under which assets have been depreciated over their remaining life from 1st April, 2014 onwards. The total useful span of the assets being the one as prescribed under Schedule II of the Act.

No Depreciation is provided on land/ building under construction.

For the assets existing on 1st April 2014 and whose life from the date of their purchase has already exceeded the life prescribed under Schedule of the Act, 5% of their original cost is being carried forward as their residual value and no depreciation has been charged on them. Residual value is a part of closing WDV. The difference between their WDV as on 1st April, 2014 and their residual value has been adjusted through the profit & loss account for the year ending 31-03-2014.

For the assets existing on 1st April, 2014 which still have useful life as per the prescribed life, Depreciation has been provided on WDV basis on such rates so as to depreciate them up to 95% of their actual cost till their remaining life.

For the assets purchased after 1st April 2014, the depreciation is being provided at the prescribed SLM rates on pro-rata basis over their prescribed life till the time their WDV reaches their residual value i.e. 5% of their original cost.

4. Revenue Recognition

Revenue is primarily derived from business of manufacturing of carpets. Revenue part also comprises of income from trading of Fabric. The Income and Expenditure are accounted on accrual basis.

Revenue from sale of goods, net of trade discounts and sale returns, is recognized on transfer of significant risk and reward of ownership to the buyer. Interest income is accounted on accrual basis. Revenue from services are recognized when the services have been performed and excluding GST.

5. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation arising as result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date and are not discounted to its present value. A disclosure for a contingent liability is made when there is a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

6. Inventory Valuation

Stock has been valued at cost or net realizable value whichever is lower. Raw material & Semi finished goods are valued at estimated cost price. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. It has been taken valued, verified and certified by the management.

7. Impairment of Assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impaired loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

8. Borrowing costs

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition/construction of qualifying assets are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of profit and loss. There is no borrowing cost during the year.

9. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non-monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

10. Taxation

Provision for current taxes is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred Tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and laws that have been substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

11. Government Grants

Government grants of the nature of promoters’ contribution are credited to Capital Reserve and treated as a part of shareholders’ funds, however company has not received any grant during the reporting period.

12. Cash and Cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and financial institutions. The Company considers all liquid investments with are maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

13. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if the Company has a present obligation as a result of past event, a probable outflow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation, a present obligation arising from past events, when no reliable estimate is possible and a present obligation arising from past events, when the probability of outflow of resources is not remote.

Contingent Assets are neither recognized nor disclosed. Provisions & contingent liabilities are reviewed at each Balance Sheet date. This policy is also in line with ICDS-X.

14. Employees benefit

Provident Fund of the Regional Provident Fund Commissioner is a defined contribution scheme, and contribution made to Regional Provident Fund Commissioner is charged to Statement of profit & loss.

Company has provided Gratuity liability in books on certain specified employees in accordance with payment of Gratuity Act 1972 for which Provision has been made in books of accounts as per AS-15 “Employee Benefits” issued by the Institute of Chartered Accountant of India.

Liability towards Leave Entitlement Benefit is not provided by the Company. As stated by the management that leaves accrued in a year lapses automatically if not availed.

15. Investments

Investments are classified as long term or current based on intention of the management at the time of purchase.

Initially investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges. Dividend re-invested in case of mutual funds is added to the value of investment in mutual funds while corresponding credit is recorded in the Statement of Profit and Loss.

Current investments are carried in the financial statements at lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit & Loss.

16. Prior Period Items

Prior period items which arise in the current period as a result of ‘errors’ or ‘omissions’ in the financial statements prepared in earlier years affects changes in estimates of which are not treated as omission or error.

17. Earnings per Share:

Basic earnings per share is calculated by dividing net profit of the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

18. Operating Segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker (CODM), The CODM, who is responsible for deciding how to allocate resources and assessing performance of the operating segments. Exclusive Fiber’s Chief operating decision maker is the Chief Executive Officer and Managing Director.

Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Based on the guiding principles given in Ind AS 108 on ‘Operating Segments’, the Company’s business activity falls within a single operating segment. Accordingly, the disclosure requirements of Ind AS 108 are not applicable. However the details of segment reporting has been mentioned in the annexure XII.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

Revenue from operations: Our revenue from operations comprises of revenue from domestic and export sale of Carpets which is in-house manufactured by our company.

Other Income: Our other income comprises of recurring income like interest on term deposits & discount received and non-recurring income like interest on security deposits, profits from equity & derivatives trading, liabilities written off, foreign exchange gain, refund of commission on bank guarantee, income from mutual funds, recovery of sampling charges and other miscellaneous income.

Expenses

Our expenses comprises of cost of material consumed and direct expenses, purchase of stock in trade, changes in inventories of finished goods, stock-in-trade and work-in-progress, employee benefit expenses, finance costs, depreciation and amortisation expenses and other expenses.

Cost of material consumed: Our cost of material consumed consist of consumption of BCF Yarn, Poly cotton and Jute to manufacture our finished goods. It also includes direct production expenses such as power

and fuel expenses, clearing charges, custom duty and excise duty expenses as reduced by eligible input credit of Goods and Service Tax.

Purchase of Stock in Trade: Our purchase of stock in trade comprises of Bulk Continuous Filament (BCF) Yarn which is used by our company for trading activities.

Change in inventory of finished goods, stock-in-trade and work-in-progress: Our change in inventory of finished goods, stock-in-trade and work-in-progress comprise change in inventory level of finished goods, stock-in-trade and work-in-progress during the period which is the difference of closing and opening balance.

Employee benefit expenses: Our employee benefit expenses include salary, wages, directors' remuneration, contribution to provident fund, provision for gratuity, bonus and staff welfare expenses.

Finance costs: Our finance costs comprise of interest on secured working capital facility taken from banks, interest on term loans from banks, interest on vehicle loans, interest on buyer's credit facility and export bill discounting. Our finance costs also include bank charges, processing fees and interest on statutory dues.

Depreciation and amortisation expenses: Our depreciation and amortisation expenses comprise of depreciation on tangible fixed assets and amortisation of intangible fixed assets.

Other expenses: Our other expenses comprise of administrative expenses and selling & distribution expenses. Our administrative expenses primarily consist of accommodation expenses, admin charges, architect expenses, conveyance, digital signature expenses, donation, excess income tax due to restatement, expenses on issue of shares, fees & subscription, festival expenses, filing fees, foreign exchange loss, inspection charges, installation charges, insurance expenses, internet charges, legal expenses, loss on sale of fixed assets, misc. expenses, office expenses, payment to auditors, plantation expenses, postage & courier charges, printing & stationery expenses, professional fees, property tax, recruitment charges, rent, repair & maintenance expenses, security expenses, service tax, stores and spares, sundry expenses, survey charges, telephone expenses, tour & travel expenses, transportation expenses and water and gas expenses. Our selling & distribution expenses primarily consists of wrapping expenses, shipping charges, packing charges, lodging expense, loading charges, freight & carriage charges, business promotion expenses and advertisement expenses.

Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit & loss for the financial years 2017, 2016, 2015 and for the period ended December 31, 2017 the components of which are also expressed as a percentage of total revenue for such periods

Particulars	For the period ended December 31st, 2017		For the Year ended March 31, 2017		For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*
Total Revenue:								
Revenue from operations	3,216.56	99.80	2,545.08	98.26	1,451.29	98.33	1,118.75	99.16
Other income	6.48	0.20	44.95	1.74	24.64	1.67	9.44	0.84
Total Revenue	3,223.04	100.00	2,590.03	100.00	1,475.93	100.00	1,128.19	100.00
Expenses:								
Cost of Material Consumed & Direct Expenses	2,079.55	64.52	1,653.34	63.83	251.15	17.02	0.00	0.00

Particulars	For the period ended December 31st, 2017		For the Year ended March 31, 2017		For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*
Purchase of Stock-in-Trade	0.00	0.00	0.00	0.00	689.33	46.70	1,037.85	91.99
Change in inventories of finished goods, stock-in-trade and WIP	(402.31)	(12.48)	(260.12)	(10.04)	(198.41)	(13.44)	(1.14)	(0.10)
Employee benefit expenses	132.60	4.11	170.22	6.57	104.26	7.06	24.93	2.21
Finance costs	164.78	5.11	218.97	8.45	238.03	16.13	2.03	0.18
Depreciation and amortization expense	329.12	10.21	530.23	20.47	300.46	20.36	13.42	1.19
Other expenses	122.29	3.79	133.78	5.17	91.09	6.17	37.47	3.32
Total Expenses	2,426.03	75.27	2,446.42	94.46	1,475.91	100.00	1,114.56	98.79
Profit before extraordinary items and tax	797.01	24.73	143.61	5.54	0.02	0.00	13.62	1.21
Extraordinary and Exceptional items	-	-	-	-	-	-	-	-
Profit before tax	797.01	24.73	143.61	5.54	0.02	0.00	13.62	1.21
Tax expense :								
(i) Current tax	211.54	6.56	30.48	1.18	0.00	0.00	7.22	0.64
(ii) MAT Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Deferred tax	7.05	0.22	(35.75)	(1.38)	(200.85)	(13.61)	29.29	2.60
Total Tax Expense	218.59	6.78	(5.27)	(0.20)	(200.85)	(13.61)	36.51	3.24
Profit for the year/ period	578.42	17.95	148.88	5.75	200.88	13.61	(22.88)	(2.03)

* (%) column represents percentage of total revenue.

Review of Operation for the Period Ended December 31, 2017

Total Revenue

Revenue from operations

Revenue from operations for the period ended December 31, 2017 amounted to Rs. 3,216.56 lakhs which was primarily on account of revenue from sale of manufactured carpets. Our revenue from export sales comprises of Rs. 685.99 lakhs and domestic sales comprises of Rs. 2530.57 lakhs. Our operating revenue was 99.80 % of our total revenue.

Other income

Our other income was Rs. 6.48 lakhs for the period ended December 31, 2017 which comprised of liabilities written off of Rs. 3.87 lakhs, discount received of Rs. 1.26 lakhs, interest on term deposits amounting to

Rs. 0.02 lakhs, and miscellaneous income of Rs. 0.73 lakhs, among others. Our other income was 0.20% of our total revenue.

Total Expenses

Our total expenses, excluding tax amounted to Rs. 2,426.03 lakhs for the period ended December 31, 2017 which was 75.27% of our total revenue.

Cost of material consumed & Direct expenses

Our cost of material consumed & direct expenses for the period ended December 31, 2017 was Rs. 2,079.55 lakhs which primarily consist of expenses on consumption of raw material of Rs 2,008.62 lakhs. Our direct expenses for the period was Rs. 70.93 lakhs which comprised of power & fuel expenses of Rs.14.55 lakhs, cleaning charges of Rs. 7.65 lakhs and custom duty charges of Rs. 48.73 lakhs. Our Cost of material consumed & direct expenses was 64.52 % of our total revenue.

Employee Benefit Expenses

Our employee benefit expenses for the period ended December 31, 2017 were Rs. 132.60 lakhs which primarily comprised of salary & wages of Rs. 100.95 lakhs, directors' remuneration of Rs. 27.00 lakhs, contribution to provident fund of Rs. 1.27 lakhs and provision for gratuity of Rs. 1.90 lakhs, bonus of Rs. 0.59 lakh and staff welfare expenses of Rs. 0.89 lakh. Our employee benefit expenses were 4.11% of our total revenue.

Finance Costs

Our finance costs for the period ended December 31, 2017 were Rs.164.78 lakhs primarily consisting of interest on working capital facility from bank amounting to Rs. 76.47 lakhs, interest paid on term loans from banks amounting to Rs. 72.09 lakhs, interest on vehicle loan from banks amounting to 1.77 lakhs, interest paid on buyers credit of Rs. 0.48 lakhs, interest on packing credit loan amounting to Rs. 6.34 lakhs, and bank charges and processing fees amounting to Rs. 7.54 lakhs. Our finance cost were 5.11% of our total revenue.

Depreciation and Amortization Expenses

Depreciation and amortization expenses were Rs. 329.12 lakhs for the period ended December 31, 2017 on account of depreciation on tangible and intangible assets. Our depreciation and amortization expenses were 10.21% of our total revenue.

Other expenses

Our other expenses for the period ended December 31, 2017 were Rs. 122.29 lakhs primarily consisting of administrative expenses of Rs. 91.35 lakhs and selling & distribution expenses of Rs. 30.94 lakhs. Our Administrative expenses comprises of accommodation expenses of Rs. 3.86 lakhs, admin charges of Rs. 0.93 lakhs, conveyance expenses of Rs. 4.25 lakhs, fees & subscription expenses of Rs. 0.43 lakhs, foreign exchange loss of Rs. 1.59 lakhs, income tax expense of Rs. 1.94 lakhs, insurance expenses of Rs. 3.25 lakhs, office expenses of Rs. 8.55 lakhs, audit fees of Rs. 0.99 lakhs, postage & courier expenses of Rs. 2.09 lakhs, printing & stationery expenses of Rs. 1.06 lakhs, professional fees of Rs. 7.58 lakhs, repair & maintenance expenses of Rs. 2.79 lakhs, rent expenses of Rs. 4.07 lakhs, security expenses of Rs. 9.99 lakhs, stores and spares of Rs. 1.62 lakhs, telephone expenses of Rs. 1.46 lakhs, tour & travel expenses of Rs. 27.79 lakhs, and transportation expenses of Rs. 1.04 lakhs among others. Our Selling & distribution expenses comprises of shipping charges of Rs. 26.58 lakhs, packing charges of Rs. 1.00 lakhs, freight & carriage charges of Rs. 0.25 lakh and business promotion expenses of Rs. 3.07 lakhs among others. Our other expenses were 3.79% of our total revenue.

Profit before Tax

Our Profit before tax for the period ended December 31, 2017 was Rs. 797.01 lakhs which was 24.73% of our total revenue.

Tax Expenses

Our tax expenses for the period ended December 31, 2017 were Rs. 218.59 lakhs. Tax expenses comprised of current tax of Rs. 211.54 lakhs and deferred tax of Rs. 7.05 lakhs. Our tax expenses were 6.78% of our total revenue.

Profit after Tax

Due to the above mentioned factors, our profit after tax for the period ended December 31, 2017 was Rs. 578.42 lakhs which was 17.95% of our total revenue.

FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16

Total Revenue

Our total revenue significantly increase by 75.48% to Rs. 2,590.03 lakhs for the financial year 2016-17 from Rs. 1,475.93 lakhs for the financial year 2015-16 due to the factors described below:

Revenue from operations

Our revenue from operations increased by 75.37% to Rs. 2,545.08 lakhs for the financial year 2016-17 from Rs. 1,451.29 lakhs for the financial year 2015-16. The increase was mainly due to significant increase in revenue from export sales by 84.65 % to Rs. 825.19 lakhs in financial year 2016-17 from Rs. 446.89 lakhs in the financial year 2015-16. There was also an increase in domestic sales by 66.08% from Rs. 1,668.12 lakhs in financial year 2016-17 from Rs. 1,004.40 lakhs in the financial year 2015-16. Also there was an income of Duty drawback of Rs. 51.77 lakhs for the financial year 2016-17 but the same was nil for the financial year 2015-16. The overall increase in operating revenue was mainly due to increase in overall usage of capacity from 69,783 sq metres in 2016-17 from 15,218 sq. metres in 2015-16. In other words, our manufacturing sale of carpets increase by 419.48% to Rs. 2,493.31 lakhs for the financial year 2016-17 from Rs. 479.96 lakhs for the financial year 2015-16.

Other income

Our other income increased by 82.42% to Rs. 44.95 lakhs for the financial year 2016-17 from Rs. 24.64 lakhs for the financial year 2015-16 mainly due increase in foreign exchange gain by Rs. 19.53 lakhs, liabilities written off by Rs. 7.73 lakhs and refund of commission on Bank guarantee by Rs. 0.61 lakhs. However, the increase was partially offset by decrease in derivative income by Rs. 4.07 lakhs and interest on term deposits by Rs. 2.91 lakhs.

Total Expenses

Our total expenses, excluding tax increased by 65.76 % to Rs. 2,446.42 lakhs for the financial year 2016-17 from Rs. 1,475.91 lakhs for the financial year 2015-16, due to the factors described below:

Cost of material consumed & Direct Expense

Our cost of material consumed & direct expenses increased by 558.31% to Rs 1653.34 in the financial year 2016-17 from Rs 251.15 lakhs in the financial year 2015-16. Our cost of raw-material consumed increased by 650.60% to Rs. 1,629.62 lakhs for the financial year 2016-17 from Rs. 217.11 lakhs for the financial year 2015-16 mainly due to increase in capacity of business which is in line with increase in revenue.

Our direct expenses decreased by 30.31% to Rs. 23.72 lakhs for the financial year 2016-17 from Rs. 34.04 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in excise and custom duty by Rs. 24.93 lakhs. However this decrease was partially setoff by increase in power & fuel expenses by Rs.13.76 lakhs and cleaning charges by Rs. 0.85 lakhs. The custom duty expense in financial year 2015-16

was due unclaimed credit on custom duty of Rs. 23.16 lakhs on purchase of capital goods. The increase in power & fuel was mainly due to increase in our manufacturing sales.

Purchase of Stock in Trade

There was no purchase of stock in trade in 2016-17 as compared to the purchase of stock of Rs.689.33 lakhs in 2015-16. This was mainly because company shifted its nature of business from trading of bulk continuous filament (BCF) yarn to manufacturing of carpets.

Employee benefits expenses

Our employee benefit expenses increased by 63.26% to Rs. 170.22 lakhs for the financial year 2016-17 from Rs. 104.26 lakhs for the financial year 2015-16. The increase was mainly due to increase in salary & wages by Rs. 59.79 lakhs, contribution to provident fund by Rs. 2.26 lakhs, provision for gratuity by Rs. 3.01 lakhs and staff welfare expenses by Rs. 0.90 lakh. Increase in our salary was primarily due to Increase in number of employees from 42 in 2015-16 to 47 in 2016-17 and increase in wages was due to increase in casual labour which is in line with increase in manufacturing activity.

Finance costs

Our finance costs decreased by 8.01% to Rs. 218.97 lakhs for the financial year 2016-17 from Rs. 238.03 lakhs for the financial year 2015-16. The decrease was mainly on account of decrease in interest expense on long term loans from banks by Rs. 77.57 lakhs, buyer's credit charges by Rs. 3.63 lakhs and bank charges by 2.13 lakhs among others. However this decrease was offset by increase in export bill discounting by Rs 37.57 lakhs, increase in interest on working capital facility from banks by 28.58 lakhs, among others.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 76.47% to Rs. 530.23 lakhs for the financial year 2016-17 from Rs. 300.46 lakhs for the financial year 2015-16. Depreciation expenses increased by Rs. 229.70 lakhs and amortisation expenses by Rs. 0.07 lakhs. Our gross block of tangible fixed assets increased to Rs. 5,663.16 lakhs in the financial year 2016-17 from Rs. 5,624.25 lakhs in the financial year 2015-16.

Other expenses

Our other expenses increased by 46.86% to Rs. 133.78 lakhs for the financial year 2016-17 from Rs. 91.09 lakhs for the financial year 2015-16. The increase was mainly due to increase in tour & travel expenses by Rs. 12.58 lakhs, security expenses by Rs. 8.26 lakhs, professional fees by Rs. 5.28 lakhs, accommodation expenses by Rs. 5.26 lakhs, stores & spares by Rs. 3.96 lakhs, repairs & maintenance expenses by Rs. 3.59 lakhs, insurance expenses by Rs. 2.72 lakhs, festival expenses of Rs. 2.12 lakhs, transportation expenses of Rs.1.50 lakhs, postage & courier expenses of Rs.1.46 lakhs among others. However, the increase was partially offset by decrease in shipping expenses by Rs. 3.40 lakhs, rent expenses by Rs.1.73lakhs, other miscellaneous expenses of Rs. 1.60 lakhs among others.

Profit/Loss before tax

Our profit before tax significantly increased to Rs.143.61 lakhs for the financial year 2016-17 from Rs. 0.02 lakhs for the financial year 2015-16 due to increase in our overall business activity.

Tax expenses

Our tax expenses significantly increased by Rs. 195.58 lakhs which gave a tax relief of Rs. 5.27 lakhs for the financial year 2016-17 from tax relief of Rs. 200.85 lakhs for the financial year 2015-16 mainly due to decrease in deferred tax credit by Rs. 165.10 lakhs, and increase in current tax expense by Rs. 30.48 lakhs for the financial year 2016-17.

Profit after tax

Due to above mentioned reasons, our profit after tax decreased by Rs. 25.89% to Rs. 148.88 lakhs for the financial year 2016-17 from Rs. 200.88 lakhs for the financial year 2015-16.

