Draft Prospectus
Dated: March 27, 2018
Please read Section 26 and 28 of the Companies Act, 2013
100% Fixed Price Offer

AKSHAR SPINTEX LIMITED

Our Company was originally incorporated as "Akshar Spintex Private Limited" at Jamnagar, Gujarat as a Private Limited Company under the provision of Companies Act, 1956 vide Certificate of Incorporation dated June 19, 2013 bearing Corporate Identification Number U17291GJ2013PTC075677 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extraordinary General Meeting held on December 26, 2017 and the name of our Company was changed to "Akshar Spintex Limited", vide a fresh Certificate of Incorporation dated January 5, 2018, bearing Corporate Identification Number U17291GJ2013PLC075677 was issued by Registrar of Companies, Gujarat. 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 153 of this Draft Prospectus.

Registered Office: Revenue Survey No. 102/2, Paiki, Plot No. 2, Village - Haripar, Ranuja Road, Tal - Kalavad, Jamnagar – 361013, Gujarat, India
Tel. No.: +9198252 13622 **Fax No.**: N.A
Contact Person: Ankita Popat, Company Secretary and Compliance Officer
Email: admin@aksharspintex.in **Website:** www.aksharspintex.in

PROMOTERS OF OUR COMPANY: ASHOK BHALALA, AMIT GADHIYA, HARIKRISHNA CHAUHAN AND REKHABEN CHAUHAN

SELLING SHAREHOLDERS: ASHOKBHAI BHALALA, CHARMEE GADHIYA, NAYAN GADHIYA, POOJA GADHIYA, PARESHBHAI BHALALA, PRAVINBHAI BHALALA, NIPABEN SORATHIYA, SONAL SORATHIYA, REKHABEN CHAUHAN, ASHOK BHALALA – HUF, CHETANA BHALALA PARESHBHAI BHALALA – HUF, SUKANBHAI BHALALA – HUF, PRAVINBHAI BHALALA – HUF, KANTABEN GADHIYA, NARMADABEN CHAUHAN, PARESHBHAI JETHVA, PRAVINABEN GOHIL, PRAKASHKUMAR SORATHIA, MANUBHAI GAREJA

THE OFFER

INITIAL PUBLIC OFFER OF UP TO 67,50,000 EQUITY SHARES OF FACE VALUE OF 10/- EACH ("EQUITY SHARES") OF AKSHAR SPINTEX LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING TO RS [●] LAKHS ("OFFER") COMPRISING A FRESH ISSUE OF 10,00,000 EQUITY SHARES AGGREGATING TO RS. [●] LAKHS BY THE COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 57,50,000 EQUITY SHARES BY SELLING SHAREHOLDERS ("OFFER FOR SALE") AND TOGETHER WITH THE FRESH ISSUE ("THE OFFER"). OF WHICH [●] EQUITY SHARES OF FACE VALUE RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTIONS BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE OFFER LESS MARKET MAKER RESERVATION PORTION I.E. NET OFFER 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 REFERED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE FULLY DILUTED POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Offer 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 "*Offer Procedure*" beginning on page 285 of this Draft Prospectus. A copy will be delivered for registration to the Registrar as required under Section 26(4) of the Companies Act, 2013.

THE OFFER IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME ("SEBI (ICDR) REGULATIONS"). For further details please refer the chapter titled '*The Offer'* beginning on page 66 of this Draft Prospectus.

RISKS IN RELATION TO FIRST OFFER

This being the first public Offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs.10 and the Offer price of Rs. [●] per Equity Share is [●] times of the face value. The Offer Price (as determined by our Company and selling shareholders in consultation with the Lead Manager as stated in the chapter titled '*Basis for Offer Price*' beginning on page 103 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and this Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. **Specific attention of the investors is invited to the section titled *'Risk Factors'* beginning on page 19 of this Draft Prospectus.**

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to the Offer and this Offer, which is material in the context of this Offer, that the information contained in this Draft 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect. Further, each Selling Shareholder, severally and not jointly, assumes responsibility only for statements in relation to such Selling Shareholder included in this Draft Prospectus.

LISTING

The Equity Shares of our Company offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE SME"). 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 BSE Limited for using its name in this offer document for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Offer, SME Platform of BSE Limited shall be the Designated Stock Exchange.

LEAD MANAGER TO THE OFFER		REGISTAR TO THE OFFER	
PANTOMATH Capital Advisors (P) Ltd.	**PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED** 406-408, Keshva Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, India **Tel:** +9122 6194 6700 **Fax:** +9122 2659 8690 **Website:** www.pantomathgroup.com **Email:** ipo@pantomathgroup.com **Investor Grievance Id:** ipo@pantomathgroup.com **Contact Person:** Unmesh Zagade/ Hardik Bhuta **SEBI Registration No:**INM000012110	BIGSHARE	**BIGSHARE SERVICES PRIVATE LIMITED** 1st floor, Bharat Tin works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East),Mumbai – 400059, 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:** Babu Rapheal **SEBI Registration Number:** INR000001385

OFFER PROGRAMME	
OFFER OPENS ON [•]	**OFFER CLOSES ON [•]**

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States 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 Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

COMPANY AND SELLING SHAREHOLDERS RELATED TERMS

Term	Description
"Akshar Spintex Limited", "Akshar", "our Company", "the Company", "the Issuer Company", and "the Issuer"	Unless the context otherwise requires, refers to Akshar Spintex Limited, a public limited company incorporated under the Companies Act, 1956 vide a Certificate of Incorporation dated June 19, 2013 issued by the Registrar of Companies, Gujarat, Dadra, and Nagar Haveli and having its registered office at Revenue Survey No. 102/2, Paiki, Plot No 2, Village - Haripar Ranuja Road, TAL. – Kalavad, Jamnagar-361013, Gujarat, India
AOA / Articles / Articles of Association	Articles of Association of Akshar Spintex Limited, as amended from time to time.
"Auditor" or "Statutory Auditor"	The Statutory Auditor of our Company, being M/s H.B. Kalaria and Associates, Chartered Accountants
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.
Board of Directors/ the Board / our Board	The Board of Directors of Akshar Spintex Limited, including all duly constituted Committee(s) thereof.
Bankers to the Company	Such banks which are disclosed as bankers to the Company in the chapter titled "*General Information*" on page 68 of this Draft Prospectus.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Ankita Popat.
Director(s)	Director(s) of Akshar Spintex Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company
Group Companies	Such Companies as are included in the chapter titled '*Our Group Companies*' beginning on page 178 of this Draft Prospectus
ISIN	International Securities Identification Number. In this case being INE256Z01017.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s H Jamnadas & Co, Chartered Accountants.
Promoter or Promoters or Our Promoters	Promoters of our Company being Ashokbhai Bhalala, Amit Gadhiya, Rekhaben Chauhan and Harikrishna Chauhan.
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 "*Our Promoter and Promoter Group"* beginning on page 172 of this Draft Prospectus.
Registered Office of our Company	The Registered office of our Company situated at Revenue Survey No. 102/2, Paiki Plot No 2, Village - Haripar Ranuja

Term	Description
	Road, TAL. – Kalavad, Jamnagar-361013, Gujarat, India.
RoC / Registrar of Companies	The Registrar of Companies, Gujarat at Ahmedabad, located at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013, Gujarat, India.
Shareholders	Shareholders of our Company
Selling Shareholders	Existing shareholders of the Company offering share in offer for sale. For further details, Please refer chapter titled "Capital Structure" and "The Offer" on page 76 and 66 on Draft Prospectus.
Selling Shareholder's offered Shares	Up to 57,50,000 Equity Shares offered by Selling shareholders in the Offer for Sale.
"you", "your" or "yours"	Prospective Investors in this offer.

OFFER RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Offer of Equity Shares to the successful Applicants.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, issue / allotment of Equity Shares pursuant to the Offer to successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	An applicant to whom the Equity Shares are being / have been Offer /allotted.
Applicant	Any prospective investor who makes an application for Equity shares of our Company through ASBA pursuant to the terms of the Prospectus. (All the applicants should make application through ASBA only).
Application	An indication to make an offer during the Issue Period by an Applicant pursuant to submission of an Application Form, to subscribe for or purchase our Equity Shares at Offer Price, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Collecting Intermediaries / Designated Intermediaries	1. an 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 recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') 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 offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Term	Description
Application Form	The form, whether physical or electronic, in terms of which the Applicant shall make an application to subscribe to the Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all Applicants to make application authorizing a SCSBs to block the application amount in the ASBA Account maintained with such SCSBs.
ASBA Account	Account maintained by an ASBA applicant with a SCSBs which will be blocked by such SCSBs to the extent of the appropriate Application Amount of the ASBA Applicant and as defined in the Application Form.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Rajkot.
Banker(s) to the offer / Public Offer Banker(s)	The Banks which is clearing members and registered with SEBI as Banker with whom the Public Offer Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in the section titled *"Offer Procedure - Basis of Allotment"* beginning on page 285 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the 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 the BSE Limited.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Offer made by the Applicants with the Lead Manager, the Registrar to the Offer and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in
Demographic Details	The demographic details of the 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

Term	Description
Depository Participant/DP	A depository participant as defined under the Depositories Act.
Designated CDP Locations	Such centres of the CDPs where Applicant can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange (www.bseindia.com) and updated from time to time
Designated Date	The date on which funds are transferred from the ASBA Accounts to the Public Offer Account in terms of the Draft Prospectus.
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchange (www.bseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility
Designated Stock Exchange	SME Platform of BSE Limited
Draft Prospectus	Draft Prospectus dated March 27, 2018 issued in accordance with Section 26 and 28 of the Companies Act, 2013.
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Draft Prospectus constitutes an invitation to subscribe for the Equity Shares on the basis of the terms thereof.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Fresh Offer	Fresh Offer of 10,00,000 Equity Shares of face value Rs. 10 each of Akshar Spintex Limited for cash at a price of Rs. [●] per Equity Shares aggregating Rs. [●] Lakhs by our Company.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited
LM / Lead Manager	The Lead Manager for the Offer being Pantomath Capital Advisors Private 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

Term	Description
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of Rs. 10 each at an Offer Price of Rs. [●] each to be subscribed by Market Maker.
Market Making Agreement	The Market Making Agreement dated March 01, 2018, between our Company, Selling Shareholders, Lead Manager and Market Maker i.e. Pantomath Stock Brokers Private Limited
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue/ Offer	The Offer (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value Rs. 10 each of Akshar Spintex Limited for cash at a price of Rs. [●] per Equity Share (the "*Offer Price*") aggregating up to Rs.[●] Lakhs.
Net Proceeds	Proceeds of the Fresh Offer less our Company's share of the Offer expenses. For further information about use of the Offer Proceeds and the Offer expenses, see *"Objects of the Offer"* on page 97 of the Draft Prospectus.
Non Institutional Investors or NIIs	All Applicants, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have apply 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
Offer/ Issue	The initial public offer of up to 67,50,000 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 Offer of 10,00,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] lakhs and the Offer for Sale of up to 57,50,000 Equity Shares by selling shareholders of the company aggregating up to Rs.[●] lakhs.
Offer Agreement	The agreement dated March 01, 2018 between our Company and Lead Manager and selling shareholders.
Offer Closing Date	[●]
Offer Opening Date	[●]
Offer Period	The period between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Offer for Sale	The offer for sale of up to 57,50,000 Equity Shares aggregating up to Rs.[●] lakhs by the Selling Shareholders at the Offer Price in terms of the Draft Prospectus. For further details in relation to Selling Shareholders, see "*The Offer*" on page 66 of this Draft Prospectus.
Offer Proceeds	The proceeds of the Offer that is available to our Company and the Selling Shareholders For further information about use of Offer Proceeds see *"Objects of the Offer"* on page 97 of this Draft Prospectus.
Offer Price	The price at which Equity Shares will be issued and allotted by our Company being Rs. [●] per Equity Share.
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined

Term	Description
	in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Offer.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 and section 28 of the Companies Act, 2013.
Public Offer Account	Account opened with the Banker to the Offer i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Public Offer Account Agreement/ Banker to the Offer Agreement	Agreement entered on March 01, 2018 amongst our Company, Selling Shareholders, Lead Manager, the Registrar to the Offer and Banker to the Offer for collection of the Application Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations 2009
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, 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 Offer 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 BSE Limited 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_broker.htm
Registrar / Registrar to the Offer / RTI	Registrar to the Offer being Bigshare Services Private Limited having its registered office having its office at E-3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Mumbai- 400072, Maharashtra, India.
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

Term	Description
Resident Indian	A person resident in India, as defined under FEMA
Reservation Portion	The portion of the offer reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors/RIIs	Individual Applicants (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs. 2,00,000 in this offer.
Revision Form	The Form used by Applicants to modify the quantity of Equity Shares in any of their Application Forms or any Previous Revision Form(s)
Self Certified Syndicate Bank or SCSB	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA including blocking of bank account, a list of which is available on http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility
SME Exchange	SME Platform of the BSE Limited
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Share Escrow Agreement	The Agreement to be entered into among the Selling Shareholders, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Offer For Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allotees.
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely Bigshare Services Private Limited
SME Platform of BSE	The SME Platform of BSE Limited for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange.
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	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
TRS or Transaction Registration Slip	The slip or document issued by the SCSB (only on demand), as the case may be, to the applicant as proof of registration of the application.
Stock Exchange	BSE Limited
Underwriters	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The Underwriting Agreement dated March 01, 2018 entered into between amongst the Underwriter, our Company and Selling Shareholder.
Working Days	(i) Till Application / Offer closing date: All days other than a Saturday, Sunday or a Public holiday; (ii) Post Application / Offer closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with

Term	Description
	the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
ASEAN	Association of Southeast Asian Nations
CAGR	Compound Annual Growth Rate
CCEA	Cabinet Committee on Economic Affairs
CCEA	Cabinet Committee on Economic Affairs
CIC	Currency in Circulation
CPI	Consumer Price Index
CSO	Central Statistics Office
DGFT	Directorate General of Foreign Trade
EESL	Energy Efficiency Services Ltd
EV	Electric Vehicle
FDI	Foreign Direct Investment
GDP	Gross Domestic Production
GST	Goods and Service Tax
GVA	Gross Value Added
GW	Gigawatts
HDN	High Denomination notes
HVAC	Heating, ventilation, and air conditioning
IBC	Insolvency and Bankruptcy Code
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 & Medium Enterprises
MSP	Minimum Support Price
NBFC	Non-Banking Financial Company
OMO	Open Market Operations
PMP	Phased Manufacturing Programme
RBI	Reserve Bank of India
SAATHI	Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries
SCBTS	Scheme for Capacity Building in Textile Sector
SCBTS	Scheme for Capacity Building in Textile Sector
SITP	Scheme for Integrated Textile Parks
TUFS	Technology Up-gradation Fund Scheme
UNIDO	United Nations Industrial Development Organization
US	United States
USDA	United States Department of Agriculture
WEO	World Economic Outlook

CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS

Term	Description
A.Y./AY	Assessment Year

Term	Description
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
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
CMD	Chairman and Managing Director
Companies Act	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
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
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Ownership Plan
ESPS	Employee Stock Purchase Scheme
F.Y./FY	Financial Year
FCNR Account	Foreign Currency Non Resident Account

Term	Description
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 Investors
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
HNI	High Net worth 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	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 "*Our Management*" beginning on page 156 of this Draft Prospectus
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
LM	Lead Manager
Ltd.	Limited
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India

Term	Description
MoU	Memorandum of Understanding
Mtr	Meter
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
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
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
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI 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

Term	Description
	Investors) Regulations, 2000
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / 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
Sq.	Square
Sq. mtr	Square Meter
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange(s)	SME Platform of BSE Limited
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
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 or US$	United States Dollar
VAT	Value Added Tax
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 334 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;

ii. In the chapter titled "*Financial Statements as Restated*" beginning on page 181 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;

iii. In the section titled "*Risk Factor*" beginning on page 19 of this Draft 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 106 of this Draft 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 229 of this Draft 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 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 Auditors, set out in the section titled *'Financial Statements as Restated'* beginning on page 181 this Draft 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 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 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 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 Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled *'Financial Statements'* beginning on page 181 of this Draft Prospectus.

CURRENCY OF PRESENTATION

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

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

INDUSTRY & MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Draft 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 Prospectus is reliable, it has not been independently verified by the Lead Manager or our Company or the Selling Shareholder 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 *"Risk Factors*" on page 19 of this Draft 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 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 Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the sectors/areas in which we operate;
- Factors affecting Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- 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 19 and 229 respectively of this Draft 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 Prospectus. Neither we, our Directors, Lead Manager, Selling Shareholder, 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 LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

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

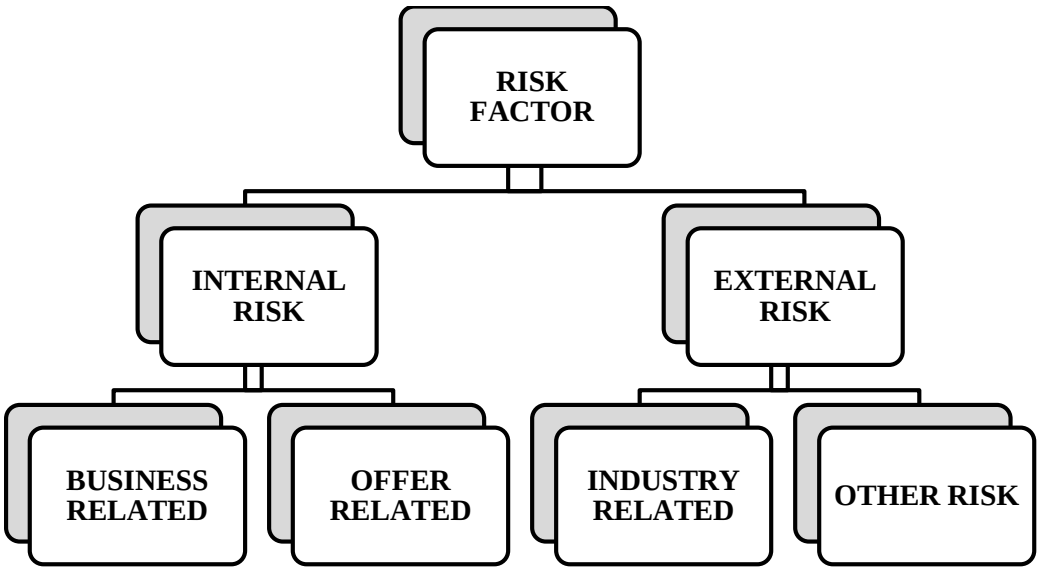
To obtain a better understanding, you should read this section in conjunction with the chapters titled "Our Business" beginning on page 128, "Our Industry" beginning on page 109 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 229 respectively, of this Draft Prospectus as well as other financial information contained herein.