FINANCIAL YEAR 2015-16 COMPARED WITH FINANCIAL YEAR 2014-15

Total Revenue

Our total revenue increased by 30.82% to Rs. 1,475.93 lakhs for the financial year 2015-16 from Rs. 1,128.19 lakhs for the financial year 2014-15 due to the factors described below:

Revenue from operations

Our revenue from operations increased by 29.72 % to Rs. 1,451.29 lakhs for the financial year 2015-16 from Rs. 1,118.75 lakhs for the financial year 2014-15. The increase was mainly due to shifting its operations from trading to manufacturing from September 2015 which resulted in higher revenue from operations. Our company started export sales in 2015-16 and achieved the export sales of Rs. 446.89 lakhs and the domestic sales of Rs. 1,004.40 lakhs in the financial year 2015-16. Domestic sales in 2014-15 was 1,118.75 lakhs. The overall utilization of carpet manufacturing capacity from September 2015 to March 2016 was 15218 sq metres.

Other income

Our other income increased by 161.14% to Rs. 24.64 lakhs for the financial year 2015-16 from Rs. 9.44 lakhs for the financial year 2014-15 mainly due to increase in liabilities written off by Rs. 14.38 lakhs, discount received by Rs. 0.38 lakhs and profits from derivatives by Rs. 4.07 lakhs. However this increase was partially setoff by decrease in interest on term deposits by Rs 3.73 lakhs.

Total Expenses

Our total expenses, excluding tax increased by 32.42% to Rs. 1,475.91 lakhs for the financial year 2015-16 from Rs. 1,114.56 lakhs for the financial year 2014-15, due to the factors described below:

Cost of material consumed & Direct Expenses

Our cost of material consumed & direct expenses increased to Rs 251.15 lakhs in the financial year 2015-16 which was NIL in the financial year 2014-15 as the company was into trading segment only till 2014-15. Our cost of material consumed was Rs. 217.11 lakhs and direct expenses amounted to Rs. 34.04 lakhs. Our direct expense for the financial year 2015-16 includes power & fuel of Rs.9.11 lakhs, custom duty of Rs. 23.16 lakhs and excise duty of Rs. 1.77 lakhs.

Purchase of Stock in Trade

Our purchase of stock in trade was decreased by 33.58% to Rs.689.33 lakhs in the financial year 2015-16 from Rs. 1037.85 lakhs in the financial year 2014-15. This was mainly due to shift in nature of business from trading to manufacturing activity.

Employee benefits expense

Our employee benefits expense increased by 318.21% to Rs. 104.26 lakhs for the financial year 2015-16 from Rs. 24.93 lakhs for the financial year 2014-15. The increase was mainly due to increase in salary and wages by Rs. 59.62 lakhs, director's remuneration by Rs. 18.00 lakhs and provision for gratuity by Rs. 2.30 lakhs. However this increase was partially setoff by decrease in staff welfare expenses by Rs. 0.58 lakh.

Finance costs

Our finance costs increased to Rs. 238.03 lakhs for the financial year 2015-16 from Rs. 2.03 lakhs for the financial year 2014-15. The increase was mainly due to increase in interest expenses on working capital facility from bank by Rs. 10.32 lakhs and increase in interest expense on term loans from bank by Rs.

191.99 lakhs, interest on vehicle loan by Rs. 1.91 lakhs and bank charges and processing fees by Rs. 31.62 lakhs.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 2139.67% to Rs. 300.46 lakhs for the financial year 2015-16 from Rs. 13.42 lakhs for the financial year 2014-15. The increase was mainly due to addition in our tangible fixed assets like Building, plant & Machinery and equipment's, etc. by Rs. 3,561.64 lakhs.

Other expenses

Our other expenses increased by 143.09% to Rs. 91.09 lakhs for the financial year 2015-16 from Rs. 37.47 lakhs for the financial year 2014-15. The increase was mainly due to increase in shipping charges by Rs. 17.16 lakhs, foreign exchange loss by Rs. 9.50 lakhs, tour & travel expenses by Rs. 6.84 lakhs, security expenses by Rs. 6.35 lakhs, conveyance expenses by Rs. 4.90 lakhs, rent expenses by Rs. 4.25 lakhs, packing charges by Rs. 3.81 lakhs, repairs & maintenance expenses by Rs. 2.42 lakhs, professional fees by Rs. 2.31 lakhs, miscellaneous expenses by Rs. 1.75 lakhs, transportation expense of Rs.1.55 lakhs, fees & subscription expenses of Rs. 1.23 lakhs and insurance expenses of Rs. 1.00 lakhs etc. among others. However, the increase was partially offset by decrease in loss on sale of fixed assets by Rs. 7.37 lakhs, freight & carriage charges by Rs 6.72 lakhs, office expenses by Rs. 0.92 lakhs etc. among others.

Profit before tax

Our profit before tax decreased by 99.84% to Rs. 0.02 lakh for the financial year 2015-16 from Rs. 13.62 lakhs for the financial year 2014-15.

Tax expenses

Our tax relief significantly increased by 650.09% to Rs. 200.85 lakhs for the financial year 2015-16 from tax expense of Rs. 36.51 lakhs for the financial year 2014-15 mainly due to deferred tax credit of Rs. 200.85 lakhs for the financial year 2015-16 as compared to deferred tax expenses of Rs. 36.51 lakhs for the financial year 2014-15. There was also decrease in current tax expenses by Rs. 7.22 lakhs for the financial year 2015-16.

Profit after tax

Our profit after tax increased by 978.07% to Rs. 200.88 lakhs for the financial year 2015-16 from loss of Rs. 22.88 lakhs for the financial year 2014-15 due to factor mentioned above.

Other Key Ratios

The table below summaries key ratios in our Restated Financial Statements for the financial years ended March 31, 2017, 2016, 2015 and for the period ended December 31, 2017:

Particulars	For the period ended December 31, 2017	For the year ended March 31,		
		2017	2016	2015
Fixed Asset Turnover Ratio	0.84	0.62	0.32	1.48
Inventory Turnover Ratio	3.92	5.35	7.10	128.59
Debt Equity Ratio	1.94	2.65	2.95	4.58
Current Ratio	1.07	0.71	0.61	0.62

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Statements. Intangible Assets have been included in calculation of Total Fixed Assets, however, Capital Work-in-Progress and revaluation reserve amount on tangible fixed assets have not been included.

Inventory Turnover Ratio: This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Financial Information.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Financial Statements.

Current Ratio: This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

Cash Flow

The table below summaries our cash flows from our Restated Financial Information for the financial years 2017, 2016, 2015 and for the period ended December 31, 2017:

(Rs. in lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,		
		2017	2016	2015
Net cash (used in)/ generated from operating activities	389.36	913.68	823.76	144.03
Net cash (used in)/ generated from investing activities	(661.09)	(1,276.71)	(751.66)	(2,772.75)
Net cash (used in)/ generated from financing activities	294.38	350.04	(146.25)	2,740.35
Net increase/ (decrease) in cash and cash equivalents	22.64	(12.99)	(74.16)	111.63
Cash and Cash Equivalents at the beginning of the period	33.81	46.80	120.96	9.33
Cash and Cash Equivalents at the end of the period	56.45	33.81	46.80	120.96

Operating Activities

Period Ended December 31, 2017

Our net cash generated from operating activities was Rs. 389.36 lakhs for period ended December 31, 2017. Our operating profit before working capital changes was Rs. 1,292.58 lakhs for the period ended December 31, 2017 which was primarily adjusted by income tax payment of Rs. 30.28 lakhs, increase in trade receivables by Rs. 813.55 lakhs, increase in short term borrowings by Rs.41.78 lakhs, increase in trade payables by Rs. 640.17 lakhs, increase in inventories of raw material, finished goods and work-in-progress by Rs. 535.91 lakhs, decrease in other current liabilities by Rs. 115.23 lakhs, increase in short term loan and advances by Rs. 59.68 lakhs, and increase in other current assets by Rs. 30.52 lakhs.

Financial year 2016-17

Our net cash generated from operating activities was Rs. 913.68 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 895.73 lakhs for the financial year 2016-17 which was primarily adjusted by increase in trade receivables by Rs. 321.16 lakhs, increase in trade payables by Rs. 311.59 lakhs, increase in inventories of finished goods and raw material by Rs. 152.45 lakhs, increase in short term borrowings by Rs. 264.30 lakhs, increase in other current liabilities by Rs. 35.85 lakhs, increase in short term loans & advances by Rs. 0.41 lakh and increase in other current assets by Rs. 119.78 lakhs.

Financial year 2015-16

Our net cash generated from operating activities was Rs. 823.76 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 531.93 lakhs for the financial year 2015-16, which was primarily adjusted by payment of income tax of Rs. 7.22 lakhs, increase in trade payables by Rs. 55.08 lakhs, increase in trade receivables by Rs. 201.47 lakhs, increase in inventories of finished goods and raw material by Rs.390.18 lakhs, increase in other current liabilities by Rs. 430.04 lakhs, increase in short term loan and advances by Rs. 22.23 lakhs, increase in short term borrowings by Rs. 443.45 lakhs and increase in other current assets by Rs. 15.64 lakhs.

Financial year 2014-15

Our net cash generated from operating activities was Rs. 144.03 lakhs for the financial year 2014-15. Our operating profit before working capital changes was Rs. 36.64 lakhs for the financial year 2014-15, which was primarily adjusted by payment of income tax of Rs. 4.22 lakhs, increase in trade receivables by Rs. 4.61 lakhs, increase in trade payables by Rs. 84.44 lakhs, decrease in other current liabilities by Rs. 137.56 lakhs, decrease in short term loans & advances by Rs. 195.89 lakhs, increase in inventories of finished goods by Rs. 1.14 lakhs, decrease in short term borrowings by Rs. 1.00 lakhs and increase in other current assets by Rs 28.41 lakhs and increase in short term provision by Rs. 4.00 lakhs.

Investing Activities

Period Ended December 31, 2017

Net cash used in investing activities was Rs. 661.09 lakhs for the period ended December 31, 2017. This was primarily on account of purchases of fixed assets worth Rs. 50.65 lakhs, increase in capital work-in-progress by Rs. 563.21 lakhs and increase in investment by Rs. 52.22 lakhs which was partially offset by receipt of interest income on term deposits of Rs. 0.02 lakh, and decrease in loans & advances by Rs. 4.98 lakhs.

Financial year 2016-17

Net cash used in investing activities was Rs. 1,276.71 lakhs for the financial year 2016-17. This was primarily on account of purchases of fixed assets worth Rs. 38.92 lakhs, increase in capital work-in-progress by Rs. 1,087.34 lakhs and increase in investment by Rs.153.02 lakhs which was partially offset by receipt of interest income on deposits of Rs. 2.57 lakhs.

Financial year 2015-16

Net cash used in investing activities was Rs. 751.66 lakhs for the financial year 2015-16. This was primarily on account of purchase of fixed assets amounting to Rs. 4137.97 lakhs, increase in loans & advances by Rs. 0.10 lakhs and loss from equity trading by Rs. 0.49 lakhs which was partially offset by decrease in Investment by Rs. 65.71 lakhs, decrease in capital work-in-progress by Rs. 3,311.63 lakhs, profit from derivative segment by Rs. 4.07 lakhs and receipt of interest income on deposits of Rs. 5.49 lakhs.

Financial year 2014-15

Net cash used in investing activities was Rs. 2,772.75 lakhs for the financial year 2014-15. This was primarily on account of purchase of fixed assets amounting to Rs. 53.13 lakhs, increase in capital work-in-progress by Rs. 2,813.29 lakhs, increase in loans & advances by Rs. 12.52 lakhs and increase in investment by Rs. 106.44 lakhs which was partially offset by sale of fixed assets by Rs. 212.63 lakhs

Financing Activities

Period Ended December 31, 2017

Net cash generated in financing activities for the period ended December 31, 2017 was Rs. 294.38 lakhs primarily consisting of increase in share capital of Rs. 22.85 lakhs, proceeds from borrowings of Rs. 313.00

lakhs, proceeds from other long term liabilities by Rs. 9.04 lakhs, and increase in share premium by Rs. 114.27 lakh. However this was partially setoff by payment of interest and finance charges amounting to Rs. 164.78 lakhs.

Financial year 2016-17

Net cash generated from financing activities for the financial year 2016-17 was Rs. 350.04 lakhs primarily consisting of increase in share capital of Rs. 36.67 lakhs, proceeds from borrowings of Rs. 329.01 lakhs, proceeds from other long term liabilities by Rs. 20.00 lakhs, and increase in share premium by Rs. 183.33 lakh. However this was partially setoff by payment of interest and finance charges amounting to Rs. 218.97 lakhs.

Financial year 2015-16

Net cash used in financing activities for the financial year 2015-16 was Rs. 146.25 lakhs primarily consisting of payment of interest and finance charges amounting to Rs. 238.03 lakhs and decrease in secured loans from banks by Rs. 284.43 lakhs which was partially offset by increase in share capital by Rs. 75.71 lakhs, receipt of capital subsidy from TUFs of Rs. 246.21 lakhs and increase in share premium by Rs. 54.29 lakh.

Financial year 2014-15

Net cash generated from financing activities for the financial year 2014-15 was Rs. 2,740.35 lakhs primarily consisting of increase in share capital by Rs. 22.00 lakhs, proceeds from borrowing of Rs. 2,373.34 lakhs, proceeds from other long term liabilities by Rs. 8.59 lakhs, receipt of capital subsidy of Rs. 178.64 lakhs and increase in share premium by Rs. 159.82 lakh. However this was partially setoff by payment of interest and finance charges amounting to Rs. 2.03 lakhs.

Financial Indebtedness

As on December 31, 2017, the total outstanding borrowings of our Company was Rs. 4,566.44 lakhs comprising of long-term borrowings amounting to Rs. 3,465.25 lakhs, short-term borrowings amounting to Rs. 749.52 lakhs and current maturities of long term debt of Rs. 351.67 lakhs. For further details, refer chapter titled “*Financial Indebtedness*” beginning on page 288 of this Draft Red Herring Prospectus.

(Rs. in lakhs)

Particulars	As at December 31, 2017
Long Term Borrowings	
<i>Secured Loans</i>	
- Term Loans from Banks	2,444.98
- Vehicle Loans from HDFC Bank	2.77
- Buyers credit on Capital Goods	665.55
- PCLS loan	306.33
- Foreign LC	45.62
Sub Total (A)	3,465.25
Short Term Borrowings	
<i>Secured Loan</i>	
- Working Capital Facility from Banks	708.79
- Foreign Currency Loan (Buyer's credit on Raw Material)	28.84
<i>Unsecured Loan</i>	
- Loans from related parties	11.89
Sub Total (B)	749.52
Current Maturities of Long Term Borrowings (C)	351.67
Total (A)+(B)+(C)	4,566.44

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

Related Party Transactions

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, loans & advances given and taken and Issue of Equity Shares. For further details of such related parties under AS18, refer chapter titled “*Financial Statements*” beginning on page 224 of this Draft Red Herring Prospectus.

Contingent Liabilities

As on December 31, 2017 and March 31, 2017 our Company is not having any contingent liability as per restated audited financials.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 224 of this Draft Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 224 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 01, 2015 up to December 31, 2017.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in chapter titled "*Risk Factors*" beginning on page 21 of this Draft Red Herring Prospectus.

Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Other than as described in the section titled "*Risk Factors*" beginning on page 21 of this Draft Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known

Other than as described in chapter titled "*Risk Factors*" beginning on page 21 of this Draft Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three financial years are as explained in the part "*Financial Year 2016-17 compared with financial year 2015-16 and Financial Year 2015-16 compared with Financial Year 2014-15*" above.

Total Turnover of Each Major Industry Segment in Which the Issuer Operates

Please refer Segment Reporting under chapter titled Restated Financial Statements beginning on page 224 of this Draft Red Herring Prospectus.

Competitive Conditions

We have competition with Indian and international manufacturers, traders and service providers and our results of operations could be affected by competition in the textile industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "*Risk Factors*" beginning on page 21 of this Draft Red Herring Prospectus.

Increase in income

Increases in our income are due to the factors described above in in this chapter under “*Significant Factors Affecting Our Results of Operations*” and chapter titled “*Risk Factors*” beginning on page 21 of this Draft Red Herring Prospectus.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on a Single or Few Suppliers or Customers

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Company’s customer and supplier vis a vis the total revenue from operations respectively as of December 31, 2017 and March 31, 2017 is as follows:

Particulars	Customers		Suppliers	
	Dec 31, 2017	Mar 31, 2017	Dec 31, 2017	Mar 31, 2017
Top 5 (%)	74.09	65.41	80.42	68.26
Top 10 (%)	79.56	71.72	91.88	78.83

Seasonality of Business

The nature of business is not seasonal.

FINANCIAL INDEBTEDNESS

In terms of the Articles of Association of the Company, the Board is authorized to accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or upto such amount as may be approved by the shareholders from time to time.

Our Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities, such as change in its capital structure, change in its shareholding pattern and change in promoter's shareholding which has a possible change in the management control of our Company.

As on April 30, 2018, our Company has total outstanding secured borrowings from banks and financial institutions aggregating to Rs. **4789.31 Lakhs**

Set forth below is a brief summary of our aggregate borrowings from banks and financial institutions as of April 30, 2018:

Sr. No.	Name of Bank	Facility Type	Facility Key Term			Outstanding as on April 30, 2018 (Rs. In Lakhs)
			Loan Amount (Rs. In Lakhs)	Rate of Interest (%)	Tenure/ Repayment Terms	
(A) Fund Based Facilities						
1	Corporation Bank Limited	Term Loan (1)	2148.00	One Year MCLR + 6.70% i.e. 15.45%.	84 months commencing from January, 2016	2177.46
2	Corporation Bank Limited	Term Loan (2)	489.00	One Year MCLR + 6.70% i.e. 15.45%.	84 months commencing from January, 2016	581.65
3	Corporation Bank Limited	CC/PCL/FD BN/FDBP (Including sublimit of 10.00 Lakhs at Dahej Branch)	700.00	One Year MCLR + 5.70% i.e. 14.45%.	Running account repayable on demand subject to annual renewal	737.74
4	Corporation Bank Limited	PCL	300.00	One Year MCLR + 0.60% i.e. 9.35%.	Running account repayable on demand	317.20
5.	Punjab National Bank Limited	Term Loan	2100.00	Base Rate + 1.50% + TP i.e. 11.60%	20 quarterly installments commencing	143.11

Sr. No.	Name of Bank	Facility Type	Facility Key Term			Outstanding as on April 30, 2018 (Rs. In Lakhs)
			Loan Amount (Rs. In Lakhs)	Rate of Interest (%)	Tenure/ Repayment Terms	
					from October, 2018	
6	Punjab National Bank Limited	FCTL (FLC of 3300.00 Lakhs within FCTL of 4300.00 Lakhs for import of machinery)	4300.00	6 Months LIBOR + 5.50% (Subject to Approval from competent authority)	20 quarterly installments commencing from October, 2018	799.29
7	HDFC Bank Limited	Commercial Vehicle Loan	6.00	12.51%	48 Months	1.93
8	HDFC Bank Limited	Car Loan	11.00	10.51%	60 Months	3.28
9	HDFC Bank Limited	Commercial Vehicle Loan	13.00	12.01%	48 Months	3.85
10	Corporation Bank Limited	Car Loan	9.00	9.95 %	35 Month	6.66
	Sub Total (A)		10076.00			4772.17
(B) Non Fund Based Limit:						
1.	ICIC Bank Limited	Foreign LC	17.14	Bank charges as per policy of bank	120 days from bill of lading date	17.14
2.	Punjab National Bank Limited	Bank Guarantee	150	Commission charged as per Bank	3 Years	0.00
3.	Corporation Bank Limited	Forward Sale Contract	842.00	As per applicable rate + Tax	-	0.00
4.	Corporation Bank Limited	Forward Purchase Contract	700.00	As per applicable rate + Tax	-	0.00
	Sub Total (B)		1709.14			17.14

Sr. No.	Name of Bank	Facility Type	Facility Key Term			Outstanding as on April 30, 2018 (Rs. In Lakhs)
			Loan Amount (Rs. In Lakhs)	Rate of Interest (%)	Tenure/ Repayment Terms	
	Total (A) + (B)		11785.14			4789.31

Note: Outstanding amount includes current maturities of long term debt.

PRINCIPAL TERMS OF THE SECURED BORROWINGS AVAILED BY US FROM BANKS:

Security: In terms of our borrowings where security needs to be created, our Company has created the following securities:

A. Primary Security **For Cash Credit:**

Hypothecation/First Charge on Inventory cum Book Debts/All Current Assets of the Company.

For Term Loans from Corporation Bank Limited:

Hypothecation/First Charge on P&M and other moveable assets. EMG/First Charge on Factory Land & Building.

For Term Loans from Punjab National Bank Limited:

1. Hypothecation of Plant & Machinery, Electric Equipments & Installation & Miscellaneous Fixed Assets. Our Bank shall have exclusive first charge on assets financed being primary security i.e. Plant & Machinery and Buildings.