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

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

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

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



INTERNAL RISKS

A. BUSINESS RELATED RISKS

1. One of our Promoter is currently involved in certain tax related proceeding; any adverse decision in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations.

Also, there is no assurance that in future, we, our promoters, our directors or group companies may not face legal proceedings; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors and Group Company see the chapter titled "Outstanding Litigation and Material Developments" on page 250 of this Draft 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	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Promoters							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	1	Nil	Nil	Nil	Not Ascertainable
Group Companies							
By Group Companies	N.A.*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Group Companies	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Directors other than promoters							
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries							
By the Subsidiaries	N.A.*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against the Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*N.A. = Not Applicable

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

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

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

   We are exposed to fluctuations in the prices of raw material like Cotton bales. Thus, we may be unable to control factors affecting the price at which we procure our raw material. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Particularly, we face the risk of our products becoming unaffordable for a segment of the demography, if we pass on the increase in the cost of production to our customers through a corresponding increase in the price of our products in order to maintain our historical margins. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. However, Company has a business practice of receiving advance orders and plans to minimize the impact of raw material price fluctuation. For further details of our procurement operations and our cost of production, refer chapters titled *"Our Business"* and *"Financial Statements as restated"* beginning on page 128 and 181 of this Draft Prospectus.

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

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

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

   Our Company was originally incorporated as "Akshar Spintex Private Limited" at Jamnagar, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 19, 2013. Subsequently, our Company was converted into a public limited

company and the name of our Company was changed to "Akshar Spintex Limited", vide a fresh Certificate of Incorporation dated January 5, 2017. Given our Company's limited operating history, we may not have sufficient experience to address the risks frequently encountered by early stage companies, including our ability to successfully complete our orders or maintain adequate control of our costs and expenses.

Given the fragmented nature of the industry in which we operate, we often do 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. For further details, see the section titled *"Our History and Certain Corporate Matters"* and *"Financial Statements as Restated"* at page 153 and 181 respectively of this Draft Prospectus.

6. ***The raw materials and the finished products stored at our factory premises may be subject to distortation and colour fading due to lapse of time.***

The raw materials and the finished products of our Company are stored at the warehouse located in the factory of our Company. Cotton is subject to change in color simply through their own natural aging process. In case the raw materials remained unused or the finished products remained unsold for a period of time they may fade their color which may render them useless or reduce their usefulness. In case of any such incidence we may be required to either scrap the said product or we may be not be able to realize proper price of the said products which could have an adverse effect on the profitability and production schedule of the Company.

7. ***Failure to comply with the conditions applicable under Technology Upgradation Fund Scheme (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 Technology Upgradation Fund Scheme (TUFS) and Gujarat Textile Policy, 2012. The term loans have been sanctioned under TUFS and Gujarat Textile Policy, 2012 to our Company. These loans are eligible for 2% interest subsidy under TUFS and 7% interest subsidy under Gujarat Textile Policy, 2012. 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.

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

Our Company is engaged in manufacturing of combed and semi combed cotton yarns. Further, our Company has availed benefits and saved Custom duty on import of Capital goods for which we have certain obligations to export under the Export Promotion Capital Goods (EPCG) Scheme. Export Obligations under EPCG Scheme is required to be fulfilled in 6 years reckoned from authorization issue date by export of goods manufactured by us in proportion of the total duty saved on import of capital goods. Any failure to comply with export Obligations will affect the financial position of our Company. For further details please refer to the chapter titled "Our Business" and "Government and other Statutory Approvals" beginning on page 128 and 256 respectively of this Draft Prospectus.

9. ***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 section 73 of the Companies Act, 2013 by accepting deposits from directors and shareholders.

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.

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

Our Company uses third party transportation providers for delivery of finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition raw materials/ finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

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

We rely on the skills, expertise and experience of our employees to provide quality services to our customers. Our employees may terminate their employment with us prematurely and we may not be able to retain them. Experienced and skilled workers in the textile industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent 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.

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

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

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

Our business is working capital intensive. A significant portion of our working capital is utilized towards trade receivables and inventory. We intend to continue growing by reaching out to new customers and also increasing sales to the existing customers and thereby reaching to other geographical areas. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, 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 Offer"* beginning on page 97 of this Draft Prospectus. A brief Summary of our working capital position is given below:-

(Amount Rs. In lakhs)

Particulars	For the period ended September 30, 2017	As at 31st March,		
		2017	2016	2015
A. Current Assets				
Inventories				
-Raw Material	615.47	491.67	547.33	267.49
-Work-in-Progress	479.96	238.83	146.35	-
-Finished Goods	426.06	262.74	126.75	129.73
Trade Receivables	660.09	562.39	201.03	207.67
Cash and Cash Equivalents	127.63	123.62	135.78	333.80
Short Term Loans & Advances and Other Current Assets	1701.79	954.22	488.73	703.86
Total Current Assets	**4011.00**	**2633.47**	**1645.97**	**1642.55**
B. Current Liabilities				
Short Term Borrowings	603.43	555.21	215.08	589.46
Trade Payables	713.00	351.83	114.75	275.90
Other Current Liabilities	982.23	640.13	610.85	548.24
Short term provisions	370.44	207.82	147.52	35.62
Total Current Liabilities	**2669.10**	**1754.99**	**1088.20**	**1449.22**
Working Capital (A-B)	**1341.90**	**878.48**	**557.77**	**193.33**
Inventories as % of total current assets	**37.93%**	**37.72%**	**49.84%**	**24.18%**
Trade receivables as % of total current assets	**16.46%**	**21.36%**	**12.21%**	**12.64%**

14. Our Company has a negative cash flows from its investing activities as well as financing activities in the past 3 years, details of which are given below. Sustained negative cash flow could impact our growth and business.

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

(Amount Rs. In Lakhs)

Particulars	For the period ended September 30, 2017	For the Year ended March 31,		
		2017	2016	2015
Cash Flow from / (used in) Operating Activities	174.76	578.18	766.27	580.13
Cash Flow from / (used in) Investing Activities	(13.11)	(124.43)	(829.34)	(4152.22)
Cash Flow from / (used in) Financing Activities	(157.64)	(465.91)	(134.94)	3656.92

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.

15. Our business operations are majorly concentrated in certain geographical regions especially in the state of Gujarat, India and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.

As on date of the Draft Prospectus, our Company has its registered office and Corporate Office situated within the state of Gujarat, India. Further, the manufacturing operations of the Company are also carried on in the state of Gujarat only. A major portion of our total sales are made from state of Gujarat. Such geographical concentration of our business in this region heightens our exposure to adverse development related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in this region to expand our operations in other parts of India, should we decide to further expand our operations.

Factors such as government compliances, competitions, culture, regulatory regimes, business practice and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in this regions, and our experience in such regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local contractors, farmers, relevant government authorities, and who are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside Gujarat market may adversely affect our business prospects, financial conditions and results of operations.

16. 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.

17. 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. 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 138 of this Draft Prospectus. Termination of or variation in the terms of such policy (ies) can adversely impact our profitability and/ or our business operations.

18. 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 material used in the manufacturing at our Company is cotton, for the procurement of cotton we 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 customers and 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.

19. Our top five and top ten customers contribute significant amount of our revenues for the period ended September 30, 2017. Any loss of business from one or more of them may adversely affect our revenues and profitability.

Our top five and top ten customers contribute majority of our revenues for the period ended September 30, 2017. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. We believe we have maintained good and long term relationships with our customers. However, there can be no assurance that we will continue to have such long term relationship with them also any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

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

Our products are based on fashion 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.

21. We are dependent upon the growth prospects of the Cotton fabric industry, where finished products such as apparels are made by using our products.

Our Company broadly falls under the textile industry of which we undertake the manufacturing of yarns. Cotton yarns face competition from synthetic yarns which are substitutes of our products. Our products are used generally in the apparel and garments industry and thus cater to the requirements of the textile industry at large, thus any slowdown in the growth rate or downward trend in any of these industries directly or indirectly impact our own growth prospects and may result in decline in profits and turnover of sales.