2. Equitable mortgage of factory land located at D-2/E-16, Dahej-II, Industrial Estate, Mouje Galenda, GIDC Industrial Estate Dist. Bharuch (Gujarat) on Pari-Passu basis with Corporation Bank having Land Area 53591.99 Sq mt.

For Vehicle Loans:

Hypothecation of respective vehicles.

B. Collateral Security

For Cash Credit and Term Loans from Corporation Bank Limited:

1. First charge by way of EMG of Factory land & Building situated at Plot no. D-2/E-16, in Dahej – II, Industrial Estate, Survey No. 211/P, Govt. C.T. 218/P, 219/P, 222/P Mouje – Galenda GIDC Industrial Estate, Tal.- Vagra Dist. Bhauch (Phase-I)
2. Exclusive First charge by way of hypothecation on Plant & Machinery and all other movable fixed assets acquired out of our bank term loan.

For Term Loans from Punjab National Bank Limited:

1. Equitable Mortgage of Industrial Land in the name of the company located at A-51 and A-52 Housing Phase Atali at GIDC Industrial Estate-Dahej, Bharuch (Gujarat) having RV of Rs. 2.99 Cr.
2. Second charge on residential house owned by promoters situated at E-38, 1st Floor, G.K.-1, New Delhi (1st charge with Ratnakar Bank Ltd).

C. Personal Guarantee:

For Loan facilities from Corporation Bank of India Limited:

Personal Guarantee of Mr. Rajeev Kumar Aggarwal and Ms. Meenu Aggarwal.

For Loan facilities from Punjab National Bank Limited:

Personal Guarantee of Mr. Rajeev Kumar Aggarwal and Ms. Meenu Aggarwal.

For Vehicle Loans:

Personal Guarantee of the Promoters

Restrictive Covenants: Borrower shall not, without the prior written approval of the Bank

- i. shall not repay borrowings availed from promoter, directors, and their relatives
- ii. make any amendments to its constitutional documents
- iii. permit any change in its ownership/management/control
- iv. effect change in the capital structure of the Company
- v. formulate any scheme of amalgamation or reconstruction
- vi. undertake any new project or expansion scheme
- vii. make any investment in other concern by way of share capital or advance funds or deposits

This is an indicative list and there may be additional terms that may amount to an event of default under the various loan facilities availed by our Company.

UNSECURED BORROWINGS

In addition to the secured and unsecured borrowings availed by us from banks, we have also availed certain unsecured loans from our Directors and their relatives. As on December 31, 2017, our Company had total outstanding unsecured borrowings from Directors and their relatives aggregating to Rs. 11.89 Lakhs.

However, as on the date of this Draft Red Herring Prospectus, the entire unsecured loan from Directors and their relatives have been repaid.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section and mentioned elsewhere in this Draft Red Herring Prospectus, there are no litigations including but not limited to, suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Subsidiaries, Group Companies or against any other company or person/s whose outcome could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not awarded irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters, Subsidiaries or Group Companies.

Except as disclosed below, there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company's law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below, there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board in its meeting held on February 23, 2018 determined, that outstanding dues to creditors in excess of Rs.10 lakhs as per last audited financial statements shall be considered as material dues (“**Material Dues**”).

Pursuant to SEBI ICDR Regulations all other pending litigations except; criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ‘material’ for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds Rs. 10.00 Lakhs as determined by our Board, in its meeting held on February 23, 2018.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company. Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Red Herring Prospectus.

For the purpose of this Chapter Income Tax Act, 1961 will be known as I.T. Act. Rajeev Aggarwal will be referred to as Promoter – I, Meenu Aggarwal will be referred to as Promoter – II and Exclusive Overseas Private Limited will be referred to as Group Company.

LITIGATIONS INVOLVING OUR COMPANY

LITIGATIONS AGAINST OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

1. SARAL INFO SOLUTION V. EXCLUSIVE FIBERS LIMITED.

Saral Info Solution (“**SIS**”), a partnership firm engaged in the business to sell CCTV, UPS computers and electronic products has filed summary suit against our Company in the Court of Principal Senior Civil Court, Ahmedabad (Rural) (“**Court**”). Our Company placed an order for electronic items and paid Rs. 1,60,900/- on June 26, 2015 and SIS sent goods worth Rs. 53,750/- to our Company along with bill no. SIS-TI-15-16-156 dated September 10, 2015. Further, for the outstanding amount of Rs. 2,93,350/-, SIS sent a notice dated May 04, 2016 to our Company claiming interest amounting to **Rs. 58,670/-** and **Rs. 15,000/-**. Our Company has filed an application dated March 19, 2017 rejecting the claims made by SIS under Order VII Rule 11 of Civil Procedure Code, 1908. The matter is currently pending.

2. RAMA SAMY P SAMY V. EXCLUSIVE FIBERS PRIVATE LIMITED, RAJEEV AGGARWAL AND SHYAM SHARMA

Rama Samy P. Samy (“**Rama Samy**”) filed a civil suit in High Court of Bombay, Ordinary Original Civil Jurisdiction against our Company, Promoter - I and the Shyam Sharma. The civil suit is in regards a property at Vijay Park, Janaki Kutir, Juhu, Mumbai. There are total of six row houses, each row house has separate independent compound, court yard, compound gate and independent access to the respective row house. Row house no. 3 has three terraces. Rama Samy claims to be the owner of row house no. 3. Our Company was the present owner of row house no. 2. The terrace on the 2nd floor above row house no. 2 was divided into two parts, one of the parts was accessible and attached to row house no. 3 and this part was asserted to be sold to Rama Samy as a part of row house no. 3. Rama Samy did renovation work of row house no. 3 and temporarily shifted to another place. It is alleged in this civil suit that Promoter – I and our Employee punctured the first-floor ceiling of row house no. 2 and made an opening for accessing the terrace in row house no. 2 on July 18, 2009. Rama Samy filed a police complaint against Promoter - I and P.D Sharma for the unauthorized construction post which the police directed Promoter - I and P. D Sharma to stop the unauthorized construction. Our Company, Promoter I and the Employee have filed written statements dated April 11, 2011. The matter is currently pending.

Taxation Matters

INCOME TAX PROCEEDINGS

1. FOR AY 2008-09

The Income Tax Department’s website under the head ‘*Response to Outstanding Tax Demand*’ displays an outstanding demand raised on February 14, 2015 under Section 220(2) and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 4,236/-**. The amount is currently outstanding.

2. FOR AY 2009-10

The Income Tax Department’s website under the head ‘*Response to Outstanding Tax Demand*’ displays an outstanding demand raised on August 05, 2017 under Section 220(2) and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 2,240/-**. The amount is currently outstanding.

3. FOR AY 2011-12

The Income Tax Department’s website under the head ‘*Response to Outstanding Tax Demand*’ displays an outstanding demand raised on February 08, 2018 under Section 250 and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 10/-**. The amount is currently outstanding.

4. **FOR AY 2013-14**

The Income Tax Department's website under the head '*Response to Outstanding Tax Demand*' displays an outstanding demand raised on August 05, 2017 under Section 220(2) and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 3,434/-**. The amount is currently outstanding.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Proceedings against Our Company for economic offences/securities laws/ or any other law

Nil

Penalties in Last Five Years

Nil

Pending Notices against our Company

Nil

Past Notices to our Company

Nil

Disciplinary Actions taken by SEBI or stock exchanges against Our Company

Nil

Defaults including non-payment or statutory dues to banks or financial institutions

Nil

Details of material frauds against the Company in last five years and action taken by the Companies.

Nil

LITIGATIONS FILED BY OUR COMPANY

Criminal Litigations

1. EXCLUSIVE FIBERS LIMITED V. HARI CONSTRUCTION THROUGH ITS SOLE PROPRIETOR VINAYBHAI SHAH

Our Company has decided to set up a carpet manufacturing plant in Dahej and engaged Tata Consulting Engineers Limited, Pune ("**Tata**") for the project. Tata issued a tender bearing no. TCE.7112A-F-CV-402 pursuant to which Vinaybhai Shah (sole proprietor of Hari Construction) submitted his bid. Our Company and Vinaybhai Shah entered into an agreement dated June 07, 2013 for total consideration of Rs. 11,13,19,782/-. As per the agreement, Vinaybhai Shah gave bank guarantee worth Rs. 50,00,000/- to our Company and Rs. 3,02,38,339/- was paid by our Company. Our Company alleged that Vinaybhai Shah presented forged, inflated and fabricated bills pursuant to which our Company invoked the bank guarantee. Hence, our Company filed a complaint to Karol Bagh police station and the complaint was registered vide diary no 30B 28/3/15 dated March 28, 2015 under Section 406, 415, 420, 467, 468, 471 of Indian Penal Code, 1860 along with a complaint dated May 12, 2016 before the Court of Chief Metropolitan Magistrate, Tis Hazari, New Delhi against Vinaybhai Shah. The Police submitted its inquiry report and the matter is currently pending.

2. SHANTANU GHOSH V. ABHISHEK PATEL & DILIPSINH BABUBHAI PARMAR

Shantanu Ghosh filed a FIR no. 117/16 dated May 11, 2016 against Abhishek Patel and Dilipsinh Parmar under Section 381, Section 408 and Section 114 of the Indian Penal Code, 1860 for theft of the property amounting to Rs. 13,36,243.86/- with Dahej police station. The Police made an inquiry, filed a punchnama after recording statement of Shantanu Ghosh, Abhishek Patel and Dilipsinh Parmar and other employees. Police filed a charge sheet with Judicial Magistrate of First Class of Vagra Court stating that no sufficient evidence was found against Abhishek Patel and Dilipsinh Parmar. Thereafter, Shantanu Ghosh requested for a fresh police investigation report and subsequently summons was issued on August 08, 2017 to Abhishek Patel and Dilipsinh Parmar. The matter is currently pending.

Civil Proceedings

1. EXCLUSIVE FIBERS LIMITED V. HARI CONSTRUCTION

Our Company decided to set up a carpet manufacturing plant in Dahej and engaged by Tata Consulting Engineers Limited, Pune (“Tata”) as a consultant engineer, pursuant to which Tata issued a tender bearing no. TCE.7112A-F-CV-402. Hari Construction submitted its bid and subsequently our Company and Hari Construction entered into an agreement dated June 07, 2013 for cost of consideration fixed at Rs. 11,13,19,782/-. As per the Agreement, our Company paid Rs. 3,02,38,339/- to Hari Construction and Hari Construction provided bank guarantee of Rs. 50,00,000/-. Our Company has alleged that Hari Construction raised inflated and bogus bills and failed to get the same certified. Thus, our Company suspended the work and appointed another contractor. Our Company invoked the bank guarantee on September 22, 2014 and sent a legal notice dated November 17, 2014 to Hari Construction. Our Company has filed an arbitration petition dated December 19, 2014 before the Arbitral Tribunal for the appointment of arbitrator to settle the matter amicably as per the terms of the agreement.

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law

Nil

LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY

LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY

Rajeev Aggarwal and Meenu Aggarwal are Promoters as well as Directors of our Company. For litigations pertaining to them kindly refer the head ‘Litigation involving Promoter/s of our Company’ below.

Criminal Litigations

Nil

Civil Proceedings

For details of this litigation please refer the head ‘Litigation against our Group Company’ – Civil Proceedings.

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Directors

Nil

Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law

Nil

Directors on list of wilful defaulters of RBI

Nil

LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY**Criminal Litigations****1. RAJEEV AGGARWAL AND SHANTANU GHOSH DASTIDAR V. VINAYBHAI HASMUKHBHAI SHAH AND STATE OF GUJARAT**

Shantanu Ghosh Dastar is the Director of our Company. For the details of this litigation please refer the head 'Litigation by our Promoter/s – Criminal Litigation.'

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY**LITIGATIONS AGAINST OUR PROMOTER/S****Criminal Litigations****1. ISHAQUE KHAN V. RAJEEV AGGARWAL & P.D SHARMA**

Ishaque Khan has filed a criminal revision petition against Promoter - I in the Saket Court, New Delhi. Ishaque Khan purchased property bearing no E-44 from Shri Mahender for consideration of Rs. 4,95,000/- on May 18, 2000. Ishaque Khan filed a civil suit against Rishi Pal and Mitesh for the grabbing of land on April 07, 2003. Promoter - I and Employee filed an application to become a party to the suit as they claim to be the joint owners of the property bearing no. E-34-43 against which Ishaque Khan filed a reply and Civil Judge dismissed the application made by them. Ishaque Khan alleged that documents filed by Promoter - I are false and fabricated. Promoter - I filed a FIR bearing no. 308 of 2006 on April 28, 2004 against Ishaque Khan under Section. 467, 463, 471, 120-B of the Indian Penal Code, 1860 pursuant to which police arrested Ishaque Khan. Thereafter, Promoter - I started construction of property. Ishaque Khan alleged that the Promoter- I dispossessed him from the property. Ishaque Khan was arrested by the police of crime branch and remanded to judicial

custody. Ishaque Khan filed a bail application in the High Court of Delhi (“**Court**”) and Court granted bail to him on July 11, 2005. Ishaque Khan filed a complaint against Promoter - I under Section 156(3) and Section 200 of Criminal Procedure Code, 1973 before District Metropolitan Magistrate Court. The District Metropolitan Magistrate Court passed an order dismissing the petition dated November 11, 2012. Being aggrieved by the order dated November 11, 2012, Ishaque Khan filed a criminal revision petition before Saket Court, Delhi. Thereafter, Promoter – I has filed a written submission and the matter is currently pending.

Civil Proceedings

1. ASHWANI KUMAR VS. RAJEEV AGGARWAL & KISHAN AGARWAL

Ashwani Kumar filed a civil suit against Promoter - I and others in the Tis Hazari Court, New Delhi. Ashwani Kumar gave property on lease to Kishanlal and alleges that Kishanlal did not pay rent from September 01, 2009 onwards. Hence, Ashwani Kumar filed a suit for recovery of rent from July 01, 2012 to June 30, 2015 at the rate of Rs. 100 per month amounting to **Rs. 3,600/-** along with interest amounting to **Rs. 1,332/-**. Promoter - I filed a written statement dated August 12, 2010 with the Tis Hazari Court, New Delhi in the said matter and the matter is currently pending.

2. ISHAQUE KHAN VS. RAJEEV AGGARWAL & P.D SHARMA

Ishaque Khan filed a civil suit bearing no. 244/2006 dated February 03, 2006 against Promoter - I and the Employee before the High Court of Delhi. Ishaque Khan claims to be the owner of the property bearing no. E-44. Rishipal and Mithilesh tried to get possession of the property and hence filed a suit for permanent injunction against Rishipal and Mithilesh on April 07, 2003 for the land grabbing case and Civil Court ordered status quo in the said matter. Promoter - I and the Employee filed an application for being a party to the suit as they claim to be the joint owners of the property bearing no. E-34-43. The Civil Judge dismissed the application of Promoter - I and our Employee pursuant to which they filed a FIR bearing no. 308 of 2006 on April 28, 2004 under Section. 467, 463, 471, 120-B of the Indian Penal Code, 1860 after which police took custody of Ishaque Khan. In return, Ishaque Khan filed a civil suit bearing no. 244/2006 dated February 03, 2006 against Promoter - I and the Employee before the High Court of Delhi. Ishaque Khan alleged that during this time Promoter - I took possession of the said property and started construction on the property against which Ishaque Khan filed an application under Order 39 Rule 2A of Civil Procedure Code for dispossession of Promoter – I and P.D Sharma from the property. The High Court issued notice to Promoter - I and the Employee pursuant to which they filed written statement on March 31, 2006. The matter is currently pending.

3. ASHWANI KUMAR V. KRISHAN LAL & RAJEEV AGGARWAL

Ashwani Kumar, the land lord of the property bearing no. 39/3000 gave the property on rent to Krishanlal (“**Tenant**”) for a monthly rent of Rs. 100/- per month. Ashwani Kumar alleged that Tenant has sublet the property to Promoter - I for rent without obtaining prior consent. Ashwani Kumar filed an application dated March 17, 2010 before the Rent Controller, Delhi for eviction of Tenant and Promoter - I. The matter is currently pending.

4. SSG PROMOTERS PRIVATE LIMITED V. MEENU AGGARWAL & OTHERS

SSG Promoters Private Limited (“**SSGPPL**”) filed a civil suit on March 02, 2017 against Promoter – II, Neelam Saxena and Ankita Gupta in the Saket Court, New Delhi. SSGPPL bought property bearing no. Basement of E-38, Greater Kailash, Part-I, New Delhi, from Neelam Saxena on November 06, 2012. SSGPPL alleged that at the time of purchase of property, Neelam Saxena informed that she is the absolute owner of the property and the property is free from all liens, mortgages charges and encumbrances and gave rights to make permissible alteration, modification and repairs to the property. SSGPPL allowed Samaksh Goyal to use the property for office purpose

pursuant to which Samaksh Goyal started renovation work of the property. Promoter - II, Neelam Saxena and Ankita Gupta objected the renovation work and complained to Municipal Corporation Delhi about the renovation activity. The official of Municipal Corporation Delhi inspected the renovation activity and held that there is no unauthorised construction. Promoter - II and others made a police complaint with GK-1 police station against SSGPPL and its contractor and workers. Promoter - II, Neelam Saxena and Ankita Gupta filed written statement in respect of the said suit. The matter is currently pending.

5. KRISHANLAL AGARWAL V. RAJEEV AGGARWAL

Krishanlal Aggarwal is the father of the promoter and both the parties are carrying the family business of import, export of clothes. The business was originally promoted by the Krishanlal Aggarwal. The family arrived at a settlement on November 13, 1995 and held that premises of the shop in Karol Bagh will be allotted to the promoter – I. Krishanlal Aggarwal alleged that on November 14, 1995 the Promoter - I backed out from the family settlement and started creating nuisance in the factory premises which interrupted the working of family business. Krishanlal Aggarwal filed a civil suit against Promoter – I in the Saket court in New Delhi. Krishan Lal Aggarwal prayed to the court to get possession of the shop in Karol Bagh and also prayed for the permanent injunction against Promoter - I. The matter is currently pending.

6. PRABHAKAR VENKATA PATEL V. EXCLUSIVE OVERSEAS PRIVATE LIMITED, SHANTANU GHOSH AND RAJEEV AGGARWAL

For details of this litigation please refer the head 'Litigation against our Group Company' – Civil Proceedings.

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Promoters

Nil

Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years

Nil

Penalties in Last Five Years

Nil

Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past.

Nil

Adverse finding against Promoter for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR PROMOTER/S

Criminal Litigations

1. RAJEEV AGGARWAL AND SHANTANU GHOSH DASTIDAR V. VINAYBHAI HASMUKHBHAI SHAH AND STATE OF GUJARAT

Our Company has decided to set up manufacturing plant in Dahej, Gujarat and engaged Tata Consulting Engineers Limited (“Tata”) as a consultant engineer. Tata issued a tender bearing no. TCE-7112A-F-CV-402 for construction of premises. Vinaybhai submitted his bid for the construction of premises. Exclusive Fibers Limited entered into an agreement for construction of premises vide agreement dated June 07, 2013. The total cost of construction was fixed for Rs. 11,13,19,782/-. Vinaybhai provided bank guarantee to Exclusive Fibers Limited amounting to Rs. 50,00,000/- but did not complete the work as per the terms of the agreement. Exclusive Fibers Limited made a total payment of Rs. 3,02,38,339/-. Our Company invoked bank guarantee on September 22, 2014. Vinaybhai hired new contractor for the completion of construction work and attempted to lodge FIR against Promoter - I, however FIR was not registered. Hence, Vinaybhai filed private complaint against Promoter - I before Magistrate Court at Bharuch on October 07, 2014 bearing Misc. Application no. 978/2014. Promoter - I sent a notice dated October 27, 2014 to Vinaybhai. Subsequently, Vinaybhai filed a civil suit bearing ref no. 165/2014 before Additional Senior Judge, Bharuch, Gujarat. Promoter - I initiated arbitration proceeding as per the terms of the contract. Both the civil suit and arbitration petitions are currently pending. The Magistrate has issued a process against Promoter - I under Section 204 of the Criminal Procedure Code, 1973. Vinaybhai has filed revision petition bearing no. 4/2016 before Session Court at Bharuch. The Session Court passed an order dated September 03, 2016 directing to register the complaint through the Trial Court bearing no. 5733 of 2016 against Promoter - I under section 406, 420, 467, 468, 471 and 114 of the Indian penal Code. Promoter - I and Director has filed special criminal application bearing reference no. 1587 of 2017 dated February 10, 2017 in the High Court of Gujarat against Vinaybhai Hasmukhbhai Shah and State of Gujarat. The matter is currently pending.

2. RAJEEV AGGARWAL V. VIJAY KUMAR DIWAKAR, VIJAY NEWS, SANSANI OF INDIA NEWS CHANNEL, I.G PRINTERS, MASTAN SINGH, HARPAL SINGH AND JAGPAL SINGH.