22. 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:

a. Environment (Protection) Act, 1986

b. Air (Prevention and Control of Pollution) Act, 1981

c. Water (Prevention and Control of Pollution) Act, 1974

d. Hazardous Waste Management & Handling Rules, 2008

e. 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.

23. 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.

24. We operate in a highly competitive environment and may not be able to maintain our market position, which may adversely impact our business, results of operations and financial condition.

The textile industry in particular, is highly competitive and unorganised, and our results of operations and financial condition may be materially adversely affected by competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. The segment to which we cater is fragmented and continues to be dominated by unorganised suppliers. We believe that in order to compete effectively, we must continue to maintain our reputation, be flexible and innovative in responding to rapidly changing market demands and consumer preferences, and offer consumers a wide variety of high quality 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.

25. We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business; some of the approvals are required to be transferred in the name of AKSHAR SPINTEX LIMITED from AKSHAR SPINTEX PRIVATE LIMITED pursuant to conversion and change of name of our company and any failure or delay in obtaining such approvals in a timely manner may adversely affect our operations.

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. We were a private limited company in the name of "AKSHAR SPINTEX PRIVATE LIMITED". After complying with the relevant provisions and procedures of Companies Act, 2013, the Company was converted into public limited company, followed by the name change of the Company to "AKSHAR SPINTEX LIMITED". We shall be taking necessary steps for transferring the approvals in new name of our company. In case we fail to transfer/obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business.

Any failure to apply for and obtain the required approvals, licences, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licences, registrations and permits would result in a delay in the our business operations which could otherwise adversely affect our financial condition, results of operations and prospects of the Company. 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. 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 titled "Government and Other Statutory Approvals" on page 256 of this Draft Prospectus.

26. ***Our application for registration of our trademark is currently pending with relevant Trademark Certifying Authorities as a result of which we may have lesser recourse to initiate legal proceedings to protect our brand in respect of these products. This may lead to dilution in the brand value in respect of certain products/ services in which we may deal in future.***

    We operate in an extremely competitive environment, where generating brand recognition is significant element of our business strategy. Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain as few of those are currently objected/ opposed/ abandoned.

    Currently, we have applied for registration of our logo AKSHAR SPINTEX LIMITED and it is pending. There is no guarantee that the application for registration of our said logo 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. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our corporate name or logo.

    Therefore we do not enjoy the statutory protection accorded to a registered trademarks and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. Thereby, our ability to use our logo may be impaired. There can be no assurance that we will be able to register the logo or our other trademarks or those third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. 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.

    For further details, please refer the chapter titled "Government and Other Statutory Approvals" on page 256 of this Draft Prospectus.

27. ***Our business is dependent on the adequate and uninterrupted supply of electrical power and water at a reasonable cost. Failure on account of unavailability of electrical power and water 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. Currently, we source power requirements from Paschim Gujarat Vij Company Limited. Company has a DG set as an alternative supply of power but there can be no assurance that electricity supplied by them 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. We draw water from bore well for use in our manufacturing facilities. Lack of sufficient water resources or an increase in the cost of such water used in manufacturing facilities could adversely affect our business, financial condition and results of operations.

28. ***Our manufacturing facilities are located at Kalavad, Jamnagar, Gujarat. Any delay in production at, or shutdown of, or any interruption for a significant period of time, in these facilities may in turn adversely affect our business, financial condition and results of operations.***

Our Company has its manufacturing facilities located at Kalavad, Jamnagar, 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.

29. 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.

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

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

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

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable

to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

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

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

33. We do not own our corporate office premises, which we have taken on lease from one of our Promoters. Any termination of agreements may require us to vacate such premises and adversely affect our business operations.

Company's corporate office is taken on lease from one of our Promoters i.e. Rekaben Harikrushnabhai Chauhan. 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 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 128 of the Draft Prospectus.

34. 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.

35. 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. However, Company has an in-house team for maintenance and advancement of machinery. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and results of operations.

36. Our Company has contingent Liabilities.

As on September 30, 2017, our Company has following contingent liabilities as per restated financials of the Company

Particulars	Amount (Rs in Lakhs)
Guarantees to Bank and Financial Institution	135.00
EPCG Obligation	876.58
Total	**1,011.58**

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected.

37. The Offer for Sale proceeds will not be available to our Company.

As on the date of this Draft Prospectus, following shareholders have specifically confirmed that they collectively hold 1,87,57,900 Equity Shares and that they have consented to offer up to 57,50,000 Equity Shares for sale in the Offer for Sale.

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares held	No. of Equity Shares Offered
1)	Ashokbhai Bhalala	16,80,000	1,50,000
2)	Charmi Gadhiya	5,25,000	2,50,000
3)	Nayan Gadhiya	13,69,900	5,00,000
4)	Pooja Gadhiya	5,35,000	2,50,000
5)	Pareshbhai Bhalala	15,90,000	3,50,000
6)	Pravinbhai Bhalala	16,30,000	3,00,000
7)	Nipaben Sorathiya	27,05,273	7,68,773
8)	Sonal Sorathiya	24,12,727	4,76,227
9)	Rekhaben Chauhan	24,00,000	2,40,000
10)	Ashok Bhalala – HUF	2,00,000	1,50,000
11)	Chetana Bhalala	2,70,000	1,70,000
12)	Pareshbhai Bhalala – HUF	2,30,000	1,20,000
13)	Sukanbhai Bhalala – HUF	2,70,000	2,00,000
14)	Pravinbhai Bhalala – HUF	2,30,000	1,70,000
15)	Kantaben Gadhiya	5,50,000	1,50,000
16)	Narmadaben Chauhan	4,00,000	1,10,000
17)	Pareshbhai Jethva	4,00,000	4,00,000
18)	Pravinaben Gohil	4,00,000	4,00,000
19)	Prakashkumar Sorathia	4,80,000	4,80,000
20)	Manubhai Gareja	4,80,000	1,15,000
	Total	**1,87,57,900**	**57,50,000**

For further details, please refer chapter entitled "*The Offer*" on page 66 of this Draft Prospectus. The proceeds from the Offer for Sale will be remitted to the Selling Shareholders and our Company will not benefit from such proceeds.

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

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

39. 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 yarns 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.

40. Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, standard fire and special perils, earthquake (fire and shock). While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism etc. 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.

41. 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. 2,769.78 lakhs as on September 30, 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 no. 246 of this Draft Prospectus.

42. 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 246 of the Draft 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.

43. 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, 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.

44. Within the parameters as mentioned in the chapter titled 'Objects of the Offer' beginning on page 97 of this Draft Prospectus, our Company's management will have flexibility in applying the proceeds of this Offer. The fund requirement and deployment mentioned in the Objects of this Offer have not been appraised by any bank or financial institution.

We intend to use entire Issue Proceeds towards meeting Working Capital requirements and General Corporate Purposes. We intend to deploy the Net Issue Proceeds in financial year 2018-19 and such deployment is based on certain assumptions and strategy which our Company believes to implement in 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 97 of this Draft 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 offer*' beginning on page 97 of this Draft Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this offer. However, 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, and relevant provisions of SEBI ICDR Regulations, 2009, a company shall not vary the objects of the offer without our Company being authorise to do so by our shareholders by way of special resolution and other compliances 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.

45. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the offer. Further we have not identified any alternate source of financing the 'Objects of the Offer'. 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 offer. We meet our capital requirements through our bank finance, 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 97 of this Draft Prospectus.

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

After completion of the Issue, our Promoters and Promoter Group will collectively own [●] % of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our 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 Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

47. 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 on year ended September 30, 2017 our Company has unsecured loans amounting to Rs. 725.59 lakhs from banks, NBFC's, our Directors and relatives of directors that are repayable on demand by 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 181 the Draft Prospectus.

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

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

49. 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.

As of now our company does not has not declared dividend. 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 180 of Draft Prospectus.

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

Our Directors have built relations with clients and other persons who are connected with us. Our success is substantially dependent on the expertise and services of our Directors and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel 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.

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

Our Directors and Key Managerial Personnel ("KMPs") are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and key managerial personnel may also be interested to the extent of their shareholding and dividend entitlement, if any, loan availed from them by our Company and Credit balance due to them if any as Creditors of the Company etc. For further information, see *"Capital Structure"*, *"Our Management"* and *"Related Party Transactions"* on pages 76, 156 and 179, respectively, of this Draft Prospectus.

52. 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 246 of this Draft Prospectus.

53. 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 vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

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

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

55. 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 Section *"Financial Statements as Restated"* beginning on page 181 of this Draft Prospectus.

56. Industry information included in this Draft Prospectus has been derived from industry reports commissioned by us for such purpose. 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 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 Prospectus.

57. 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.

58. The average cost of acquisition of Equity Shares by our Promoters is lower than the offer price.

Our Promoters' average cost of acquisition of Equity Shares in our Company is lower than the offer Price as decided by the Company in consultation with the Lead 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 76 of this Draft Prospectus.

B. RISK RELATING TO THE OFFER

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

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and

downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

60. After this Offer, 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 Offer. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Offer 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 Offer.

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

The Offer Price of our Equity Shares has been determined by fixed price method. This price is be based on numerous factors. For further information, please refer chapter titled *"Basis for Offer Price"* beginning on page 103 of this Draft Prospectus and may not be indicative of the market price of our Equity Shares after the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer 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

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

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

63. 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/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/ Offer 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 Offer or cause the trading price of the Equity Shares to decline on listing.

64. 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 RISKS

INDUSTRY RISKS

65. 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

66. 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 Prospectus.

As stated in the reports of the Auditor included in this Draft Prospectus under chapter "*Financial Statements as restated*" beginning on page 181, the financial statements included in this Draft Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Prospectus. Accordingly, the degree to which the financial information included in this Draft 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 Prospectus should accordingly be limited.

67. 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 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 Securities Transactions Tax (STT) under Chapter VII of the Finance (No 2) Act, 2004. In 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/- pa. 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.

68. 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 138 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.

69. 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.

70. 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.

71. 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.

72. 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.

73. 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.

74. 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.

75. 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.

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

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

business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

PROMINENT NOTES:

1. Public Issue of upto 67,50,000 Equity Shares of face value of Rs. 10/- each of our Company for cash at a price of Rs. [●]/- per Equity Share (including a share premium of Rs. [●]/- per equity share) ("Offer Price") aggregating upto Rs. [●] Lakhs, comprising a fresh issue of 10,00,000 equity shares aggregating upto Rs. [●] by the Company and Offer for Sale of upto 57,50,000 equity shares by Selling Shareholders ("Offer for Sale") and together with the Fresh Issue ("the Offer") of which [●] Equity Shares of face value of Rs. 10/- each will be reserved for subscription by Market Maker to the Offer ("Market Maker Reservation Portion"). The Offer less the Market Maker Reservation Portion i.e. Net Offer of [●] Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Offer". The offer and the Net offer will constitute [●] % and [●] %, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Lead Manager (LM) or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Offer. For contact details of the Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled *"General Information"* beginning on page 68 of this Draft Prospectus.
3. The Pre-Offer Net worth of our Company was Rs. 3,406.73 Lakhs and Rs. 3,154.30 Lakhs as on September 30, 2017 and March 31, 2017 respectively as per restated financial statements of our Company. The book value of the Equity Shares of our Company was Rs. 14.19 per Equity Share and Rs. 13.14 per Equity Share as on September 30, 2017 and March 31, 2017 respectively. For further details, please refer to chapter titled *"Financial Statements as restated"* beginning on page 181 of this Draft Prospectus.
4. The average cost of acquisition per Equity Share by our Promoter is set forth in the table below:

Name of the Promoters	No. of Shares held	Average cost of acquisition (in Rs)
Ashok Bhalala	16,80,000	10
Amit Gadhiya	18,20,100	10
Harikrishna Chauhan	6,00,000	10
Rekhaben Chauhan	24,00,000	10

   For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled "Capital Structure" beginning on page 76 of this Draft Prospectus.
5. Our Company has entered into related party transactions during the previous years. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer "Annexure *XXV "Related Party Transactions"* beginning on page 179 under chapter titled *"Financial Statements as Restated"* beginning on page 181 of this Draft Prospectus.
6. Investors may note that in case of over subscription in the Offer, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled *"Offer Structure"* beginning on page 282 of this Draft Prospectus.
7. Except as disclosed in the chapter titled *"Capital Structure"*, "*Our Promoter and Promoter Group"*, *"Our Management"* and *"Related Party Transactions"* beginning on page 76, 172, 156, and 179 respectively of this Draft Prospectus, none of the Promoters, Directors, or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled *"Capital Structure"* beginning on page 76 of this Draft Prospectus, we have not issued any equity shares for Consideration other than cash.
9. There has been no capitalization of our reserves since inception.

10. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.

11. Investors are advised to refer to the chapter titled "Basis for Issue Price" beginning on page 103 of the Draft Prospectus.

12. 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 Prospectus with the Stock Exchange.

13. Our Company was originally incorporated as "Akshar Spintex Private Limited" at Jamnagar, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 19, 2013 bearing Corporate Identification Number U17291GJ2013PTC075677 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders' resolution passed in the Extra-ordinary General Meeting held on December 26, 2017 and the name of our Company was changed to "Akshar Spintex Limited", vide a fresh Certificate of Incorporation dated January 5, 2018, bearing Corporate Identification Number U17291GJ2013PLC075677, issued by Registrar of Companies, Gujarat. For further details of Incorporation, change of name of the Registered Office of our Company, please refer to chapter titled "Our History and Certain Other Corporate Matters" beginning on page 153 of this Draft Prospectus.

14. As on date of this Draft Prospectus, Our Company does not have any Group Company.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statements" and related notes beginning on page 19 and 181 respectively of this Draft 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*)*

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).

Figure 19. Sale of Motorcycles
(Seasonally adjusted, in thousands)

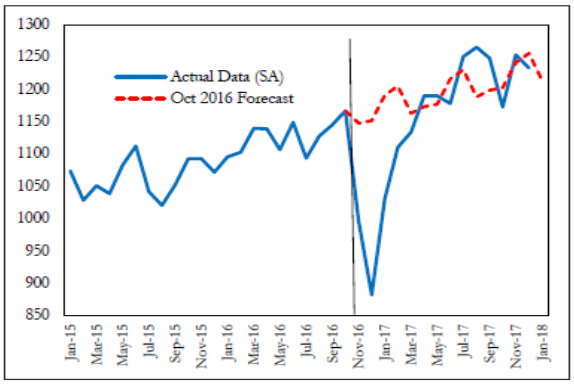
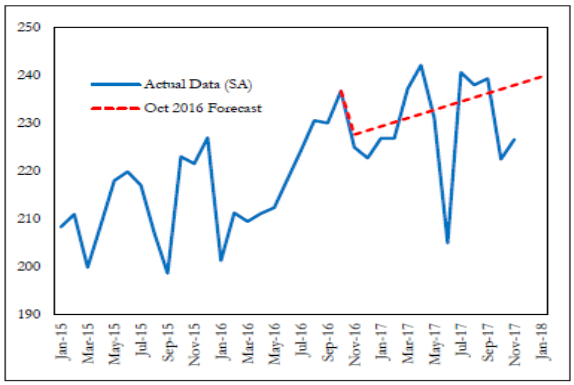


Figure 20. Sale of Passenger Cars
(Seasonally adjusted, in thousands)

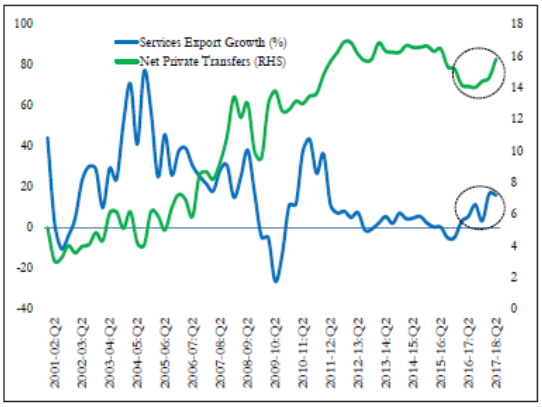


Source: Society for Indian Automobile Manufacturers, Survey calculations.

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).

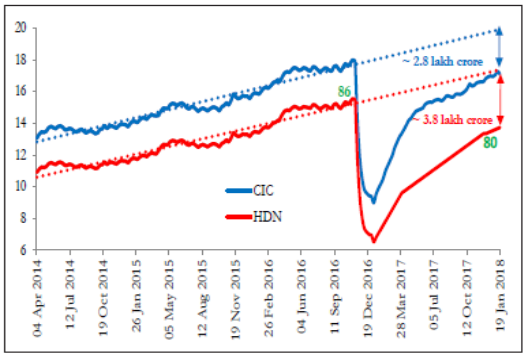
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about 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.

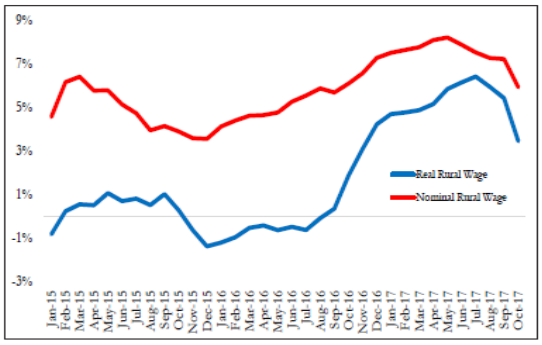
A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments 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.