There were following cases filed in this matter:

- i) Promoter - I filed a criminal case bearing no. 112/01 before the Saket Court, New Delhi against Vijay Kumar Diwakar and others.
- ii) Promoter - I filed a complaint with Governor of Delhi against Raj Kumar Bhadana and Anil Arora for unauthorised occupation of land bearing Khasra no. 239/1/1, 239/1/2, 239/2/2, 239/3/1 in village Pul Pehladpur, New Delhi.
- iii) Anil Arora filed a complaint against Promoter - I pursuant to which police official of Sangam Vihar summoned Promoter - I on September 09, 2008 for further investigation.

Promoter - I alleged, on September 10, 2008 - Vijay Kumar called Promoter - I and informed that he is a Reporter and also threatened that he will publish incident of Promoter - I in the newspaper damaging his reputation if he did not pay **Rs. 5,00,000/-**. Promoter - I refused to pay the amount and also lodged written complaint against Vijay Kumar on September 10, 2008 with Sangam Vihar police station for extorting money. Vijay Kumar published a front-page news in the “Vijay News” newspaper with title “*kale karnamo ke vyavasai bana Rajeev Aggarwal*” along with Promoter - I’s photograph. In the report Vijay Kumar stated, that Promoter - I had entered into a land acquisition transaction with Raj Kumar Bhadana and Anil Arora and sold land to the Anil Arora by resorting to misrepresentation.

On October 10, 2008, Promoter - I issued a legal notice against Sansani of India news channel for claiming Rs. 50,00,000/- as a way of damage for defamation and mental agony against which Sansani of India news channel replied on October 21, 2008 and also filed FIR bearing no. 632/08 under Section 420 and Section 406 read with Section 34 of Indian Penal Code, 1870 against Promoter - I on November 21, 2008. Vijay Kumar again printed defamatory report against Promoter - I on November 16, 2008. Promoter - I filed an application no. 2362/2008 for anticipatory bail on November 21, 2008 before Delhi High Court and Delhi High Court granted bail on January 21, 2009. Promoter - I also filed civil suit in Delhi High Court for defamation and permanent injunction. The Delhi High Court granted interim stay in favour of Promoter - I. Promoter - I filed criminal case against Vijay Kumar under Section 383 and Section 384 of the Indian Penal Code, 1870 and against Vijay Kumar Diwakar, Vijay News, Sansani Of India News Channel, M/S I.G Printers, Mastan Singh, Harpal Singh, Jagpal Singh under Section 499, 500, 501, 120B and 34 of the Indian Penal Code, 1870. The matter is currently pending.

3. **RAJEEV AGGARWAL V. GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI AND OTHERS**

Promoter - I filed criminal miscellaneous case against Government of National Capital Territory, Delhi, Archana Grover (“**Archana**”), Bhushan Grover and others before High Court of Delhi on June 23, 2017. Archana mortgaged property to Punjab and Sind Bank in 1996 and defaulted in repayment of loan pursuant to which Punjab and Sind Bank initiated recovery proceedings against Archana by filing Debt Recovery Tribunal (“**DRT**”) application no. 442/1998. DRT issued recovery certificate to Punjab and Sind Bank on May 31, 2001 and the recovery officer-initiated execution of the order by attaching and sealing the property. Recovery officer issued sale proclamation on March 05, 2016. The public notice for the sale of property was issued in leading newspaper on April 16, 2006. Promoter - I bought the said property on May 30, 2006 by way of auction for Rs. 24,74,520/-. The sale was confirmed by the recovery officer and possession was handed over to Promoter-I on April 16, 2007 and order for confirmation of sale was passed on April 18, 2007.

An order dated June 21, 2012 was filed against application filed by Archana, and proceeding was remanded back to the new recovery officer. Promoter – I filed an appeal bearing no. 12/2013 against the order dated June 21, 2012. Archana filed civil suit against Promoter – I in the court of ASJ-Cum RC Saket, district court, New Delhi. Archana also filed complaint against Promoter - I before GK-1, Police Station, New Delhi. The Government of NCT Delhi passed an order dated February 10, 2014 disposing off the criminal proceedings. The Government of NCT Delhi remanded the matter to conduct an inquiry. Archana filed a criminal revision against order dated February 10, 2014 before ASJ Saket District Court on May 03, 2014. The Saket court disposed of the criminal revision application by order dated October 31, 2014. The Saket district court remanded matter back to the Government of NCT, Delhi to conduct inquiry under section 145(4) of criminal Procedure code. The SDM court sent notice to the Promoter - I on October 26, 2015. The SDM court passed an order on October 28, 2015 and admitted the proceedings. Promoter - I filed Criminal Revision bearing reference no. 105/16 on November 11, 2015 challenging the order of SDM court dated October 28, 2015. The SDM passed ex-parte order on June 16, 2016 granting 1st right of terrace to Archana . Order was passed in absence of Promoter - I. Promoter - I filed a writ of Certiorari dated March 16, 2017 in the High Court. The Writ has been disposed of by High Court. The Final arguments were held on October 10, 2016 and the Order was passed on October 19, 2016. The judgment was pronounced in March stated that Promoter - I has failed to avail remedy to challenge order passed by Special Judge, Saket court. Promoter - I prayed to quash order dated January 01, 2013 vide complaint no 56B and order dated October 10, 2015, March 03, 2016, June 16, 2016, and June 22, 2016. Promoter - I also prayed to quash proceeding under Section 145 of Criminal procedure Code in case no. 38/SDM/HK/2015/1660. The matter is currently stayed by the court..

4. **RAJEEV AGGARWAL V. ISHAQUE KHAN**

Promoter - I filed FIR bearing no. 308/04 dated April 28, 2004 against Ishaque Khan, Mohinder Singh and Leelu in Sangam Vihar police station under section 420, 467, 468, 471, 120 of Indian Penal Code, 1860. Promoter - I along with P.D Sharma claims to be co-owner of the property comprising bearing E-43 and E-34. Promoter - I alleges that Ishaque Khan tried to get forcible possession of the property by virtue of forged and fabricated documents and grab the property. Hence Promoter - I filed FIR against Ishaque Khan and matter is currently pending.

Civil Proceedings

1. **RAJEEV AGGARWAL V. VIJAY KUMAR DIWAKAR & VIJAY NEWS**

Promoter - I filed suit dated January 09, 2009 against Vijay Kumar Diwakar and Vijay News before the High Court of Delhi for claiming compensation for defamation and permanent injunction against the article dated September 11, 2008 and November 16, 2008. Promoter - I made a complaint dated August 25, 2008 against Raj Kumar Bandana and Anil Arora for occupying Government land bearing Khasra no 239/1/1, 239/1/2, 239/2/2, 239/3/1 without any authority. Later Promoter - I was summoned by the police officials of Sangam Vihar on September 09, 2008. On September 10, 2008 Vijay Kumar called Promoter - I on his mobile phone and informed him that he is a “**Reporter**” and he will damage his reputation by publishing the incident of arrest in newspaper, if he did not pay **Rs. 5,00,000/-** to him. Promoter - I refused to pay and lodged a written complaint against Vijay Kumar on September 10, 2008 with Sangam Vihar, New Delhi police station for extorting money. Vijay Kumar published a front page news in the “**Vijay News**” newspaper with the title “*kale karnamo ke vyavasai bana –Rajeev Aggarwal*” along with Promoter - I’s photo. In the report Vijay Kumar stated that Promoter - I entered into a land acquisition transaction with Raj Kumar Bhadana and Anil Arora and sold land to the Anil Arora by resorting to misrepresentation. Promoter - I was again summoned by the police on September 14, 2008 in a complaint filed by Anil Arora. On October 10, 2008 Promoter - I issued legal notice against Vijay News claiming Rs. 50,00,000/- as a way of damage for defamation and mental agony. On October 21, 2008, the police filed an FIR bearing no. 632/08 under section 420 and 406 read with section 34 of Indian Penal Code against Promoter - I on November 21, 2008. Vijay News again printed defamatory report against Promoter - I on November 16, 2008 pursuant to which Promoter - I filed suit against Vijay Kumar and Vijay News claiming Rs 25,00,000/- along with cost of legal proceedings. Vijay Kumar and Vijay News did not file any written statement and hence Promoter - I filed an Ex-parte evidence. The Court passed judgement on October 14, 2011 and awarded Rs. **5,00,000/-** as a compensation and Rs. **27,585/-** as a legal cost to the Promoter - I and matter was disposed of. Promoter - I filed execution petition bearing no. 365 of 2012 in the High Court of Delhi for the payment of compensation granted under the order dated October 14, 2011, against Vijay Diwakar and Vijay news. The matter is currently pending.

2. **RAJEEV AGGARWAL VS. SANJEEV AGARWAL & OTHERS**

Promoter - I entered into partnership with Sanjeev, Pradeep and Krishna Kumari vide partnership deed dated January 15, 1992 for carrying on business of import, export of cloth and trading of cloth in the name of M/s Krishna Enterprise. Partnership business commenced from January 16, 1992 and as per the deed, all partners equally contributed capital for the business and agreed to equally divide the profit and losses. On November 09, 1995 Sanjeev and Pradeep did not allow Promoter - I to enter into the business premises of partnership firm. Aggrieved by this Promoter - I filed a police complaint which eventually led to arrest of Sanjeev and Pradeep. In the police station matter was settled and compromise between them was given in writing by Sanjeev and Pradeep. Thewreafter, Sanjeev and Pradeep filed a suit bearing no. 582/95 for permanent injunction on Promoter - I, in order to restrain Promoter - I from interfering in partnership business, in Civil Court, Delhi. As per the partnership deed the partnership was “at will” and can be terminated by either parties by giving notice to other parties. Hence, Promoter - I has served the dissolution notice to Sanjeev, Pradeep and Krishna.

Promoter - I gave letter to Andhra Bank in writing on December 06, 1995 for the bank account details of partnership firm and noticed that Sanjeev and Pradeep had received huge amount from customers and had withdrawn all the money without giving any amount to Promoter - I. Promoter - I alleged that Sanjeev and Pradeep removed books of account from the factory premises and did not render the books of account to Promoter - I. The valuation claimed by Promoter - I in this suit is **Rs. 4,90,000/-**. The partnership firm was dissolved vide order dated January 22, 2013 and the Court awarded one fourth shares to all the partners. In the order it was also informed that Promoter – I is entitled for rendition and settlement of accounts. Promoter - I filed an application for the execution of Decree dated January 22, 2013 before West District, Tis Hazari Court, Delhi, pursuant to which District Court appointed Local Commissioner to visit the premises of partnership firm and to furnish details of account book to be rendered to Promoter - I. Local commissioner submitted that the rendition of accounts could not be done as Sanjeev and Pradeep has alleged that Promoter - I already possesses all the books of accounts. Later Sanjeev and Pradeep filed an appeal in the High court of New Delhi against order dated January 22, 2013. The High Court of New Delhi passed an order dated September 03, 2014 admitting the appeal and matter was sent back to the West District, Tis Hazari court for final disposal.

Promoter - I has filed civil suit against Sanjeev Kumar Agarwal, Pradeep Kumar Agarwal and Krishna Kumari Agarwal in the court of West District, Tis Hazari court, Delhi for dissolution of partnership and rendition of accounts and appointment of arbitrators. West District, Tis Hazari Court passed an order dated December 15, 2017 and held that Promoter - I, Sanjeev and Pradeep will be entitled to 1/4th share of property of the firm is liable to be attached and sold in an open auction and each partner of the firm will get one-fourth share as per decree. The matter is pending execution of the order.

3. RAJEEV AGGARWAL & MEENU AGGARWAL V. SOUTH DELHI MUNICIPAL CORPORATION

Promoter - II has filed an appeal before Appellate Tribunal, Tis Hazari Court Delhi against demolition notice dated December 01, 2014 issued by South Delhi Municipal Corporation in respect of premises bearing no. E-38, Greater Kailash-I, New Delhi 48. Promoter - I and Promoter - II are the joint owners of the property and residing at the same property. Promoter – I and Promoter II instituted Writ Petition no 3103/2013 before the Delhi High Court which was disposed of vide order dated May 13, 2013. Both the Promoters instituted contempt petition bearing no 487/2013 and contended that no illegal construction had been carried on the property on which the High Court of Delhi filed status report dated October 27, 2014. The Municipal Corporation issued demolition order dated December 01, 2014 for the demolition of illegal construction against which both the Promoters have filed a Writ Petition bearing no. 8813/2014 before Delhi High Court who dismissed the petition vide order dated November 11, 2014 pursuant to which both the Promoters filed an appeal in the High Court of Delhi. The Delhi High Court has passed an interim stay order and also ordered for a fresh inspection of the property. The matter is currently stayed by the court.

4. RAJEEV AGGARWAL V. KINGFISHER AIRLINES LIMITED

Promoter - I has filed consumer complaint bearing no. 218/2013 dated April 03, 2013 against Kingfisher Airlines Limited in the Consumer District Forum, New Delhi for deficiency in services. Promoter - I availed “Kingfisher Fly the Good Times” scheme and bought 8 coupons of Kingfisher airlines on June 13, 2012 for Rs. 44,000/-. Promoter - I used one coupon to book a flight for Delhi to Bangalore on October 11, 2012 and second coupon to book a flight from Bangalore to Delhi on October 13, 2012, but the said coupon could not be used as Kingfisher’s both the flights got cancelled. Promoter - I was not able to use total 6 coupon due to cancellation of Kingfisher’s flights because of which Promoter - I booked another flight’s ticket by paying from credit card amounting to Rs. 24,936/-. Promoter - I filed a complaint claiming total **Rs. 57,395/-** along with interest @18% per

annum and **Rs. 10,000/-** towards legal expenses. Further, Promoter – I has also claimed **Rs. 1,00,000/-** on account of mental agony and hardship. The matter is currently pending.

5. RAJEEV AGGARWAL V. EMPLOYEE STATE INSURANCE CORPORATION

Promoter - I is registered under Employee State Insurance Act, 1948 vide letter dated July 17, 2001 and covered under the Employee State Insurance scheme effective from May 28, 2001 and made regular payments towards Employees State Insurance contribution. Raghubir Singh visited the office of Promoter - I and made observation about payment of Rs. 11,016/- on account of repair and maintenance charges and informed to ESIC. Pursuant to which Promoter - I received demand letter dated November 11, 2005 for a sum of Rs. 87,635/- towards contribution from December 1997 to March 31, 2001. Promoter - I sent a reply letter dated November 30, 2005 and February 27, 2006 to ESIC asking the basis of demand. Promoter - I filed a civil suit against Employee State Insurance Corporation (“ESIC”) Senior Civil Judge, Delhi. Promoter – I, in this suit has asked the Court to stop ESIC from initiating proceedings for recovery of **Rs. 1,79,717/-** and ESIC has filed a written statement challenging the relief claimed. The matter is currently pending.

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR GROUP COMPANIES

LITIGATIONS AGAINST OUR GROUP COMPANIES

Criminal Litigations

Nil

Civil Proceedings

1. PRABHAKAR VENKATA PATEL V. EXCLUSIVE OVERSEAS PRIVATE LIMITED, SHANTANU GHOSH AND RAJEEV AGGARWAL

Prabhakar Venkata Patel (“Prabhakar”) filed complaint against Director and Promoter - I before Labour Commission, Bangalore. Prabhakar was employed with our Group Company as Manager for a remuneration of Rs. 5,40,000/- per year. Prabhakar alleged that Promoter - I did not pay his salary for the month of August 2017 amounting to Rs. **45,000/-** and also removed him from the office without any notice and alleged that our Company and Promoter - I accepted the resignation letter sent by Prabhakar over an Email. Prabhakar also lodged written complaint against Promoter - I and Shantanu with Hebbagodi Police Station on December 15, 2017. Promoter - I filed Objection with Labour Commission against the said complaint. The matter is currently pending.

Taxation Matters

INCOME TAX PROCEEDING:

1. FOR AY 2010-11

The Income Tax Department’s website under the head ‘*Response to Outstanding Tax Demand*’ displays an outstanding demand raised on March 01, 2013 under Section 154 and Section 245 of the I.T Act against Group Company for an outstanding demand amounting to **Rs. 94,240/-**. The amount is currently outstanding.

2. FOR AY 2011-12

The Income Tax Department's website under the head '*Response to Outstanding Tax Demand*' displays an outstanding demand raised on July 03, 2012 under Section 154 and Section 245 of the I.T. Act against Group Company for an outstanding demand amounting to **Rs. 16,440/-**. The amount is currently outstanding.

3. FOR AY 2012-13

The Income Tax Department's website under the head '*Response to Outstanding Tax Demand*' displays an outstanding demand raised on February 24, 2017 under Section 220(2) and Section 245 of the I.T. Act against Group Company for an outstanding demand amounting to **Rs. 44/-**. The amount is currently outstanding.

4. FOR AY 2013-14

The Income Tax Department's website under the head '*Response to Outstanding Tax Demand*' displays an outstanding demand raised on December 22, 2015 under Section 154 and Section 245 of the I.T. Act against Group Company for an outstanding demand amounting to **Rs. 2,220/-**. The amount is currently outstanding.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Group Companies

Nil

Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies

Nil

Adverse finding against Group Companies for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR GROUP COMPANIES

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES

AS ON DATE OF THIS DRAFT RED HERRING PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY SUBSIDIARY.

OTHER MATTERS

Nil

DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES

Nil

OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

Nil

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter — “Management Discussion and Analysis of Financial Condition and Result of Operation” on page 269 of this Draft Red Herring Prospectus, there have been no material developments since the date of the last audited balance sheet.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As of December 31, 2017, our Company had 53 creditors, to whom a total amount of Rs. 1271.26 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated February 23, 2018, considered creditors to whom the amount due exceeds Rs.10 lakhs as per our Company’s restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

Name of Creditor	Amount (Rs. in lakhs)
Hari Construction	25.70
Delhi Textile Traders	28.70
Ethenic Agencies Private Limited	32.13
Everest Industries Limited	33.78
Van De Wiele	69.21
Guru Kripa Textiles	75.00
Khurana Garments	81.91
Mr Poly-yarns Pvt. Ltd.	134.25
Indorama Polyester Industries Public Company Limited	148.34
Kartikev Building Contractors Private Limited	175.90
Total	804.92

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see the website of our Company www.efpl.co.in.

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.efpl.co.in, would be doing so at their own risk.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of Carpet manufacturing of various designs, textures and sizes, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled “Key Industry Regulations and Policies” on page 178 of this Prospectus.

The Company has its business located at:

Registered Office: 31/3203, Beadonpura Karol Bagh, New Delhi – 5, Delhi – 110005, India.

Manufacturing Unit: D-2/E-16, Dahej Industrial Estate, Bharuch, Gujarat – 392130, India

Corporate Office: C-203, Greater Kailash Part-1, New Delhi, 110048, India.

Warehouse: D-2/E-16, Dahej Industrial Estate, Bharuch, Gujarat – 392130, India

Raw Material storage: D-2/E-16, Dahej Industrial Estate, Bharuch, Gujarat – 392130, India.

Further, except as mentioned herein below, our Company has not yet applied for any licenses for the proposed activities as contained in the chapter titled “Objects of the Issue” beginning on page no. 115 of this Draft Red Herring Prospectus to the extent that such licenses/ approvals may be required for the same.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on February 23, 2018 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting held on March 3, 2018 authorized the Issue.

In- principle approval from the Stock Exchange

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference no. [●].

Agreements with NSDL and CDSL

1. Similarly, the Company has also entered into an agreement dated May 6, 2014 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
2. The Company has entered into an agreement dated May 7, 2014 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.