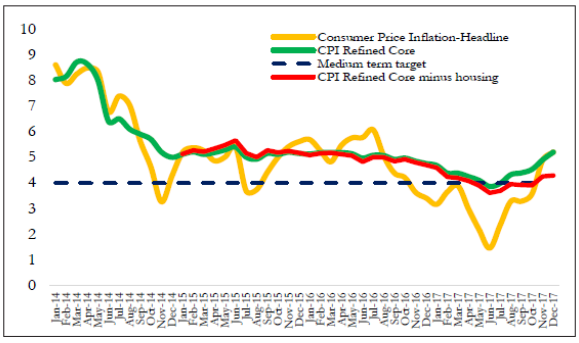
The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole 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.

Figure 23. Real and Nominal Rural Wages Growth
(percent, 3 month moving average)



Source: Labour Bureau, Survey calculations.

Figure 24. Inflation: CPI and Variants*
(percent, year-on-year)



Source: MoSPI, Survey calculations.
*CPI Refined Core is obtained by stripping out the volatile food and fuel components.

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. Thisimplies 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.

(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 cape 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 SECTOR

World manufacturing growth

World manufacturing growth accelerated in the third quarter of 2017, as economic recovery strengthened worldwide. Positive results re- ported in the First half of this year carried over into the third quarter. Steady progress over several consecutive quarters characterizes both industrialized and developing and emerging industrial economies, and prospects for sustained global industrial growth in forthcoming periods are good (Figure 1). For the first time in several years, industrial growth moved back to the positive zone in all of the major economies.

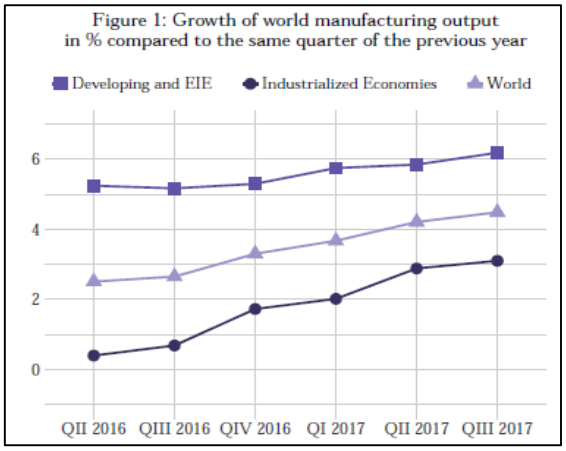
The driving forces behind the positive developments in global manufacturing were improving business conditions, rising consumer spending, promising investment plans directed towards developing economies and healthy external demand support activities. On the other hand, risks for global growth such as concerns where Brexit negotiations will lead to, changes in global trade arrangements or high geopolitical uncertainty have not yet dissipated.

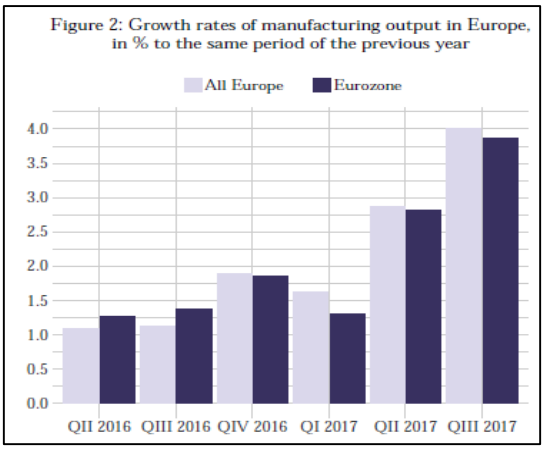
Global manufacturing output rose by 4.5 per cent in the third quarter of 2017 compared to the same period of the previous year .This impressive gain was based on an already strong growth throughout the first half of 2017. The disaggregated data points to the thriving performance of major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea, Italy as well as Brazil. The manufacturing output of China, the world's largest manufacturer, continued to register a high growth rate in the third quarter.

Industrialized economies as a whole exhibited record-breaking growth at 3.1 per cent in the third quarter of 2017 - the highest manufacturing output growth in a year-by-year comparison in the post-crisis period. Such growth was attributable to Europe's dynamic recovery, where a 4.0 per cent growth was achieved. East Asian industrialized economies experienced a healthy 4.5 per cent year-by-year upward trend and the nearly two-year consecutive slump has all but been forgotten. Relative lower growth was observed in the North America region, where manufacturing output expanded by a mere 1.4 per cent.

A reversal of negative trends in Argentina and Brazil has had a considerable impact on recovery in the Latin America region. Manufacturing output of the region rose by 2.5 per cent in the third quarter of 2017, which also resulted in an accelerated growth rate of developing and emerging industrial economies as a whole at 6.2 per cent. A relatively higher increase was achieved by Asia's developing economies with a 6.5 per cent expansion recorded in the third quarter on a year-to-year basis. The manufacturing production of African regions remained in the positive zone of high growth despite the weak foundation of these countries' manufacturing industries. According to UNIDO's latest estimates, African manufacturing experienced a 6.4 per cent year-to-year gain in the third quarter of 2017.

Entering the second half of the year 2017, recovery in global manufacturing has evolved from being relatively modest to becoming more dynamic. Improvements were recorded in both industrialized economies and developing and emerging industrial economies.

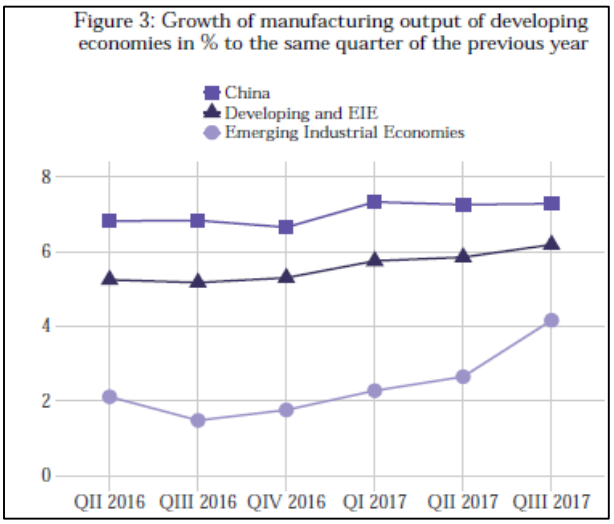


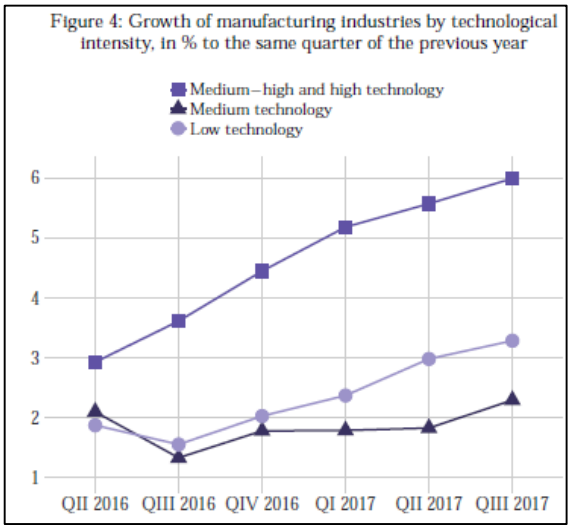


(Source: World Manufacturing Production- Statistics for Quarter III, 2017; United Nations Industrial Development Organisation - www.unido.org)

Key Findings - Global manufacturing Sector

Global manufacturing production maintained a positive growth rate in all industries in the third quarter of 2017. Advanced manufacturing such as automation, robotics and digital products have been experiencing a steady expansion at the global level. Shifting from low technology to high technology manufacturing industries plays a key role in promoting innovation in the long term and, moreover, determines the positioning of economies within the global market. Therefore, the competition between advanced and emerging economies in high-tech leadership will be compelling and crucial for both groups. In the wake of the fourth industrial revolution, embracing emerging technologies brings global manufacturing production to a new level. The high growth rate in medium high and high technology industries observed in the third quarter of 2017 led to an increase in high value goods, indicating a high level of consumer confidence (Figure 4). UNIDO data largely support this pro-technology approach.





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

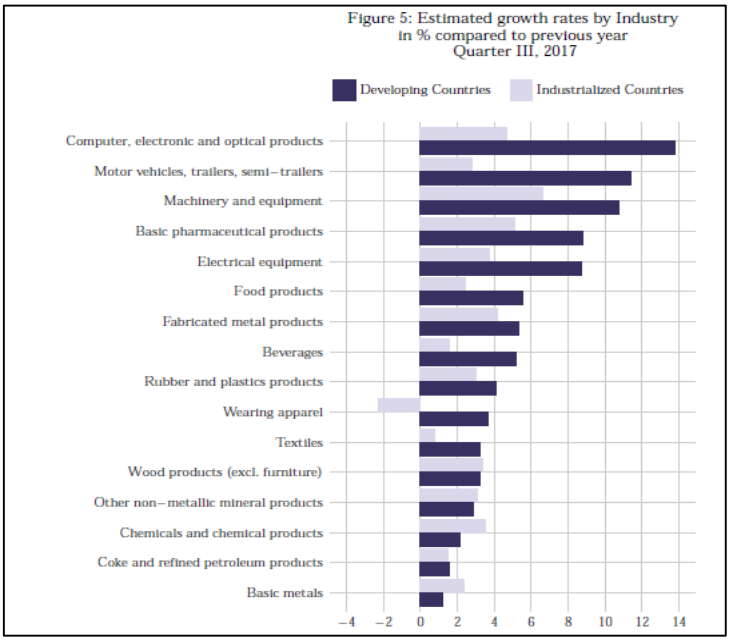
Medium high and high technology manufacturing industries have repeatedly held top positions when looking at year-by-year comparisons - these industries witnessed a 6.0 per cent growth rate, a record-breaking result in the last five years. When reviewing the individual top industries, the manufacturing of computers, electronics and optical products grew by 8.3 per cent, the production of machinery and equipment rose by 8.0 per cent, the manufacturing of pharmaceutical products by 6.7 per cent (which recorded a visibly accelerated growth rate compared to the results of the previous quarter), the production

of electrical equipment by 6.1 per cent and the manufacturing of motor vehicles by 5.9 per cent. The production in all of the above- mentioned industries was dominated by developing and emerging industrial economies compared with industrialized economies (Figure 5).

As regards medium technology manufacturing industries, 2.3 per cent growth was registered worldwide in the third quarter of 2017. The global manufacturing of rubber and plastic products increased by 3.4 per cent in a year-by-year comparison, while the manufacturing of non-metallic mineral products recorded a growth rate of 3.0 per cent. The global manufacturing of basic metals rose at a moderate pace of 1.6 per cent.

In low technology manufacturing industries, overall global production rose by 3.3 per cent in the third quarter of 2017 compared to the same period of the previous year. The global manufacturing of fabricated metal products grew by 4.6 per cent, followed by the manufacturing of furniture with a 4.3 per cent increase. Relatively high growth rates were maintained worldwide in the production of basic consumer goods - the global manufacturing of food products rose by 3.8 per cent, beverages by 3.4 per cent and the global manufacturing of both textile and wearing apparel increased by slightly over 2.5 per cent. The growth rate of the manufacturing of paper products expanded by 2.4 per cent, while coke and refined petroleum products and printing remained below 2.0 per cent.

The growth rates for selected industries are presented below. Additional statistics on the growth rates in the third quarter of 2017 are available in the Statistical Tables.



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

GLOBAL COTTON INDUSTRY: POSITION & OUTLOOK

World Balance sheet of Cotton Stocks

World Balance Sheet						
million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 February	2017/18 March
Beginning Stocks	92.1	102.9	111.1	95.3	87.7	87.7
Production	120.4	119.1	96.2	106.8	121.4	121.9
Supply	212.5	222.1	207.3	202.1	209.0	209.6
Mill-Use	110.0	111.9	112.3	114.8	120.5	120.8
Ending Stocks	102.9	111.1	95.3	87.7	88.6	88.8
Stocks/Use Ratio	93.5%	99.3%	84.9%	76.4%	73.5%	73.6%

India: Balance sheet of Cotton Stocks

India Balance Sheet						
million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 February	2017/18 March
Beginning Stocks	11.8	11.5	13.5	9.9	11.1	11.1
Production	31.0	29.5	25.9	27.0	28.5	28.5
Imports	0.7	1.2	1.1	2.7	1.7	1.7
Supply	43.5	42.2	40.5	39.7	41.3	41.3
Mill-Use	23.3	24.5	24.8	24.0	24.5	24.5
Exports	9.3	4.2	5.8	4.6	4.2	4.2
Demand	32.5	28.7	30.5	28.6	28.7	28.7
Ending Stocks	11.5	13.5	9.9	11.1	12.6	12.6
Stocks/Use Ratio	35.2%	47.0%	32.6%	39.0%	44.0%	44.0%

(Source: USDA – United States Department of Agriculture www.usda.gov)

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 constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the first revised estimates of annual national income published by the Government of India. 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$ 72.31 billion during April 2000-September 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. Some of the notable initiatives and developments are:

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$ 0.0155 as on January 04, 2018

*Notes: * - According to the Global Manufacturing Competitiveness Index published by Deloitte*

(Source: Indian Manufacturing Sector 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 of 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

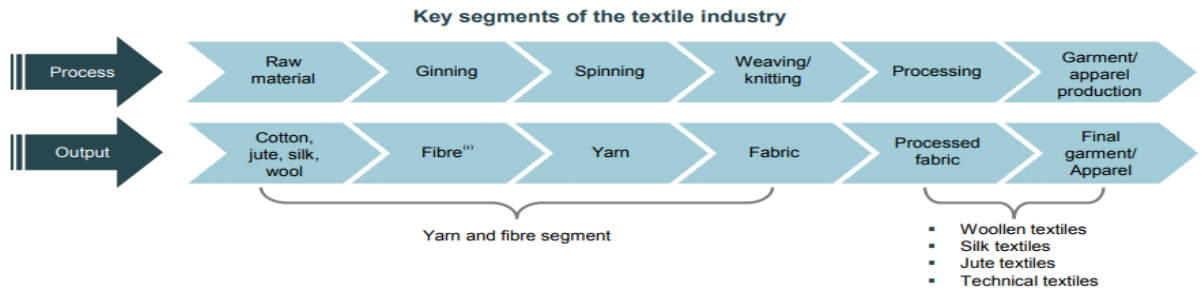
As of June 2017, the central government is planning to finalize and launch the new textile policy in the next three months. The policy aims to achieve US$ 300 billion worth of textile exports by 2024-25 and

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 COTTON YARN SEGMANT OVERVIEW

Cotton Yarn 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 February 2018 – India Brand Equity Foundation www.ibef.org*)*

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 18 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" 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 Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Information" beginning on pages 19 and 181 respectively.

OVERVIEW

Our Company was originally incorporated as "Akshar Spintex Private Limited" at Jamnagar, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 19, 2013 bearing Corporate Identification Number U17291GJ2013PTC075677 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders' resolution passed in the Extra-ordinary General Meeting held on December 26, 2017 and the name of our Company was changed to "Akshar Spintex Limited", vide a fresh Certificate of Incorporation dated January 5, 2018, bearing Corporate Identification Number U17291GJ2013PLC075677, issued by Registrar of Companies, Gujarat.

Incorporated in 2013, we are engaged in manufacturing of cotton yarn. We manufacture 100% cotton yarn which include combed, semi combed and carded yarn. Our registered office is situated at Survey No. 102 Kalavad Ranuja Road, Kalavad District Rajkot, Gujarat. The manufacturing facility of our Company is situated at Kalavad of Rajkot District in Gujarat state in 1,83,437 sq. ft. area which is in the vicinity of the rich cotton growing areas of Gujarat. The company has installed a capacity of total 24,480 spindle. Technology is a crucial aspect of the cotton 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 spinning technology and processing techniques by virtue of which we are able to ensure quality yarn.

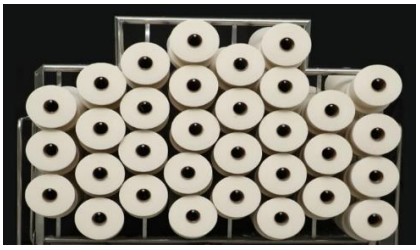
Our Company is promoted by Ashok Bhalala, Amit Gadhiya, Harikrishna Chauhan and Rekhaben Chauhan. They have sound knowledge and experience in the industry in which we operate. Our Promoters have sound knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the cotton textile industry including but not limited to manufacturing and marketing of raw cotton, Cotton bales, Cotton seeds, yarn and by-products.

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 cotton industry has maintained close relations with its suppliers and tries to strengthen the same.

From FY 2014-15 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has grown from Rs. 1519.87 lakhs to Rs. 8678.78 lakhs, representing a CAGR of 138.96% ii) our EBITDA has grown from Rs. 255.39 lakhs to Rs. 1257.42 lakhs, representing a CAGR of 121.89% iii) our profit after tax has grown from a loss of Rs. 51.25 lakhs in the FY 2014-15 to a profit of Rs. 538.61 lakhs in the FY 2016-17 for which CAGR can not be computed. Our restated total revenue, EBITDA and profit after tax for the six months ended September 30, 2017 was Rs. 4660.59 lakhs, Rs. 828.41 lakhs and Rs. 252.44 lakhs respectively, with an EBITDA margin of 17.77% and PAT margin of 5.42%.

OUR BUSINESS

We are enageged in manufactring of yarn viz. Combed Yarn, Semi Combed Yarn and Carded Yarn.

Product		Use/ Application
100% cotton yarn		Yarn is the end product of spinning. It is the primary component for any knitted fabric. 100% cotton yarn is used to make different type of fabrics. In some cases, the 100% cotton yarn is blended with some other yarn in different ratios to provide different effects like shining or to lend more elasticity to the yarn. It is the yarn count and the twisting mode of the yarn that actually determines the overall strength and look of the manufactured fabric.