3. The Company's International Securities Identification Number ("ISIN") is INE659Q01011.

INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated April 16, 2004 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana, in the name of "EXCLUSIVE FIBERS PRIVATE LIMITED".
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on April 17, 2014 by the Registrar of Companies, National Capital Territory of Delhi & Haryana in the name of "EXCLUSIVE FIBERS LIMITED".
3. The Corporate Identification Number (CIN) of the Company is U74999DL2004PLC125846

APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
1	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Ministry of Commerce and Industry, Government of India	0504030701	August 02, 2004	In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the IEC by the concerned licensing authority.
2	Entrepreneurs Memorandum for setting micro, small and	Ministry of Micro, Small and Medium Enterprises, Government of India and	24-021-12-01681	April 18, 2013	NA

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	medium Enterprises Unit	Government of Gujarat			
3	License to work a factory (under Factories Act, 1948 and Rules made thereunder)	Director, Industrial Safety & Health Gujarat State	22406	January 28, 2016	December 31, 2019
4	Federation of Indian Export Organisation (FIEO)	Ministry of Commerce, Government of India	FIEO/NR/13135/2013-2014	April 01, 2018	March 31, 2019
5	Certificate of Recognition-Export House (under Foreign Trade Policy 2009-2014)	DY. Director General of Foreign Trade	050117000591	August 17, 2017	August 13, 2022

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AABCE3239P	April 16, 2004	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	DELE05894A	June 07, 2011	Perpetual

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
3	Goods and Service Tax Identification Number (GSTIN)	Government of Gujarat and Government of India	24AABCE3239P1ZH	June 25, 2017	NA
4	Goods and Service Tax Identification Number (GSTIN)	Government of Delhi and Government of India	07AABCE3239P2ZC	July 12, 2017	NA
5	Certificate of Registration of (under Gujarat Value Added Tax Act, 2003 Added Tax Rules)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of India	24210700469	July 04, 2013	NA
6	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AABCE3239PSD003	September 19, 2013	NA
7	Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002)	Assistant Commissioner of Central Excise, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AABCE3239PEM001	Date of Issue of Original: July 15, 2013 Date of Modification: February 01, 2016	NA
8	Professional Tax Registration Certificate (PTRC) (under section 5 of Gujarat State	Profession Tax Officer, Department of Sales Tax Government of India	210030066014	April 21, 2016	NA

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	Professional Tax, Act, 1976				
9	Commercial Sales Tax	Government of Gujarat, Gujarat Commercial Tax	24210700469	April 17, 2014	NA

LABOUR RELATED APPROVALS/REGISTRATIONS

Sr. No.	Description	Authority	Registration No./Reference No./License No.	Date of Issue
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952)	Employees Provident Fund Organisation, Ministry of Labour, Government of India	SRBRH1430968000	June 03, 2017

ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Consent to Establish the Unit for a product at a particular production capacity issued by State Pollution Control Board	Gujarat Pollution Control Board, Gujarat	60311	April 24, 2016	January 31, 2019

OTHER BUSINESS RELATED APPROVALS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Letter of Factory Stuffing Permission	Assistant Commissioner of Customs	676/2015-16	January 27, 2016	NA
2	Carpet Export Promotion Council	Deputy Director, carpet export Promotion Council	CEPC/RCMC/- 4902/2016-17	April 08, 2016	March 31, 2021

INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

Company has confirmed that no applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

PENDING APPROVALS:

1. Application for change of name of all the above mentioned approvals in not made by the Company.

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. Professional tax Enrolment Certificate

MATERIAL APPROVALS FOR PHASE II UNIT – CARPET MANUFACTURING UNIT AND BCF YARN MANUFACTURING UNIT

We are undertaking expansion project in the same premises where our existing Phase I Unit is situated. Hence no specific Government and Statutory approval is required for Phase II Unit. We have obtained necessary Approvals such as Factory License, Consent to Establish from Gujarat Pollution Control Board which are required for our operations at Unit. We will apply for addition of Phase II unit or intimate such new Phase II unit to the respective Government Authority for all current licenses/ approvals as are obtained by us.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by the Board of Directors of our company vide a resolution passed at its meeting held on February 23, 2018 and by the shareholders of our Company vide a special resolution pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of our Company held on March 3, 2018 at the Registered Office of our Company.

Our Company has obtained in-principle approval from the National Stock Exchange of India Limited for using its name in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus pursuant to an approval letter dated [●]. National Stock Exchange of India Limited is the Designated Stock Exchange.

Our Company is considering a Pre-IPO Placement of up to 5,50,000 Equity Shares for an amount aggregating upto Rs. 450.00 lakhs. The Pre-IPO placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public in compliance with Rule 19(2)(b) of SCRR, 1957 and shall be subject to lock in period of one year from the date of Allotment pursuant to the Issue.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor any of, our Directors, our Promoters, relatives of Promoters, our Promoter Group and our Group Companies has been declared as wilful defaulter(s) by the RBI or any other governmental authority. 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.

We confirm that our Company, Promoter, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoter, nor any of our Directors or persons in control of our Company were or is 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.

None of our Directors are associated with the securities market in any manner, including securities market related business.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M(2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital is more than Rs. 1,000 lakhs and upto Rs.2,500 lakhs. Our Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be 100% underwritten and that the BRLM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 85 of this Draft Red Herring Prospectus.
2. 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 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 days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

3. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits the copy of Draft 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.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled "General Information" beginning on page 85 of this Draft Red Herring Prospectus.
5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application.
6. Net-worth of the company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website: www.efpl.co.in
11. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting companies of the Company.
12. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.

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 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 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, 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 THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE RED HERRING PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE.

“WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE 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 EXCHANGE / 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 OF 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 PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFILL THEIR UNDERWRITING COMMITMENT – NOTED FOR COMPLIANCE.**

- 5. WE CERTIFY THAT WRITTEN CONSENTS FROM PROMOTERS HAVE 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 PROMOTERS 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. – NOTED FOR COMPLIANCE**
- 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 DRAFT RED HERRING 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:**
- A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13.WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – 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) – NOTED FOR COMPLIANCE.**
- 16.WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER’ AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “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 MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE 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. – NOTED FOR COMPLIANCE

- (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 HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER.**
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR 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.**
- (6) WE CONFIRM THAT UNDERWRITING ARRANGEMENT AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

Note:

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book running lead manager any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Red Herring Prospectus with the Registrar of Companies, Delhi in terms of Section 26 and 32 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book running lead manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, would be doing so at his or her own risk.

Caution

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Book Running Lead Manager and our Company dated April 21, 2018 the Underwriting Agreement dated April 21, 2018, entered into among the Underwriter and our Company and the Market Making Agreement dated April 21, 2018 entered into among the Market Maker(s), Book Running Lead Manager and our Company.

Our Company and the Book Running Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, *etc.*

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company, Our Promoter Group, our Company or our affiliates or associates in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to act as Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH GROUP

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer "Annexure A" to this Draft Red Herring Prospectus and the website of Book Running Lead Manager at www.pantomathgroup.com

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring 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 Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with National Stock Exchange of India Limited for its observations and National Stock Exchange of India Limited shall give its observations in due course. 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.

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, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). National Stock Exchange has given vide its letter Ref.: [●] dated [●] permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by National Stock Exchange should not in any way be deemed or construed that the offer document has been cleared or approved by National Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”.

FILING

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3). However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at Registrar of Companies, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019 India.

LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in- principle approval from EMERGE Platform of National Stock Exchange of India Limited. However application will be made to the EMERGE Platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The EMERGE Platform of National Stock Exchange of India Limited has given its in-principal approval for using its name in our Prospectus vide its letter No. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of National Stock Exchange of India Limited, our Company will forthwith repay,

without interest, all moneys received from the bidders in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of the National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Banker to the Company and (b) Book Running Lead Manager, Syndicate Member, Underwriters, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, Syndicate Member to the Issue to act in their respective capacities have been obtained and is filed along with a copy of the Draft Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for filing with the RoC.

EXPERT TO THE ISSUE

Except as stated below, Our Company has not obtained any expert opinions:

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits
- Report of the Peer Reviewed Auditor on Restated Financial Statements for the period ending on December 31, 2017, and for the year ended on March 31, 2013, 2014, 2015, 2016 and 2017.

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “Objects of the Issue” beginning on page 115 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 will be as per the Mandate Letter issued by our Company to the Book Running Lead Manager, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated April 21, 2018 a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, Banker to issue *etc.* will be as per the terms of their respective engagement letters if any.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Book Running Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION

We have not made any previous rights and/or public issues since Incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 97 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

None of the equity shares of our Group Companies are listed on any recognised stock exchange. None of the above companies have raised any capital during the past 3 years.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the

Compliance Officer, giving full details such as the name, address of the bidder, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders. Anchor Investors are required to address all grievances in relation to the Issue to the BRLM.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee/ Investor Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on March 3, 2018. For further details, please refer to the chapter titled “*Our Management*” beginning on page 200 of this Draft Red Herring Prospectus.

Our Company has appointed Ritu Dhingra as Company Secretary and Compliance Officer and she may be contacted at the following address:

Ritu Dhingra

Exclusive Fibers Limited

C-203, Greater Kailash Part-1,

New Delhi – 110048, India

Tel: 011-46512000

Fax: NA

Email: cs@efpl.co.in /

investorgreivance@efpl.co.in

Website: www.efpl.co.in

Corporate Identification Number: U74999DL2004PLC125846

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

M/s PARM & SMRN, Chartered Accountants conducted audit for the year ended March 2013 and 2012 and resigned as statutory auditors of the Company. Subsequently M/s Sarvam & Associates, Chartered Accountants were appointed as the Statutory Auditors of our Company who conducted audit for the year ended March 31, 2014 and then M/s Rajvanshi & Associates, Chartered Accountants were appointed who conducted audit for the Financial year ended on March 31, 2015, 2016, 2017 and for the period ended on December 31, 2017

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 97 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

REVALUATION OF ASSETS

There has been revaluation of assets in the year 2012. However, equity shares have not been issued out of the revaluation reserves created thereby.

PURCHASE OF PROPERTY

Except as disclosed in this Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, Our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred 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 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 authorised to collect the 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.

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 upon 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 389 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, SEBI Listing Regulations 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, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 223 of this Draft Red Rerring 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 [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and the Regional newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges 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 at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

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. 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 issue for rights 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 Act, 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 389 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 dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated May 6, 2014 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated May 7, 2014 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share 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 Share 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 Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued 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 issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 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.

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 BIDDERS

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 Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to 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 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 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 Opening Date	[●]
Bid / Issue Closing Date	[●]
Finalisation 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 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, 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 offerings, 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 Book Running Lead Manager 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 Book Running Lead Manager 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 and 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 Red Herring 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 Regulation 106 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 allottees 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 on a later date subject to the following:

- *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 Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to NSE*

for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and 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 Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

MARKET MAKING

The shares issued and transferred through this Issue are proposed to be listed on the NSE EMERGE (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 on NSE EMERGE, Platform of NSE. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 85 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 NSE EMERGE.

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 DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

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 97 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 389 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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the 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 STRUCUTRE

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, our post issue face value capital exceeds ten crore rupees but is upto twenty five crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 325 and 336 of this Draft Red Herring Prospectus.

Following is the issue structure:

Initial Public Issue of upto 44,96,000 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 upto Rs. [●] Lakhs. The Issue comprises a Net Issue to the public of up to [●] Equity Shares (the “Net Issue”). The Issue and Net Issue will constitute [●] % and [●] % of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of upto [●] Equity Shares of Rs. 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”).

Our Company is considering a Pre-IPO Placement of up to 5,50,000 Equity Shares for an amount aggregating upto Rs. 450.00 lakhs. The Pre-IPO placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public in compliance with Rule 19(2)(b) of SCRR, 1957 and shall be subject to lock in period of one year from the date of Allotment pursuant to the Issue.

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	[●] Equity Shares	[●] Equity Shares	[●] Equity shares	[●] Equity shares
Percentage of Issue Size available for allocation	[●]% of Net Issue shall be allocated to QIBs. However, [●] Equity shares consisting of [●]% the QIB Portion shall be available for allocation proportionately to Mutual fund	[●] % of Issue Size	[●]% of the Net Issue shall be available for allocation	[●]% of the Net Issue shall be available for allocation
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 as follows:-	Firm allotment	Proportionate	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each For further details

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non-Institutional Bidders	Retail Individual Bidders
	<p>a) [●] Equity Shares, consisting [●]% of the QIB portion, shall be available for allocation on proportionate basis to Mutual Funds;</p> <p>b) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above</p> <p>For further details please refer to the section titled “<i>Issue Procedure</i>” beginning on page 336 of the Draft Red Herring Prospectus</p>			<p>please refer to the chapter titled Issue Procedure beginning on page 336 of the Draft Red Herring Prospectus.</p>
Mode of Bid cum Application	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)	Through ASBA Process only	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)
Minimum Bid Size	Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000	[●] Equity Shares of Face Value of Rs. 10.00 each	Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000	Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size does not exceeds Rs 2,00,000
Maximum Bid Size	Such Number of equity shares such as Not exceeding the size of the Net Issue subject to regulations as applicable to the Bidder	[●] Equity Shares of Face Value of Rs 10 each	Such Number of equity shares in multiples of [●] Equity Shares such as Not exceeding the size of the Issue subject to the limits	Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size does not exceeds Rs

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non-Institutional Bidders	Retail Individual Bidders
			as applicable to the bidder	2,00,000
Mode of Allotment	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised 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	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Terms of payment	The entire Bid Amount will be payable at the time of submission of the Bid Form			

**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;*

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in accordance with chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI ICDR Regulations”) wherein [●] % of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Category”), 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Such number of Equity Shares representing [●] % of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price

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 BRLMs 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

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 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 Draft Red Herring 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.

BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	[●]
Bid / Issue Closing Date	[●]
Finalisation 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 Centres 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 3.00 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.

In case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date.

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/POLICYCELL/11/2015 dated November 10, 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 reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. 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 are not liable for any amendments, modifications 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. 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 or to the Syndicate Members. 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 National Stock Exchange of India Ltd. to act as intermediaries for submitting Bid cum Application Forms are provided on <http://www.nseindia.com> For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned website of National Stock Exchange of India Limited.

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 Bid cum Application Forms.

BOOK BUILDING PROCEDURE

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via book building process wherein [●] % of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in accordance with chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI ICDR Regulations”) wherein [●] % of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Category”), 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to the 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 the 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 BRLMs and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

BID CUM APPLICATION FORM

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 Centres, 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 NSE (www.nseindia.com), the SCSBs, 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 Bidders 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 Centres 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 colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

**excluding electronic Bid cum 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 Bank.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Draft Red Herring Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

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 bidding 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 bidding 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 bidding 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 authorised our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

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 corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised 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, so as 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 a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 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.

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 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 2,00,000 for being considered for allocation in the Non-Institutional Portion.

INFORMATION FOR THE BIDDERS

- Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid Issue Opening Date.
- Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre- Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.
- The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares 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 newspapers and one regional newspaper with wide circulation.
- 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 websites 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 websites of the stock exchanges.
- The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall 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 newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members 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 bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum 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 demat 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 Bidding Centres, 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 SCSBs (via Internet Banking) and National Stock Exchange of India Limited (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

APPLICATIONS BY ELIGIBLE NRI'S/ RFPI's ON REPATRIATION BASIS

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 Centres, 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 SCSBs (via Internet Banking) and National Stock Exchange of India Limited (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 subscribe 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.

APPLICATIONS 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 FPI 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 sub-account, 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 [•] 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 client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

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 Bidders 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 cum Application 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 Applications 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 Bids 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 Bid cum 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 by Insurance Companies without assigning any reason thereof. The

exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, 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 fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer 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 belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under 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, FIIs, Mutual Funds, insurance companies and 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 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 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 reasons 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.

BIDS BY BANKING COMPANY

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 by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, 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 is required to 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 exception prescribed), and (ii) investment in a nonfinancial 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 Bid 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 Bidder.

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 finalisation 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 Bid cum 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 finalisation 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 has entered into an Underwriting agreement dated April 21, 2018.
- b. A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional 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 the 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 date of 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 Bid within the Price Band;
3. Read all the instructions carefully and complete the 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 Bidders 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 Bid cum 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 Bid 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 is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, 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 Red Herring 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 authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization 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 at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
23. 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 Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap 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 Bidders);
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. 2,00,000 (for Bids by Retail Individual Bidders);
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 Bidder;
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.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, 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 disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- 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 the 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 the Cut-off Price is prohibited for QIB 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 Form 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 quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders 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 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.

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 EMERGE Platform of National Stock Exchange of India Limited 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 Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the 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 issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, 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 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 utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated May 06, 2014 among NSDL, the Company and the Registrar to the Issue; and
- b. Agreement dated May 07, 2014 among CDSL, the Company and the Registrar to the Issue.

The Company's shares bear ISIN no INE659QO1011.

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 are set out in the Red Herring Prospectus ("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 RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM 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*" beginning on page 378 of this Draft Red Herring Prospectus.

SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the DRHP.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in

a listed Issuer. For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI ICDR Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and 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.

2.3 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 ("Companies Act"), The Securities Contracts (Regulation) Rules, 1957 ("SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making a SME IPO under Regulation 106M (●) of Chapter XB of SEBI ICDR Regulation:

- a. In accordance with regulation 106(P) of the SEBI CDR Regulations, issue has to be 100% underwritten and the BRLM 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 Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Red Herring Prospectus and Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus and Prospectus with the Registrar of Companies.
- d. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- 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. The website of the Company is www.efpl.co.in
- k. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- l. 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
- m. The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI ICDR Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds Rs. 1000 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

2.4 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 Price or Price Band in the Draft Red Herring Prospectus (in case of a fixed price Issue) and Floor price or price band in the Red Herring prospectus (in case of a book built issue) and determine the price at a later date before registering the prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the 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.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the 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 BRLM and the advertisement in the newspaper(s) issued in this regard

2.6 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of stock Exchange from the SME Exchange at a later date subject to the following:

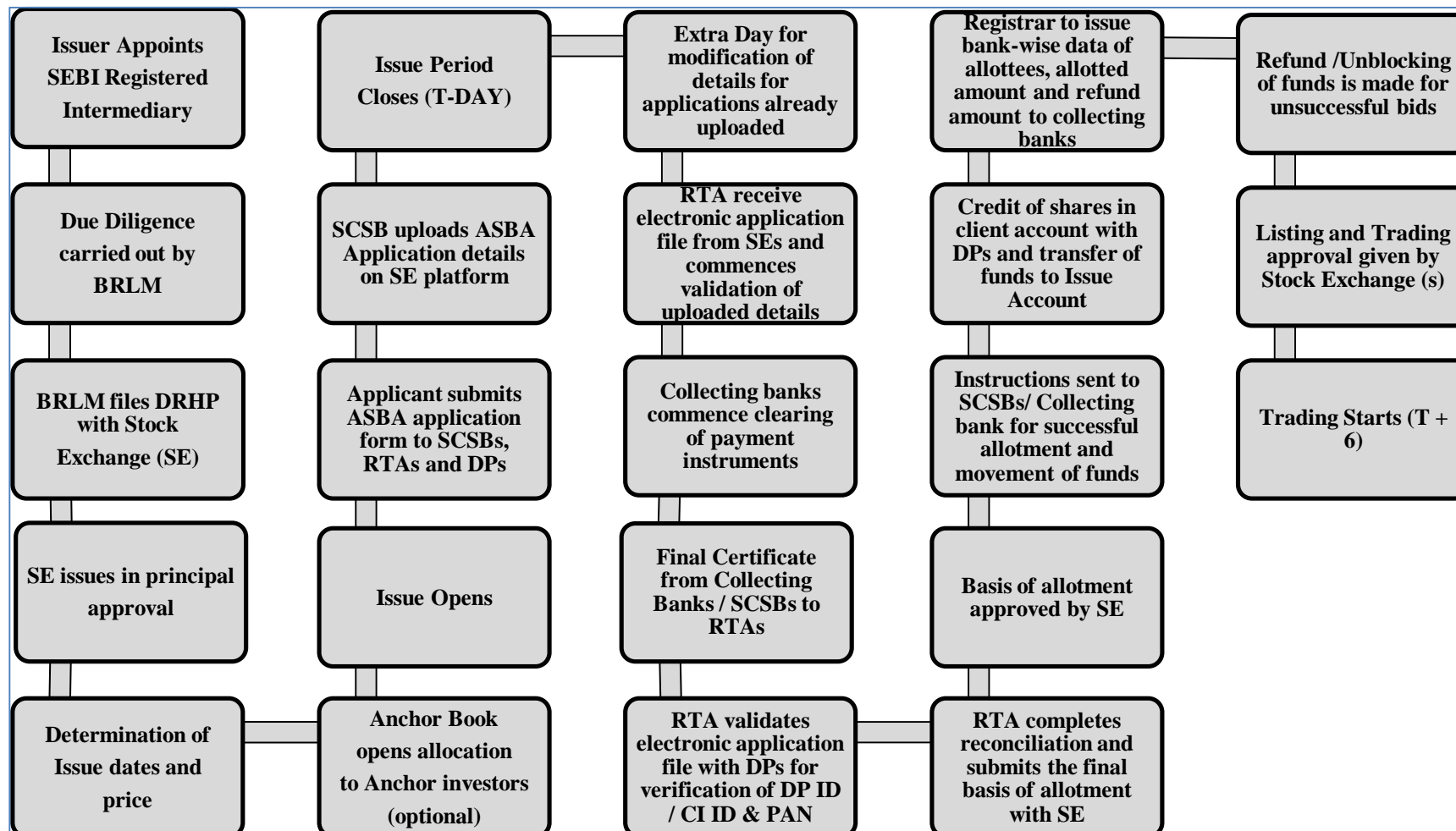
- a. If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b. If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.7 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 of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, 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 Book Running Lead Manager, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, 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/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP/RHP.

Fixed Price Issue: Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form (Excluding download forms from SE website)
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	Not applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ ASBA FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ 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:

R Bid cum Application Form

COMMON BID CUM APPLICATION FORM	EXCLUSIVE FIBERS LIMITED- INITIAL PUBLIC ISSUE - R Registered Office: 31/3203, Beadonpura, Karol Bagh, New Delhi - 110005, India Tel. No.: []; Fax No.: []; Not Available; E-mail: []; Website: []; CIN NO: []	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS																																																																																																					
	To, The Board of Directors EXCLUSIVE FIBERS LIMITED	BOOK BUILT ISSUE ISIN - INF659Q01011																																																																																																					
		Bid Cum Application Form No.																																																																																																					
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCSE / CDP / RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER Mr./Ms./M/s. _____ _____ Age _____ Address _____ _____ Email _____ Td. No (with STD code) / Mobile _____																																																																																																					
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCSE BRANCH STAMP & CODE																																																																																																						
BANK BRANCH SERIAL NO.	SCSE SERIAL NO.																																																																																																						
		2. PAN OF SOLE/FIRST BIDDER _____																																																																																																					
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		6. INVESTOR STATUS <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> National Investment Funds - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternate Investment Funds - AIF <input type="checkbox"/> Others (Please Specify) - OTH <small>*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)</small>																																																																																																					
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"). Price band Rs. []/- to Rs. []/-																																																																																																							
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NR Bid cum Application ASBA Form

COMMON BID CUM APPLICATION FORM	EXCLUSIVE FIBERS LIMITED - INITIAL PUBLIC ISSUE - NR Registered Office: 31/3203, Beadonpura, Karol Bagh, New Delhi - 110005, India Tel. No.: []; Fax No.: []; Not Available; E-mail: []; Website: []; CIN NO: []	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIIs, ETC APPLYING ON A REPATRIATION BASIS																											
	To, The Board of Directors EXCLUSIVE FIBERS LIMITED	BOOK BUILT ISSUE ISIN - INE659Q01011																											
		Bid Cum Application Form No.																											
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCRB / CDP / RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER Mr./Ms./M/s. _____ _____ Age _____ Address _____ _____ Email _____ Tel. No (with STD code) / Mobile _____																											
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCRB BRANCH STAMP & CODE	2. PAN OF SOLE/FIRST BIDDER _____																											
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4.1.1 NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a. **Mandatory Fields:** 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.
- b. **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.
- c. **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.

- d. **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 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"). 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 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. Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders' sole risk.

4.1.4 BID OPTIONS

- a. Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the RHP 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 Cut-off 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 BRLM 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 refer to the RHP or the advertisement regarding the Price Band published by the Issuer.

4.1.4 (i) Maximum and Minimum Bid Size

- a. The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.
- b. 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.
- c. For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d. Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e. RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f. 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 Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g. For Anchor Investors, if applicable, the Bid Amount shall be least Rs 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Offer Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h. A Bid cannot be submitted for more than the issue size.
- (i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (ii) 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 (ii) 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 Offer 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 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 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.

4.1.7 PAYMENT DETAILS

- a. The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the Bid cum Application 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 RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b. 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 Offer only through the ASBA mechanism.

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.

4.1.7 (i) Payment instructions for Bidders

- a. Bidders may submit the Bid cum Application Form either
 - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - 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 Bid cum Application 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 Bid cum Application Forms.
- h. Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i. Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

- j. If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l. Upon submission of a completed Bid cum Application 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 Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m. The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation 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.

4.1.8. UNBLOCKING OF ASBA ACCOUNT

- a. Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful 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 Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 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.

4.1.8 (i) Discount (if applicable)

- a. The Discount is stated in absolute rupee terms.
- b. Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- c. The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

4.1.8 (ii) 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.

4.1.9 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 authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid cum Application Form.
- d. Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.10. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

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.

- a. 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 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.
- b. 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/Offer 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/Offer 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/Offer 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:

TEAR HERE	COMMON BID CUM APPLICATION FORM 	EXCLUSIVE FIBERS LIMITED - INITIAL PUBLIC ISSUE - NR Registered Office: 31/3203, Beadonpura, Karol Bagh, New Delhi – 110005, India Tel. No.: []; Fax No.: [] Not Available; E-mail: []; Website: []; CIN NO: []	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs PPIs OR FVCIs, ETC APPLYING ON REPATRIATION BASIS																																																																																				
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	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="4">EXCLUSIVE FIBERS LIMITED - INITIAL PUBLIC ISSUE - NR</th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> <th rowspan="4">Stamp & Signature of Syndicate Member / Registered Broker / SCSEB / CDP / RTA</th> <th rowspan="4">Name of Sole / First Bidder</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> </tr> <tr> <td>Amount Blocked (₹)</td> <td></td> <td></td> </tr> <tr> <td colspan="5">ASBA Bank A/c No. : _____</td> <td rowspan="2">Acknowledgment Slip for Bidder</td> </tr> <tr> <td colspan="5">Bank & Branch: _____</td> </tr> </table>	EXCLUSIVE FIBERS LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / Registered Broker / SCSEB / CDP / RTA	Name of Sole / First Bidder	No. of Equity Shares			Bid Price			Amount Blocked (₹)			ASBA Bank A/c No. : _____					Acknowledgment Slip for Bidder	Bank & Branch: _____					Bid Cum Application Form No. _____																																																											
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www.asprina.com

Revision Form- NR

COMMON BID REVISION FORM	EXCLUSIVE FIBERS LIMITED - INITIAL PUBLIC ISSUE - NR Registered Office: 31/3203, Beadonpura, Karol Bagh, New Delhi - 110005, India Tel. No.: []; Fax No.: []; Not Available; E-mail: []; Website: []; CIN NO: []	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS
	To, The Board of Directors EXCLUSIVE FIBERS LIMITED	BOOK BUILT ISSUE ISIN - INF659Q01011
		Bid Cum Application Form No.
SYNDICATE MEMBER'S STAMP & CODE 	REGISTERED BROKER/SCSB/CDP/RTA STAMP & CODE 	1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER Mr./Ms./M/s. Address Email Tel. No (with STD code) / Mobile
SUB-BROKER'S/SUB-AGENT'S STAMP & CODE 	SCSB BRANCH STAMP & CODE 	2. PAN OF SOLE / FIRST BIDDER
BANK BRANCH SERIAL NO. 	SCSB SERIAL NO. 	3. BIDDERS 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 (In Figures) (Bids must be in multiples of [*] equity shares)	Price per Equity Share (₹) / "Cut-off" (In Figures)
	8 7 6 5 4 3 2 1	Bid Price Retail Discount, if any Net Price "Cut-off" (Please ✓ tick)
Option 1		
(OR) Option 2		
(OR) Option 3		
5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")		
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [*] equity shares)	Price per Equity Share (₹) / "Cut-off" (In Figures)
	8 7 6 5 4 3 2 1	Bid Price Retail Discount, if any Net Price "Cut-off" (Please ✓ tick)
Option 1		
(OR) Option 2		
(OR) Option 3		
6. PAYMENT DETAILS		
Additional Amount Blocked (₹ in Figures) (₹ in words)		
ASBA Bank A/c No. 		
Bank Name & Branch 		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVER LEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVER LEAF.		
7 A. SIGNATURE OF SOLE / FIRST BIDDER Date: 2018	7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
TEAR HERE		
EXCLUSIVE FIBERS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR		
Acknowledgement Slip for Syndicate Member Registered Broker/SCSB/CDP/RTA		Bid Cum Application Form No.
DPID / CLID 		PAN of Sole / First Bidder
Additional Amount Blocked (₹ in figures) 		Stamp & Signature of SCSB Branch
Bank & Branch 		
Received from Mr./Ms. 		
Telephone / Mobile 		Email
TEAR HERE		
No. of Equity Shares	Option 1	Option 2
Bid Price	Option 3	Additional Amount Blocked (₹)
ASBA Bank A/c No.: 		
Bank & Branch: 		
Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA		
Name of Sole / First Bidder		
Acknowledgment Slip for Bidder		
Bid Cum Application Form No. 		

4.2.1. NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2. 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 Form.
- b. In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- c. In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 2,00,000. In case the Bid Amount exceeds Rs. 2,00,000 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 RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e. In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3. PAYMENT DETAILS

All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

- a. 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.
- b. In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 2,00,000, 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.

- c. 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 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
All investor Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the 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 finalised 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

- 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.
- 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).

For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

6.2 ELECTRONIC REGISTRATION OF BIDS

- 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.
- On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- 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 BRLM 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:
 - i. the Bids accepted by the Designated Intermediaries,
 - ii. the Bids uploaded by the Designated Intermediaries, and
 - iii. the Bid cum Application Forms accepted but not uploaded by the Designated Intermediaries.
- b. the BRLM 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) BRLM 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.

GROUND 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, as per the instructions in the RHP 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;
- 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; and
- 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

- a. The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b. Under-subscription in 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 BRLM 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 RHP.

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	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or

below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being 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 Offer (excluding any Offer for Sale of specified securities). However, in case the Offer 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 EMERGE Platform of National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- a. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the 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 oversubscription ratio).
- c. For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - Each successful Bidder shall be allotted [●] equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- 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 offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this 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 offer of shares to the public shall be made available for allotment to
 - individual bidders other than retail individual investors; and
 - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
- iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of 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. **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. 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 Red Herring Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Red Herring Prospectus/ Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP/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 been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitution or additional provisions as has been or may be notified under the Companies Act, 2013).

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

8.3 MODE OF REFUND

Within 6 Working Days of the 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 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.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
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 Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
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.
Banker(s) to the Issue/ Public Issue Bank(s)	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 ICICI 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 “ <i>Issue Procedure</i> ” beginning on page 336 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
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 Collecting Intermediaries	6. a SCSB with whom the bank account to be blocked, is maintained 7. a syndicate member (or sub-syndicate member) If any

Term	Description
	<p>8. 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</p> <p>9. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</p> <p>10. 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)</p>
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 Red Herring Prospectus
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
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 [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the [●] 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 [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the [●] 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 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 pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., 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
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 BRLM	The Book Running Lead Manager to the Issue namely Pantomath capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited
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,

Term	Description
	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 finalised and above which no Bids (or a revision thereof) will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch / Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company 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.
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details
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
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated CDP Locations	Such centres 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
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 may give delivery instructions for the transfer of the respective Issued Shares.
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 centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs

Term	Description
	are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated June 29, 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
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 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
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
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 and included in “Issue Procedure” on page 336 of this Draft Red Herring Prospectus
Issue	The Initial Public Issue of upto 44,96,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] each, aggregating up to Rs. [●] Lakhs comprising the Fresh Issue.
Issue Agreement	The agreement dated April 21, 2018 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
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 BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Issue 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” on page 115 of this Draft Red Herring Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock 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 [●] 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.
Market Making Agreement	Market Making Agreement dated April 21, 2018 between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual

Term	Description
	Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of upto [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs by our Company
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see "Objects of the Issue" on page 115 of Draft Red Herring Prospectus.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have applied for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
NSE	National Stock Exchange of India Limited
NSE Emerge/ SME Exchange	The EMERGE Platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter XB of the SEBI (ICDR) Regulations
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
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
Pre –IPO placement	Our Company is considering a Pre-IPO Placement of up to 5,50,000 Equity Shares for an amount aggregating upto Rs. 450.00 lakhs. The Pre-IPO placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public

Term	Description
	in compliance with Rule 19(2)(b) of SCRR,1957 and shall be subject to lock in period of one year from the date of Allotment pursuant to the Issue.
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 BRLM 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 [●] edition of the [●] newspaper [●], each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise 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. ICICI Bank 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.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement dated June 21, 2018 entered amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid 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.
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 addendum 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 ICICI 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 NSE having right to trade in stocks listed on

Term	Description
	Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.bseindia.com/membership/dynaContent/find_a_broker.htm & http://www.nseindia.com/membership/dynaContent/find_abroker.htm
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited, Bharat Tin Works Building, 1 st Floor, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Maharashtra
Registrar Agreement	Agreement dated April 21, 2018 entered into among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
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
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
Resident Indian	A person resident in India, as defined under FEMA
Retail Bidder(s)/Retail Investor(s)/RII(s)/RIB(s)	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i>), who apply for an amount less than or equal to Rs 2,00,000
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)
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/RecognisedIntermediaries or at such other website as may be prescribed by SEBI from time to time
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
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 Agreement	Agreement dated April 21, 2018 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate

Term	Description
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, April 21, 2018
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
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 Bidder as proof of registration of the Bid
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated April 21, 2018 entered into between the Underwriter and our Company
Working Day	(iii) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; (iv) 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

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**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 the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to *inter-alia*, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, *inter-alia* with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present, 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with

the AD bank and iv) where the investee company is in the financial sector provided that: a) Any '*fit and proper/due diligence*' requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, , FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

i. Investment by FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% 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 FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. 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.

ii. Investment by NRI or OCI on repatriation basis:

The purchase/ sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent 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 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

iii. Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or Issued within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those Issue and sale occur.

Further, no Issue to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such Issue made under exemptions available under the Prospectus Directive, provided that no such Issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the US Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION OF EXCLUSIVE FIBERS LIMITED

(New set of Articles of Association adopted in substitution with the existing Articles of Association as approved by the Members at their Annual General Meeting held on 29th September, 2017)

Title of Article	Article Number and contents
Table “F” not to apply but company to be governed by these Articles	1. The regulations contained in Table "F" in the First Schedule of the Companies Act, 2013 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act, 2013 (to the extent applicable) or Companies Act, 1956 (to the extent applicable) be such as are contained in these Articles.

INTERPRETATION

Title of Article	Article Number and contents
Marginal Notes	2. The marginal notes used in these Articles shall not affect the construction hereof.
Interpretation Clause	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:
The Act	(a) "The Act" means the Companies Act, 2013 (to the extent applicable) and the Companies Act, 1956 (to the extent applicable) and includes any statutory modification or re-enactment thereof for the time being in force.
These Articles	(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.
Auditors	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.
Board or Board of Directors	(d) “Board” or “Board of Directors” means the Board of Directors of the Company or the Directors of the Company collectively.
Capital	(e) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.
Chairman	

Title of Article	Article Number and contents
Charge	(f) "The Chairman" means the Chairman of the Board of Directors, for the time being, of the Company.
Company	(g) "Charge" includes a mortgage.
Debenture	(h) The "Company" shall mean EXCLUSIVE FIBERS LIMITED
	(i) "Debenture" includes debenture stock, bonds and any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not.
Directors	(j) "Directors" means the Board of Directors for the time being of the Company or as the case may be, the Directors assembled at a Board, or acting under a circular resolution under the Articles.
Dividend	(k) "Dividend" includes interim dividend unless otherwise stated.
Executor or Administrator	(l) "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.
Gender	(m) Words importing the masculine gender shall be deemed to include the feminine gender and <i>vice versa</i> .
In writing and written	(n) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.
Legal Representative	(o) "Legal Representative" means a person who in law represents the estate of a deceased Member.
Members	(p) "Members" means the duly registered holders, from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company.
Board Meeting or Meeting of Board	(q) "Board Meeting" or "Meeting of Board" means meeting of the Board of Directors.
Annual General Meeting or General Meeting	(r) "Annual General Meeting" or "General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Companies Act, 2013.
Extra-Ordinary General Meeting	(s) "Extra-Ordinary General Meeting" means an extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.
Memorandum	(t) "Memorandum" means the Memorandum of Association of the Company as originally framed and/or altered from time to time.

Title of Article	Article Number and contents
Month	(u) "Month" means a calendar month
National Company Law Tribunal	(v) "National Company Law Tribunal" means National Company Law Tribunal (Tribunal) as defined under section 408 of the Companies Act, 2013.
Office	(w) "Office" means the registered office for the time being of the Company.
Ordinary Resolution	(x) "Ordinary Resolution" shall have the meanings assigned to it by Section 114 of the Companies Act, 2013.
Paid Up	(y) "Paid-up" includes capital credited as paid up
Person	(z) "Person" shall be deemed to include corporations and firms as well as individuals.
Proxy	(aa) "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.
Public Holiday	(ab) "Public Holiday" means public holiday within the meaning of the Negotiable Instruments Act, 1881 provided that no date declared by the Central Government to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
The Register of Members	(ac) "The Register of Members" means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013
The Registrar	(ad) "The Registrar" means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.
Seal	(ae) "Seal" means the common seal for the time being of the Company.
Secretary	(af) "Secretary" or "Company Secretary" means a Company Secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a Company to perform the functions of a Company Secretary under this Act.
Shares	(ag) "Shares" means share in the share capital of the Company and includes stock where a distinction between stocks and share is expressed or implied.
Special Resolution	(ah) "Special Resolution" shall have the meaning assigned to it by Section 114 of Companies Act, 2013.
The Statutes	
Year or Financial Year	

Title of Article	Article Number and contents
Singular Number	(ai) "The Statutes" means the Companies Act, 2013, to the extent applicable and the Companies Act, 1956, to the extent applicable and every other Act for the time being in force affecting the Company.
These presents	(aj) "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Companies Act, 2013.
Variation	(ak) Words importing the Singular number include where the context admits or requires the plural number and <i>vice versa</i> .
Expressions in the Act to bear the same meaning in Articles	(al) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time. (am) "Variation" shall include abrogation; and "vary" shall include abrogate. (an) 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.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	3. The Authorised Share Capital of the Company shall be such amount, divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association of the Company, with power to increase or reduce such Capital from time to time and power to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the Company or the provisions of the law for the time being in force.
Increase of capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Companies Act, 2013. 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 Companies Act, 2013.
New Capital same as existing capital	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,

Title of Article	Article Number and contents
	with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Non Voting Shares	<p>6. The Board shall have the power to issue a part of Authorised 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.</p>
Redeemable Preference Shares	<p>7. Subject to the provisions of Section 55 of the Companies Act, 2013, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.</p>
Voting rights of preference shares	<p>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.</p>
Provisions to apply on issue of Redeemable Preference Shares	<p>9. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect:</p> <ul style="list-style-type: none"> (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) 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 Companies Act, 2013 apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company. (e) Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.
	10.

Title of Article	Article Number and contents
Reduction of capital	<p>The Company may (subject to the provisions of section 52, 55(1) & (2) of the Companies Act, 2013 and Section 80 of the Companies Act, 1956, to the extent applicable, and Section 100 to 105 of the Companies Act, 1956, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account.</p> <p>in any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
Purchase of own Shares	<p>11.</p> <p>The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p>
Sub-division consolidation and cancellation of Shares	<p>12.</p> <p>Subject to the provisions of Section 61 of the Companies Act, 2013 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.</p>

MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	<p>13.</p> <p>Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p> <p>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith.</p>

SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	<p>14.</p> <p>The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Section 39 of the Companies Act, 2013, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013.</p>
Further issue of shares	<p>15.</p> <p>(1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-</p> <ul style="list-style-type: none"> (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:— (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined; (ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right; (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company; (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed. <p>(2) The notice referred to in sub-clause (a)(i) of Clause (1) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing aforesaid shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.</p>
Shares at the disposal of the Directors	<p>16.</p> <p>Subject to the provisions of Section 62 of the Companies Act, 2013 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 person, in such proportion and on such</p>

Title of Article	Article Number and contents
	<p>terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 53 of the Companies Act, 2013) at a discount and at such time as they may from time to time think fit and with 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. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p>
<p>Power to offer Shares/options to acquire Shares</p>	<p>16A</p> <p>(1) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.</p> <p>(2) In addition to the powers of the Board under Article 16A (1), the Board may also allot the Shares referred to in Article 16A (1) to any trust, whose principal objects would <i>inter alia</i> include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A (1)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.</p> <p>(3) The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A (1) and (2) above.</p>
<p>Application of premium received on Shares</p>	<p>17.</p> <p>(1) Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the securities premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company.</p> <p>(2) The securities premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:</p> <p>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus shares;</p>

Title of Article	Article Number and contents
	<ul style="list-style-type: none"> (b) In writing off the preliminary expenses of the Company; (c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or (d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. (e) For the purchase of its own shares or other securities under Section 68 of the Companies Act, 2013.
Power also to Company in General Meeting to issue Shares	<p>18.</p> <p>In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 62 of the Companies Act, 2013, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Companies Act, 2013) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 52 and 53 of the Companies Act, 2013) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.</p>
Power of General Meeting to authorize Board to offer Shares/Options to employees	<p>18A</p> <p>(1) Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose.</p> <p>(2) In addition to the powers contained in Article 18A (1), the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.</p>
Shares at a discount	<p>19.</p> <p>The Company shall not issue Shares at a discount except the issue of Sweat Equity Shares of a class already issued, if the following conditions are fulfilled, namely:</p> <ul style="list-style-type: none"> (a) the issue is authorized by a special resolution passed by the company;

Title of Article	Article Number and contents
	<p>(b) the resolution specifies the number of shares, the current market price, consideration, if any, and the class or classes of directors or employees to whom such equity shares are to be issued;</p> <p>(c) not less than one year has, at the date of such issue, elapsed since the date on which the company had commenced business; and</p> <p>(d) where the equity shares of the company are listed on a recognized stock exchange, the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board in this behalf and if they are not so listed, the sweat equity shares are issued in accordance with the prescribed rules.</p>
Installments of Shares to be duly paid	<p>20. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, 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 Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.</p>
The Board may issue Shares as fully paid-up	<p>21. Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.</p>
Acceptance of Shares	<p>22. Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.</p>
Deposit and call etc., to be debt payable	<p>23. The money, if any which the Board of Directors 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 immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.</p>
Liability of Members	<p>24. Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.</p>
Dematerialisation	<p>25.(A) Definitions:</p>

Title of Article	Article Number and contents
of securities	<p>Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository.</p> <p>SEBI “SEBI” means the Securities and Exchange Board of India.</p> <p>Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p>Depositories Act “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;</p> <p>Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;</p> <p>Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p> <p>Regulations “Regulations” mean the regulations made by SEBI;</p> <p>Security “Security” means such security as may be specified by SEBI.</p>
Dematerialisation of securities	<p>25.(B)</p> <p>Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.</p>
Options to receive security certificates or hold securities with depository	<p>25.(C)</p> <p>Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.</p>
Securities in depositories to be in fungible form	<p>25.(D)</p> <p>All Securities held by a Depository shall be dematerialised and shall be in a fungible form;</p>
Rights of depositories and beneficial owners	<p>25.(E)</p> <p>(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;</p> <p>(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;</p> <p>(3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p>
Depository To	<p>25.(F)</p>

Title of Article	Article Number and contents
Furnish Information	Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
Service of documents	25.(G) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Option to opt out in respect of any security	25.(H) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
Sections 45 and 56 of the Companies Act, 2013 not to apply	25.(I) Notwithstanding anything to the contrary contained in the Articles: (1) Section 45 of the Companies Act, 2013 shall not apply to the Shares held with a Depository; (2) Section 56 of the Companies Act, 2013 shall not apply to transfer of Security affected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.
Share certificate	26. (a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.
Limitation of time for issue of certificates	26A. 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 the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment , unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of 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 and 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 or several joint holders shall be a sufficient delivery to all such holder.

Title of Article	Article Number and contents
Renewal of share certificates	<p>27.</p> <p>No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.</p> <p>PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.</p>
Issue of new certificate in place of one defaced, lost or destroyed	<p>28.</p> <p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall mutatis mutandis apply to Debentures of the Company.</p>
The first name joint holder deemed sole holder	<p>29.</p> <p>If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.</p>
Issue of Shares without Voting Rights	<p>30.</p> <p>In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.</p>
Buy-Back of Shares and Securities	<p>31.</p> <p>Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals,</p>

Title of Article	Article Number and contents
	provision of section 67 and SEBI (Buy Back of Shares) Regulations as may be permitted by law.
Employees Stock Options Scheme/ Plan	<p>32. The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.</p>
Sweat Equity	<p>33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.</p>
Postal Ballot	<p>34. The Company may pass such resolution by postal ballot in the manner prescribed by Section 110 of the Companies Act, 2013 and such other applicable provisions of the Act and any future amendments or re-enactment thereof and as may be required by any other law including Listing Agreement entered with Stock Exchanges. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.</p>
Company not bound to recognize any interest in Shares other than of registered holder	<p>35. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p>
Trust recognized	<p>36. (a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more</p>

Title of Article	Article Number and contents
	<p>persons (but not exceeding 4 persons) or the survivor or survivors of them.</p> <p>(b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.</p>
Declaration by person not holding beneficial interest in any Shares	<p>37.</p> <p>(1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.</p> <p>(2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.</p> <p>(3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act</p> <p>(4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.</p>
Funds of Company not to be applied in purchase of Shares of the Company	<p>38.</p> <p>No funds of the Company shall except as provided by Section 67 of the Companies Act, 2013 be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 52, 55 (to the extent applicable) of Companies Act, 2013 and Sections 80 and 100 to 105 of the Companies Act, 1956 and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.</p>

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission may be paid	<p>39.</p> <p>Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company.</p>

Title of Article	Article Number and contents
Brokerage	40. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
Commission to be included in the annual return	41. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Section 92 to the Companies Act, 2013.

DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	42. (a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business. (b) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 327 of the Companies Act, 2013. (c) Certain charges (which expression includes mortgage) mentioned in Section 77 of the Companies Act, 2013 shall be void against the Liquidator or creditor unless registered as provided in Section 77 of the Companies Act, 2013. (d) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance. (e) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 56 of the Companies Act, 2013) within six months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred. (f) The Company shall comply with the provisions of Section 71 of the Companies Act, 2013 as regards supply of copies of Debenture Trust Deed and inspection thereof. (g) The Company shall comply with the provisions of Section 2(16), 77 to 87 (inclusive) of the Companies Act, 2013 as regards registration of charges.

CALLS

Title of Article	Article Number and contents
Directors may make calls	43. (a) Subject to the provisions of Section 49 of the Companies Act, 2013 the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or

Title of Article	Article Number and contents
	<p>revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
Notice of call when to be given	<p>44. Not less than fourteen 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.</p>
Call deemed to have been made	<p>45. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.</p>
Directors may extend time	<p>46. The Directors may, from time to time, at their 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 from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.</p>
Amount payable at fixed time or by installments to be treated as calls	<p>47. 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.</p>
When interest on call or installment payable	<p>48. If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding ten percent per annum as Directors shall fix from the day appointed for the payment thereof up to the time of actual payment but the Directors may waive payment of such interest wholly or in part.</p>
Evidence in action by Company against share holder	<p>49. On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at</p>

Title of Article	Article Number and contents
	which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment in anticipation of calls may carry interest	<p>50.</p> <p>The Directors may, if they think fit, subject to the provisions of Section 50 of the Companies Act, 2013, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.</p> <p>The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>The provisions of these Articles shall <i>mutatis mutandis</i> apply to the calls on Debentures of the Company.</p>

LIEN

Title of Article	Article Number and contents
Partial payment not to preclude forfeiture	<p>51.</p> <p>Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.</p>
Company's lien on Shares/ Debentures	<p>52.</p> <p>The Company shall have first and paramount lien upon all Shares/Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.</p>
As to enforcing lien by sale	<p>53.</p> <p>The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same.</p>

Title of Article	Article Number and contents
	<p>PROVIDED THAT no sale shall be made:-</p> <p>(a) Unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.</p> <p>For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their members to execute a transfer there from on behalf of and in the name of such Members</p> <p>The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.</p>
Application of proceeds of sale	<p>54.</p> <p>(a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and</p> <p>(b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).</p>

FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	<p>55.</p> <p>If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.</p>
Sum payable on allotment to be deemed a call	<p>56.</p> <p>For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.</p>
Form of notice	<p>57.</p> <p>The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine 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 appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>
	<p>58.</p>

Title of Article	Article Number and contents
In default of payment Shares to be forfeited	If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	59. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	60. Any Share 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 or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owing at the time of forfeiture and interest	61. 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 not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	62. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and 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.
Power to annul forfeiture	63. The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Declaration of forfeiture	64. (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has 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 Share. (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

Title of Article	Article Number and contents
	<p>(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</p> <p>(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.</p> <p>(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.</p>
Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum	<p>65. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>
Cancellation of shares certificates in respect of forfeited Shares	<p>66. Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said 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 new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.</p>
Evidence of forfeiture	<p>67. The declaration as mentioned in Article 64(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p>
Validity of sale	<p>68. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.</p>
Surrender of Shares	<p>69. The Directors may subject to the provisions of the Act, accept surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.</p>

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
No transfers to minors etc.	70. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Instrument of transfer	71. The instrument of transfer shall be in writing and all provisions of Section 56 of the Companies Act, 2013 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
Application for transfer	72. (a) An application for registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee. (b) Where the application is made by the transferor and relates to 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. (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
Execution of transfer	73. The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 56 of the Companies Act, 2013 and any statutory modification thereof for the time being shall be duly complied with.
Transfer by legal representatives	74. A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
Register of Members etc when closed	75. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders, in accordance with Section 91 of the Companies Act, 2013 and rules made thereunder, at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
Directors may refuse to register transfer	76. Subject to the provisions of Section 58 & 59 of the Companies Act, 2013, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any

Title of Article	Article Number and contents
	power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
Death of one or more joint holders of Shares	77. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.
Titles of Shares of deceased Member	78. 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 it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 and 56 of the Companies Act, 2013.
Notice of application when to be given	79. 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 Companies Act, 2013.
Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	80. Subject to the provisions of the Act and Article 77 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it 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 such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided

Title of Article	Article Number and contents
	nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".
Refusal to register nominee	81. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without being registered as a Member	82. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.
No fee on transfer or transmissions	83. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.
Transfer to be presented with evidence of title	84. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable for disregard of a notice prohibiting registration of transfer	85. 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 of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, 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 Board shall so think fit.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Share may be converted into stock	86. The Company may, by Ordinary Resolution convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.

Title of Article	Article Number and contents
Transfer of stock	<p>87. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit.</p> <p>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 stock arose.</p>
Right of stock holders	<p>88. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them in Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.</p>
Regulation applicable to stock and share warrant	<p>89. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Shareholder" in these regulations shall include "stock" and "stock holder" respectively.</p>

BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	<p>90. Subject to the provisions of Sections 73, 74 and 179 of the Companies Act, 2013 and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source.</p> <p>PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.</p>
The payment or repayment of moneys borrowed	<p>91. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock</p>

Title of Article	Article Number and contents
	and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Bonds, Debentures, etc. to be subject to control of Directors	92. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.
Terms of issue of Debentures	93. 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. However, 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.
Mortgage of uncalled capital	94. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.
Indemnity may be given	95. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or about to incur any liability as principal or surety 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.

RELATED PARTY TRANSACTIONS

Related Party Transactions	<p>96.</p> <ol style="list-style-type: none"> a) Subject to the provisions of the Act, the Company may enter into contracts with the Related Party which are at arm's length and are in ordinary course of business of the company with approval of the Audit Committee and subsequently Board. b) Subject to the provisions of the Act, the Company may enter into contracts with the related parties which are of such nature wherein it requires consent of shareholders in terms of Act or Listing Agreement or any other law for the time being in force, with approval of the shareholders in the general meeting.
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MEETING OF MEMBERS

Title of Article	Article Number and contents
Annual General Meeting	<p>97.</p> <ol style="list-style-type: none"> (a) An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more

Title of Article	Article Number and contents
	<p>than fifteen months shall lapse between the date of one Annual General Meeting and that of next.</p> <p>(b) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time with which any Annual General Meeting may be held.</p> <p>(c) Every Annual General Meeting shall be called at a time during business hours i.e. 9 a.m. to 6 p.m., on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.</p> <p>(d) The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting.</p> <p>(e) Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor.</p> <p>(f) At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting.</p> <p>(g) The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.</p>
Report statement and registers to be laid before the Annual General Meeting	<p>98.</p> <p>The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.</p>
Extra-Ordinary General Meeting	<p>99.</p> <p>All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.</p>
Requisitionists' Meeting	<p>100.</p> <p>(1) Subject to the provisions of Section 111 of the Companies Act, 2013, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified:-</p>

Title of Article	Article Number and contents
	<p>(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.</p> <p>(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.</p> <p>(2) The number of Members necessary for a requisition under clause (1) hereof shall be such number of Members as represent not less than one-tenth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or</p> <p>(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.</p> <p>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>(a) A copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.</p> <ol style="list-style-type: none"> i. In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting; ii. In the case of any other requisition, not less than two weeks before the Meeting, and <p>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company's expenses in giving effect thereto.</p> <p>PROVIDED THAT if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes thereof.</p> <p>(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Company Law Board is satisfied</p>

Title of Article	Article Number and contents
	<p>that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.</p> <p>(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.</p>
<p>Extra-Ordinary General Meeting by Board and by requisition</p> <p>When a Director or any two Members may call an Extra Ordinary General Meeting</p>	<p>101.</p> <p>(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p> <p>(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.</p>
<p>Contents of requisition, and number of requisitionists required and the conduct of Meeting</p>	<p>102.</p> <p>(1) In case of requisition the following provisions shall have effect:</p> <p>(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.</p> <p>(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.</p> <p>(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.</p> <p>(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (c) shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>(e) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a Meeting for the consideration of those matters on a day not</p>

Title of Article	Article Number and contents
	<p>later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:</p> <ul style="list-style-type: none"> (i) by the requisitionists themselves; or (ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) whichever is less. <p>PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 114 of the Companies Act, 2013.</p> <p>(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <ul style="list-style-type: none"> (a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but (b) shall not be held after the expiration of three months from the date of deposit of the requisition. <p>PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.</p> <p>(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.</p> <p>(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
Length of notice of Meeting	<p>103.</p> <p>(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <ul style="list-style-type: none"> (i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and (ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.

Title of Article	Article Number and contents
	<p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p>
<p>Contents and manner of service of notice and persons on whom it is to be served</p>	<p>104.</p> <p>(1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(2) Subject to the provisions of the Act notice of every General Meeting shall be given;</p> <p>(a) to every Member of the Company, in any manner authorized by Section 20 of the Companies Act, 2013;</p> <p>(b) to the persons entitled to a Share in consequence of the death or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and</p> <p>(c) to the Auditor or Auditors for the time being of the Company</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p>
<p>Special and ordinary business and explanatory statement</p>	<p>105.</p> <p>(1) (a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <p>(i) the consideration of the accounts, balance sheet, the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place of those retiring; and</p> <p>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special.</p> <p>(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p>

Title of Article	Article Number and contents
	<p>PROVIDED THAT where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company.</p> <p>(3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
Omission to give notice not to invalidate proceedings	<p>106. The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.</p>

MEETING OF MEMBERS

Title of Article	Article Number and contents
Notice of business to be given	<p>107. No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.</p>
Quorum	<p>108. Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 113 of the Companies Act, 2013.</p>
If quorum not present when Meeting to be dissolved and when to be adjourned	<p>109. If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.</p>
Resolution passed at adjourned Meeting	<p>110. Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.</p>
	<p>111.</p>

Title of Article	Article Number and contents
Chairman of General Meeting.	At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.
Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required	112. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.
Business confined to election of Chairman whilst the Chair is vacant	113. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
Chairman may adjourn Meeting	114. (a) The Chairman may with the consent of 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, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.
How questions are decided at Meetings	115. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
Chairman's declaration of result of voting on show of hands	116. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence

Title of Article	Article Number and contents
	of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
Demand of poll	<p>117. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.</p>
Time of taking poll	<p>118. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.</p>
Chairman's casting vote	<p>119. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.</p>
Appointment of scrutineers	<p>120. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.</p>
Demand for poll not to prevent transaction of other business	<p>121. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.</p>
Special notice	<p>122. Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, the notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same</p>

Title of Article	Article Number and contents
	manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	123. 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 moneys so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	124. No Member shall exercise any voting rights 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 of lien.
Number of votes to which Member entitled	125. Subject to the provisions of Article 123, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorized) have one vote and on a poll, when present in person (including a body corporate by a duly authorized representative), or by an agent duly authorized under a Power of Attorney or by proxy, his voting right 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 Companies Act, 2013) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. 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 is taken.
Votes of Members of unsound mind	126. A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, 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.
Votes of joint Members	127. If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorized under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled

Title of Article	Article Number and contents
	thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorized under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
Representation of body corporate	<p>128.</p> <p>(a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorize such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorized by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.</p> <p>(b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.</p>
Votes in respects of deceased or insolvent Members	<p>129.</p> <p>Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was 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 the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.</p>
	130.

Title of Article	Article Number and contents
Voting in person or by proxy	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorized in accordance with Section 105 of the Companies Act, 2013.
Rights of Members to use votes differently	131. On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons 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
Proxies	132. Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. PROVIDED that a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.
Proxy either for specified meeting or for a period	133. An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
No proxy to vote on a show of hands	134. No proxy shall be entitled to vote by a show of hands.
Instrument of proxy when to be deposited	135. The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
Form of Proxy	136. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms as prescribed in the Companies Act, 2013, and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorized by it.
Validity of votes given by proxy notwithstanding	137. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy

Title of Article	Article Number and contents
revocation of authority	was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	138. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any Meeting to be the judge of Validity of any value	139. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	140. If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Title of Article	Article Number and contents
Number of Directors	141. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Companies Act, 2013, the number of Directors shall not be less than three and not more than fifteen.
Appointment of Directors	142. The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.
Debenture Directors	143. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this

Title of Article	Article Number and contents
	<p>Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.</p>
<p>Nominee Director or Corporation Director</p>	<p>144.</p> <p>(a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/their places.</p> <p>(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.</p> <p>(c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off.</p> <p>(d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.</p> <p>(e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and</p>

Title of Article	Article Number and contents
	<p>the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..</p> <p>Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.</p>
Special Director	<p>145.</p> <p>(a) In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as “collaboration” to appoint from time to time any person as director of the company (hereinafter referred to as “special director”) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>(b) The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>(c) It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.</p>
Limit on number of non-retiring Directors	<p>146.</p> <p>The provisions of Articles 143, 144 and 145 are subject to the provisions of Section 152 of the Companies Act, 2013 and number of such Directors appointed shall not exceed in the aggregate one third of the total number of Directors for the time being in office.</p>
Alternate Director	<p>147.</p>

Title of Article	Article Number and contents
	<p>The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.</p>
Directors may fill in vacancies	<p>148. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.</p>
Additional Directors	<p>149. Subject to the provisions of Section 161 of the Companies Act, 2013 the Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only up to the date of the next Annual General Meeting and shall be eligible for election at such Meeting.</p>
Qualification shares	<p>150. A Director need not hold any qualification shares.</p>
Directors' sitting fees	<p>151. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.</p>
Extra remuneration to	<p>152. Subject to the provisions of Sections 188 and 197 of the Companies Act, 2013, if any Director, being willing, shall be called upon to perform extra services</p>

Title of Article	Article Number and contents
Directors for special work	<p>(which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.</p> <p>Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:</p> <ol style="list-style-type: none"> i. by way of monthly, quarterly or annual payment with the approval of the Central Government; or ii. by way of commission if the Company by a Special Resolution authorized such payment.
Traveling expenses incurred by Directors on Company's business	<p>153.</p> <p>The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company 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 traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.</p>
Director may act notwithstanding vacancy	<p>154.</p> <p>The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.</p>
Board resolution necessary for certain contracts	<p>155.</p> <p>(1) Subject to the provisions of Section 188 of the Companies Act, 2013, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company:</p> <ol style="list-style-type: none"> (a) For the sale, purchase or supply of goods, materials or services; or (b) for underwriting the subscription of any Share in or debentures of the Company; (c) nothing contained in clause (a) of sub-clause (1) shall affect:- <ol style="list-style-type: none"> (i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director,

Title of Article	Article Number and contents
	<p>relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business.</p> <p>PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.</p> <p>(b) Notwithstanding any contained in sub-clause (1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.</p> <p>(c) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into.</p> <p>(d) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.</p> <p>(e) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.</p>
Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Whole-time Director	<p>156. When the Company:-</p> <p>(a) enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or</p> <p>(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 190 of the Companies Act, 2013 shall be complied with.</p>
	157.

Title of Article	Article Number and contents
<p>Directors of interest</p> <p>General notice of disclosure</p>	<p>(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Companies Act, 2013.</p> <p>(b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 184 of the Companies Act, 2013 shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.</p>
<p>Directors and Managing Director may contract with Company</p>	<p>158.</p> <p>Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 184 of the Companies Act, 2013 and in this respect all the provisions of Section 184 and 189 of the Companies Act, 2013 shall be duly observed and complied with.</p>
<p>Disqualification of the Director</p>	<p>159.</p> <p>A person shall not be capable of being appointed as a Director of the Company if:-</p> <p>(a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;</p> <p>(b) he is an undischarged insolvent;</p> <p>(c) he has applied to be adjudged an insolvent and his application is pending;</p> <p>(d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</p> <p>(e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or</p> <p>(f) an order disqualifying him for appointment as Director has been passed by a Court, unless the leave of the Court has been obtained for his appointment.</p>

Title of Article	Article Number and contents
Vacation of office by Directors	<p>160.</p> <p>The office of Director shall become vacant if:-</p> <ul style="list-style-type: none"> (a) he is found to be of unsound mind by a Court of competent jurisdiction; or (b) he applies to be adjudged an insolvent; or (c) he is adjudged an insolvent; or (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or (e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or (f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or (g) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 185 of the Companies Act, 2013; or (h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 184 of the Companies Act, 2013; or (i) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or (j) if by notice in writing to the Company, he resigns his office, or (k) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
Vacation of office by Directors (contd.)	<p>161.</p> <p>Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 160 hereof, the disqualification referred to in these clauses shall not take effect:</p> <ul style="list-style-type: none"> (a) for thirty days from the date of the adjudication, sentence or order; (b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.
	162.

Title of Article	Article Number and contents
Removal of Directors	<p>(a) The Company may subject to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 242 of the Companies Act, 2013 before the expiry of his period of office.</p> <p>(b) Special Notice as provided by these Articles or Section 115 of the Companies Act, 2013 shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> <p>(c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>(d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:</p> <p>(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late\or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting:</p> <p>Provided that copies of the representation need not be sent or read out at the Meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 161 of the Companies Act, 2013 be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>(f) If the vacancy is not filled under sub-clause (e) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 148 or Section 161 of the Companies Act, 2013 and all the provisions of that Article and Section shall apply accordingly Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(g) Nothing contained in this Article shall be taken:-</p> <p>(i) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or</p>

Title of Article	Article Number and contents
	(ii) as derogating from any power to remove a Director which may exist apart from this Article.
Interested Directors not to participate or vote in Board's proceedings	<p>163. No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void.</p> <p>Provided however, that nothing herein contained shall apply to:-</p> <p>(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</p> <p>(i) in his being:</p> <p>(a) a director of such company; and</p> <p>(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or</p> <p>(ii) in his being a member holding not more than two percent of its paid-up share capital.</p>
Director may be director of companies promoted by the Company	<p>164. A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 197 or Section 188 of the Companies Act, 2013 may be applicable.</p>

ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number and contents
Rotation of Directors	<p>165. Not less than two third of the total number of Directors shall:</p> <p>(a) Be persons whose period of the office is liable to termination by retirement by rotation and</p> <p>(b) Save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.</p>
Retirement of Directors	<p>166. Subject to the provisions of Articles 145 and 147, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.</p>
	167.

Title of Article	Article Number and contents
Retiring Directors	Subject to the provisions of Section 152 of the Companies Act, 2013 and Articles 143 to 154, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 180, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
Appointment of Technical or Executive Directors	<p>168.</p> <p>(a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.</p> <p>(b) Subject to the provisions of Section 161 of the Companies Act, 2013 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.</p>
Ascertainment of Directors retiring by rotation and filling of vacancies	<p>169.</p> <p>Subject to Section 152 of the Companies Act, 2013 the Directors retiring by rotation under Article 167 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.</p>
Eligibility for re-election	<p>170.</p> <p>A retiring Director shall be eligible for re-election and shall act as a Director through out and till the conclusion of the Meeting at which he retires.</p>
Company to fill vacancies	<p>171.</p> <p>At the General Meeting, at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</p>
Provision in default of appointment	<p>172.</p> <p>(a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p>

Title of Article	Article Number and contents
	<p>(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:</p> <ul style="list-style-type: none"> (i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost. (ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed. (iii) he is not qualified or is disqualified for appointment. (iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or (v) section 162 of the Companies Act, 2013 is applicable to the case
<p>Company may increase or reduce the number of Directors or remove any Director</p>	<p>173. Subject to the provisions of Section 149 and 152 of the Companies Act, 2013 the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.</p>
<p>Appointment of Directors to be voted individually</p>	<p>174.</p> <ul style="list-style-type: none"> (a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it. (b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply. (c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.
<p>Notice of candidature for office of Directors except in certain cases</p>	<p>175.</p> <ul style="list-style-type: none"> (1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days' notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of one lakh rupees or such higher amount as may be prescribed which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.

Title of Article	Article Number and contents
	<p>(2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office in such manner as may be prescribed.</p> <p>(3) Every person (other than Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Companies Act, 2013 signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>(4) A person other than:</p> <p>(a) a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or</p> <p>(b) an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Companies Act, 2013 appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.</p>
Disclosure by Directors of their holdings of their Shares and debentures of the Company	<p>176. Every Director and every person deemed to be Director of the Company by virtue of Section 170 of the Companies Act, 2013 shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.</p>
Votes of Body Corporate	<p>177. A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.</p>

MANAGING DIRECTOR

Title of Article	Article Number and contents
	178.

Title of Article	Article Number and contents
Powers to appoint Managing Director	<p>Subject to the provisions of Section 196 and 203 of the Companies Act, 2013 the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole-time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>(a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and Companies Act, 1956, to the extent applicable.</p> <p>(b) Subject to the provisions of Section 152 of the Companies Act, 2013 the Managing Director shall not be, while he continues to hold that office, subject to retirement by rotation.</p>
Remuneration of Managing Director	<p>179.</p> <p>Subject to the provisions of Sections 196 and 197 of the Companies Act, 2013 a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.</p>
Special position of Managing Director	<p>180.</p> <p>Subject to any contract between him and the Company, a Managing or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.</p>
Powers of Managing Director	<p>181.</p> <p>The Director may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient and they may 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 from time to time, revoke, withdraw, alter, or vary all or any of such powers.</p>
	<p>182.</p> <p>The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p>

Title of Article	Article Number and contents
	<p>183. Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign, accept and endorse cheques on behalf of the Company.</p>
	<p>184. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p>
	<p>185. 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.</p>
Appointment and powers of Manager	<p>186. The Board may, from time to time, appoint any person as Manager (under Section 2(53) of the Companies Act, 2013) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient.</p>

WHOLE TIME DIRECTOR

Title of Article	Article Number and contents
Power to appoint Whole-Time Director and/or Whole-time Directors	<p>187. Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine and thinks fit. The Board may by ordinary resolution and/or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers, authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period or periods and upon such conditions and subject to such</p>

		restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and/or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors/persons nominated under Article 188 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.
To what provisions Whole Time Directors shall subject		188. Subject to the provisions of Section 152 of the Companies Act, 2013 and these Articles, a Whole Time Director or Whole Time Directors shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/they shall be subject to the same provision as to resignation and removal as the other Directors and he/they shall <i>ipso facto</i> and immediately ceases or otherwise cease to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act in any Annual General Meeting and shall be re-appointed as a Director or Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.
Seniority of Whole Time Director and Managing Director		189. If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article, the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meeting of Directors	190. The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 173 of the Companies Act, 2013 allow otherwise, Directors shall so meet at least once in every three months and at least four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.
Quorum	191. (a) Subject to Section 174 of the Companies Act, 2013 the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher.

Title of Article	Article Number and contents
	<p>PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of directors who are not interested present at the Meeting being not less than two shall be, the quorum during such time.</p> <p>(b) For the purpose of clause (a)</p> <p>(i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and</p> <p>(ii) "Interested Directors" mean any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.</p>
Procedure when Meeting adjourned for want of quorum	<p>192.</p> <p>If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.</p>
Chairman of Meeting	<p>193.</p> <p>The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.</p>
Question at Board meeting how decided	<p>194.</p> <p>Subject to the provisions of Section 203 of the Companies Act, 2013 questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.</p>
Powers of Board meeting	<p>195.</p> <p>A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.</p>
Directors may appoint Committee	<p>196.</p> <p>The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Companies Act, 2013 and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either</p>

Title of Article	Article Number and contents
	as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.
Meeting of the Committee how to be governed	197. 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. Quorum for the Committee meetings shall be two.
Circular resolution	198. (a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 197 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held. (b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.
Acts of Board or Committee valid notwithstanding defect in appointment	199. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision 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; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

Title of Article	Article Number and contents
	200.

Title of Article	Article Number and contents
General powers of management vested in the Board of Directors	<p>The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but 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.</p> <p>Provided that the Board shall not, except with the consent of the Company in General Meeting :-</p> <ul style="list-style-type: none"> (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking; (b) remit, or give time for the repayment of, any debt due by a Director, (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time; (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body; <ul style="list-style-type: none"> (i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) or as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e) (ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

Title of Article	Article Number and contents
Certain powers to be exercised by the Board only at Meetings	<p>201.</p> <p>(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;</p> <ul style="list-style-type: none"> (a) the power to make calls, on shareholders in respect of money unpaid on their Shares, (b) the power to issue Debentures, (c) the power to borrow moneys otherwise than on Debentures, (d) the power to invest the funds of the Company, and (e) the power to make loans <p>Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c),(d) and (e) to the extent specified below.</p> <p>(2) Every resolution delegating the power referred to in sub-clause (1)(c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.</p> <p>(3) Every resolution delegating the power referred to in sub-clause (1)(d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.</p> <p>(4) Every resolution delegating the power referred to in sub-clause (1)(e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.</p>
Certain powers of the Board	<p>202.</p> <p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <ul style="list-style-type: none"> (1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act. (3) Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

Title of Article	Article Number and contents
	<p>(4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or other securities of the Company, and any such Shares 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, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p>(5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.</p> <p>(6) To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.</p> <p>(7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.</p> <p>(8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.</p> <p>(9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.</p> <p>(10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p>(11) Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.</p> <p>(12) 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 surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.</p> <p>(13) To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.</p> <p>(14) To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any Director, officer or</p>

Title of Article	Article Number and contents
	<p>other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of the working expenses of the Company.</p> <p>(15) 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 293(1)(e) 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.</p> <p>(16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> <p>(17) To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, laborers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and</p>

Title of Article	Article Number and contents
	<p>to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as 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 and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.</p> <p>(18) To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.</p> <p>(19) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.</p> <p>(20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorize the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p>(21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person 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 subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.</p> <p>(22) Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p>

Title of Article	Article Number and contents
	<p>(23) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.</p> <p>(24) To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.</p> <p>(25) To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <p>(26) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable 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.</p> <p>(27) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(28) To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(29) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(30) 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 freehold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(31) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(32) To let, sell or otherwise dispose of subject to the provisions of Section 293 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.</p>

Title of Article	Article Number and contents
	<p>(33) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(34) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>

MANAGEMENT

Title of Article	Article Number and contents
Appointment of different categories of Key managerial personnel	<p>203.</p> <p>The Company shall have the following whole-time key managerial personnel,—</p> <p>(i) Managing Director, or Chief Executive Officer or Manager and in their absence,</p> <p>a whole-time director;</p> <p>(ii) Company Secretary; and</p> <p>(iii) Chief Financial Officer</p>

MINUTES

Title of Article	Article Number and contents
Minutes to be made	<p>204.</p> <p>(1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>(2) Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed:</p> <p>(a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>(b) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.</p>
Minutes to be evidence of the proceeds	<p>205.</p> <p>(a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.</p>
Books of minutes of General Meeting to be kept	<p>(b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 119 and Section 120 of the Companies Act, 2013 and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.</p>
	206.

Title of Article	Article Number and contents
Presumptions	Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 118 of the Companies Act, 2013 until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

THE SECRETARY

Title of Article	Article Number and contents
Secretary	207. The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies (Appointment and Qualifications of Secretary) Rules, 1988.
The Seal, its custody and use	208. (a) The Board shall provide for the safe custody of the seal. (b) 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 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.

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	209. (a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares; (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.
The Company at General Meeting may declare dividend	210. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Companies Act, 2013 but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.

Title of Article	Article Number and contents
Dividends out of profits only	211. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 123 of the Companies Act, 2013.
Interim Dividend	212. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	213. (a) 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. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.
Capital paid-up in advance to carry interest, not the right to earn dividend	214. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amounts paid-up	215. 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 provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	216. 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 to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	217. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	218. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
	219.

Title of Article	Article Number and contents
Dividend how remitted	The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	220. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
Reserves	221. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied 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 Directors may from time to time think fit.
Dividend to be paid within time required by law.	222. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
Unpaid or unclaimed dividend	223. (a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Exclusive Fibers Limited ()Unpaid Dividend Account”.

Title of Article	Article Number and contents
	<p>(b) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 125 of the Companies Act, 2013.</p> <p>(c) No unclaimed or unpaid dividend shall be forfeited by the Board.</p>
Set-off of calls against dividends	<p>224. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.</p>
Dividends in cash	<p>225. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.</p>
Capitalisation	<p>226.</p> <p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and</p> <p>(b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or</p> <p>(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</p>

Title of Article	Article Number and contents
	(3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.
Board to give effect	227. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.
Fractional certificates	228. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall; (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and (b) Generally do all acts and things required to give effect thereto. (2) The Board shall have full power: (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, 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 capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised 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 question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

ACCOUNTS

Title of Article	Article Number and Contents
Books to be kept	229. (1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to: (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place (b) all sales and purchases of goods by the Company (c) the assets and liabilities of the Company and

	<p>(d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government</p> <p>Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.</p> <p>(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.</p>
Inspection by Members	<p>230.</p> <p>No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorized by the Board.</p>
Statements of accounts to be furnished to General Meeting	<p>231.</p> <p>The Board of Directors shall from time to time in accordance with Sections 129, 133, and 134 of the Companies Act, 2013, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.</p>
Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 136	<p>232.</p> <p>(1) The Company shall comply with the requirements of Section 136 of the Companies Act, 2013.</p> <p>(2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.</p> <p>(3) A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.</p>
Accounts to be audited	<p>233.</p>

	Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.
Appointment of Auditors	<p>234.</p> <p>(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 146 of the Companies Act, 2013.</p> <p>(2) The Company shall at each Annual General Meeting appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting. The company shall place the matter relating to such appointment for ratification by members at every annual general meeting. The company shall also inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.</p> <p>(3) The company or shall not appoint or re-appoint—</p> <p>(a) an individual as auditor for more than one term of five consecutive years; and</p> <p>(b) an audit firm as auditor for more than two terms of five consecutive years:</p> <p>Provided that—</p> <p>(i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term;</p> <p>(ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term:</p> <p>(4) Subject to the provisions of Clause (1) and the rules made thereunder, a retiring auditor may be re-appointed at an annual general meeting, if—</p> <p>(a) he is not disqualified for re-appointment;</p> <p>(b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and</p> <p>(c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.</p> <p>(5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.</p>

	<p>(6) Any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting.</p> <p>(7) Special notice shall be required for a resolution at an annual general meeting appointing as auditor a person other than a retiring auditor, or providing expressly that a retiring auditor shall not be re-appointed, except where the retiring auditor has completed a consecutive tenure of five years or, as the case may be, ten years, as provided under Clause (3).</p>
Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	<p>235. Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.</p>

DOCUMENTS AND NOTICES

Title of Article	Article Number and Contents
To whom documents must be served or given	<p>236. Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company</p>
Members bound by documents or notices served on or given to previous holders	<p>237. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.</p>
Service of documents on the Company	<p>238. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.</p>
Authentication of documents and proceedings	<p>239. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorized officer of the Company and need not be under the Seal of the Company.</p>

REGISTERS AND DOCUMENTS

Title of Article	Article Number and Contents
Registers and documents to be maintained by the Company	<p>240. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <ul style="list-style-type: none"> (a) Register of investments made by the Company but not held in its own name, as required by Section 187 of the Companies Act, 2013 (b) Register of mortgages and charges as required by Section 85 of the Companies Act, 2013 and copies of instruments creating any charge requiring registration according to Section 85 of the Companies Act, 2013. (c) Register and index of Members and debenture holders as required by Section 88 of the Companies Act, 2013. (d) Foreign register, if so thought fit, as required by Section 88 of the Companies Act, 2013. (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Companies Act, 2013. (f) Register of Directors and Secretaries etc. as required by Section 170 of the Companies Act, 2013. (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 170 of the Companies Act, 2013. (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 186 of the Companies Act, 2013. (i) Copies of annual returns prepared under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Companies Act, 2013.
Inspection of Registers	<p>241. The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.</p>

WINDING UP

Title of Article	Article Number and Contents
Distribution of assets	<p>242. If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess</p>

Title of Article	Article Number and Contents
	shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
Distribution in specie or kind	<p>243.</p> <p>(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.</p> <p>(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.</p> <p>(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.</p>
Right of shareholders in case of sale	<p>244.</p> <p>A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.</p>
Directors and others right to indemnity	<p>245.</p> <p>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, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter 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</p>

Title of Article	Article Number and Contents
	office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.
Director, officer not responsible for acts of others	<p>246. Subject to the provisions of Section 201 of the Act, no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for and 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 for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.</p>

SECRECY CLAUSE

Title of Article	Article Number and Contents
Secrecy Clause	<p>247. Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>
No Member to enter the premises of the Company without permission	<p>248. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.</p>

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 are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office of our Company located at C-203, IIIrd Floor, Greater Kailash, Part I, New Delhi – 110048, India from date of filing the 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 April 21, 2018 between our Company and the Book Running Lead Manager.
2. Registrar to the Issue Agreement dated April 21, 2018 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated April 21, 2018 between our Company and Underwriter viz. Pantomath Capital Advisors Private Limited.
4. Market Making Agreement dated April 21, 2018 amongst our Company, Market Maker and the Book Running Lead Manager.
5. Banker to the Issue Agreement dated June 21, 2018 amongst our Company, the Book Running Lead Manager, 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 May 6, 2014
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated May 7, 2014
8. Syndicate Agreement dated April 21, 2018 Book Running Lead Manager among our Company, the Book Running Lead Manager and Syndicate Member viz. Pantomath Stock Brokers Private Limited.

Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated February 23, 2018 in relation to the Issue and other related matters.
3. Special resolution of the Shareholders' passed at the Extra – Ordinary General meeting dated March 3, 2018 authorizing the Issue.
4. Statement of Tax Benefits dated June 12, 2018 issued by our Peer Review Auditor, M/s. Rajvanshi & Associates, Chartered Accountants.
5. Report of the Peer Reviewed Auditor, M/s. Rajvanshi & Associates, Chartered Accountants, dated June 12, 2018 on the Restated Financial Statements for the period ended December 31, 2017 and Financial Year ended as on March 31, 2017, 2016, 2015, 2014 & 2013 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, Lenders to the Company, Market Maker, Bankers to the Issue, Refund Banker to the Issue and Syndicate Member to the Issue to act in their respective capacities.

7. Copy of In Principle approval from National Stock Exchange of India Limited *vide* letter dated [●], to use the name of National Stock Exchange of India Limited in this Issue document for listing of Equity Shares on EMERGE Platform of National Stock Exchange of India Limited.

None of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and 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, Chief Financial Officer and Company Secretary and Compliance Officer of our Company

Name and designation	Signature
Rajeev Kumar Aggarwal Director	Sd/-
Meenu Aggarwal Managing Director	Sd/-
Shantanu Ghosh Dastidar Executive Director	Sd/-
Akshay Goel Independent Director	Sd/-
Seema Varshney Independent Director	Sd/-
Sanjeev Kumar Bajpai Independent Director	Sd/-

Signed by Chief Financial Officer and Company Secretary and Compliance Officer of the Company

Sd/-

Sd/-

Renu Sharma

Ritu Dhingra

Chief Financial Officer

Company Secretary & Compliance Officer

Place: New Delhi

Date: June 29, 2018

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % 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.	Akshar Spintex Limited	26.99	40.00	May 11, 2018	40.00	-18.20% (-0.15%)	Not Applicable	Not Applicable
2.	Softtech Engineers Limited	22.81	80.00	May 11, 2018	88.00	-22.50% (-0.18%)	Not Applicable	Not Applicable
3.	Innovators Façade Systems Limited	40.76	72.00	May 24, 2018	72.00	-13.19% (2.96%)	Not Applicable	Not Applicable
4.	Shree Vasu Logistics Limited	9.29	45.00	June 4, 2018	48.00	Not Applicable	Not Applicable	Not Applicable
5.	Affordable Robotic & Automation Limited	22.79	85.00	June 4, 2018	90.05	Not Applicable	Not Applicable	Not Applicable
6.	Latteys Industries Limited	8.07	66.00	June 5, 2018	68.00	Not Applicable	Not Applicable	Not Applicable
7.	Nakoda Group of Industries Limited	6.43	35.00	June 6, 2018	36.00	Not Applicable	Not Applicable	Not Applicable
8.	ShreeOswal Seeds and Chemicals Limited	11.90	26.00	June 20, 2018	27.00	Not Applicable	Not Applicable	Not Applicable
9.	Priti International Limited	5.25	75.00	June 21, 2018	81.00	Not Applicable	Not Applicable	Not Applicable
10.	Accuracy Shipping Limited	35.76	84.00	June 22, 2018	88.00	Not Applicable	Not Applicable	Not Applicable

Notes:

Ganga Forging Limited has registered its Prospectus with Registrar of Companies for Initial Public Offering.

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index

2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos 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%
15-16	*9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	**24\$	204.56	-	-	5	5	3	8	-	1	5	10	1	6
17-18	***30\$\$	610.90	-	-	4	10	7	9	-	1	3	12	2	4
18-19	****15\$\$\$	255.74	-	-	3	1	-	4	-	-	-	-	-	-

*The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

**The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016, December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

***The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017, July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05,

2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018, February 19, 2018 and March 22, 2018 respectively.

****The scripts of Benara Bearings and Pistons Limited, Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited, Innovators Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited and Accuracy Shipping Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018, April 12, 2018, April 26, 2018, May 11, 2018, May 11, 2018, May 24, 2018, June 4, 2018, June 4, 2018, June 5, 2018, June 6, 2018, June 20, 2018, June 21, 2018 and June 22, 2018 respectively.

\$. As on 30th trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

\$\$ The scripts of Shree Ram Proteins Limited, Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 days, 180 Days and 180 Days respectively from the date of listing.

\$\$\$ The scripts of Benara Bearings and Pistons Limited, Soni Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited, Innovator Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited and Accuracy Shipping Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 30 Days, 30 Days, 30 Days, 30 Days, 30 Days, 30 Days and 30 Days respectively from the date of listing.

***Note:** Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.*