OUR COMPETITIVE STRENGTHS

1. **Leveraging the experience of our promoter**

   The Promoters of the Company Ashok Bhalala, Amit Gadhiya, Harikrishna Chauhan and Rekhaben Chauhan have been associated with cotton farming and trading in cotton and have sound knowledge and experience in the industry in which we operate. They are the guiding force behind the operational and financial decisions of our company. They are responsible for the entire business operations of the Company along with an experienced team of professionals who assist them independently.

   Their Industry knowledge and understanding is also a key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. With their vision and expertise, we have grown in a consistent and speedy manner from the time of our incorporation in 2013. We believe that their experience shall continue to contribute significantly to the growth of our operations.

2. **Government incentives**

   We are located in the state of Gujarat and enjoy benefits of various incentives provided by central and state government which includes 2% interest subsidy under TUFS, 7% interest subsidy and 5% VAT incentive under Gujarat Textile Policy, 2012. Thus, such government incentives gives Company an operating leverage over the units located in other states.

3. **Modern Processes and Technology**

   Our Company has invested significant resources in technological capabilities and has developed a scalable technology system. We use process and technology to continuously improve our business operations and customer service. Our business is supported by modern facilities and methods. We have modern equipments in Blow Room, Carding, Draw Frame, Lap Former, Combing, Finished Draw Frame, Simplex, Ring Spinning and Winding.

4. **Locational Advantage**

   The manufacturing facility of the Company is located at kalavad, district Rajkot of Gujarat. The manufacturing facility is located at a distance of 250km from kandla port and is in a Shankar-6 cotton rich belt. All infrastructure facilities like availability of skilled labour, raw material, technology;

Communication, transportation etc. are easily available due to extensive industrialization in the area. The manufacturing facility of our Company is located in the vicinity of cotton rich belt of Gujarat. The small staple cotton is also available in the month of February to April.

5. **Customer oriented approach**

Customer satisfaction is one of our key success factors. We cater to various domestic customers across product segments. We try to provide customer specific solutions and offer our products and services 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 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:

1. **Brand image**

We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

2. **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.

3. **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.

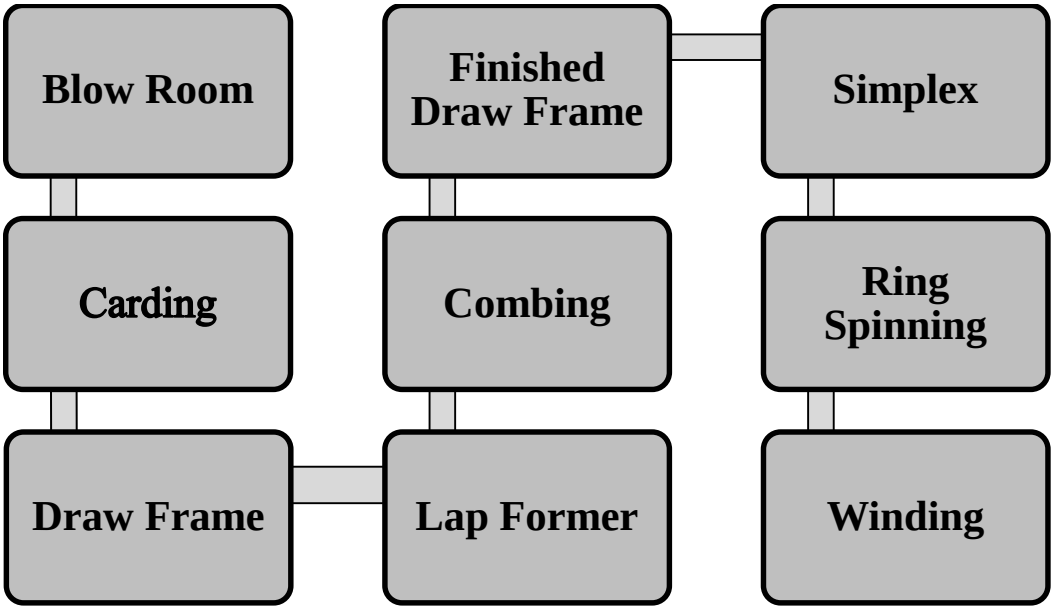
4. **Customer Satisfaction**

The Business of our Company is customer oriented and always strives to maintain good relationship with the customers. Our Company's marketing team approaches existing customers for their feedback and based on their feedback any changes in the products if required are carried out. Our Company provides quality products and effective follow-ups with customers who ensure that the customers are satisfied with the product and do not have any complain.

5. **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.

OUR MANUFACTURING PROCESS



1. **PURIFYING OF COTTON**

   Blow Room: Cotton bales enter the first stage of yarn formation where they are mixed to form a uniform mass by Reiter's blow room technology, which gently handles the material with a combination of high level cleaning and production rate. Cotton bales are spread and mixed according to the quality required.

2. **REMOVING OF SHORT FIBERS AND IMPURITIES**

   Carding: Blow Room provides uniform feeding to carding machines. The Picker Lap undergoes carding to remove short fibers and removes impurities and dust to provide additional orientation and alignment to individual fibers. The Carded Lap is removed by Doffer Cylinder in the form of Sliver, which undergoes additional blending to improve uniformity and density, which is carried out by Carding Machines.

   Draw Frame: Through draw frame, Slivers of high evenness can be produced. An adjustable Suction nozzle over the top rollers ensures cleaner Slivers. It helps to produce compact slivers with uniformity

   Lap Former: In lap forming process slivers are converted into laps by pressing the doubling of slivers uniformly and material is rolled on a lap. This is intermediate process, which produce feed material for the comber.

   Combing: The combing process is carried out in order to improve the quality of the sliver coming out of the card. The process eliminates short fibers, it achieves better parallelization of fibers, it straightens curls, and it removes neps and residue impurities

3. **PARALLELIZATION OF FIBERS**

   After combing of the cotton sliver, it becomes ready for drawing process, which improves the quality, evenness and homogenization of fibers. The cotton sliver is made ready for being processed into yarn. The sliver goes through drafting Rollers and is systematically drawn for better evenness.

   Simplex: In case of Ring Spun Yarn the sliver is drawn into strands called roving. In this process both drafting and twisting takes place.

4. **RING SPINNING**

Subsequent drawing and high speed twisting of roving bobbins is carried out on Ring frames until the required fitness achieved.

5. WINDING

The winding process has the basic function of obtaining a larger package from several small ring bobbins. This conversion process provides one with the possibility of cutting out unwanted and problematic objectionable faults. The process of removing such objectionable faults is called as yarn 'clearing'.

OUR RAW MATERIALS

The basic raw material required for the manufacture of 100% cotton yarn is ginned cotton. We procure only Shankar-6 quality of cotton which is predominantly grown in Gujarat. The vendors of raw cotton are identified based on the several parameters like the quality of raw material, price competitiveness and the time taken for delivery. The raw cotton required is mainly procured from the local supplies. The Packing material required by the company are mainly Paper tube, HDPE bag, HM bag, etc. for safety of the products during transportation. Packing materials are easily available in domestic market.

END USERS

Our end users are textile manufacturers and traders. We supply our products to large garment houses for manufacturing of cotton textiles.

SWOT ANALYSIS:

Strength	**Threat**
• Technological advantage • Experienced Management team • Strategic Location	• Changing technology • High competition • Raw material price fluctuation
Weaknesses	**Opportunity**
• Labour intensive industry • Timely Availability of Raw Material	• Government incentives and subsidies • Expanding Export Markets • Enhancing functional Efficiency

SUMMARY OF FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED ***ANNEXURE- I***

(Rs. in Lacs)

Sr. No.	Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
1)	**Equity & Liabilities**					
	Shareholders' funds					
	a. Share capital	2400.00	2400.00	2400.00	2001.00	251.00
	b. Reserves & surplus	1006.73	754.30	215.69	-51.25	0.00
	Sub-total	**3406.73**	**3154.30**	**2615.69**	**1949.75**	**251.00**
2)	**Share application money pending allotment**	0.00	0.00	0.00	0.00	250.00
3)	**Non-current liabilities**					
	a. Long-term borrowings	2962.02	3063.57	3619.94	3550.35	1891.41
	b. Deferred tax liabilities (net)	371.27	239.20	159.61	79.34	0.00
	c. Long-term liabilities	0.00	0.00	0.00	0.00	0.00
	d. Long-term provisions	7.18	6.83	4.39	1.07	0.00
	Sub-total	**3340.46**	**3309.60**	**3783.93**	**3630.77**	**1891.41**
4)	**Current liabilities**					
	a. Short-term borrowings	603.43	555.21	215.08	589.46	0.00
	b. Trade payables	713.00	351.83	114.75	275.90	0.00
	c. Other current liabilities	982.23	640.13	610.85	548.24	46.79
	d. Short term provisions	370.44	207.82	147.52	35.62	40.35
	Sub-total	**2669.09**	**1754.99**	**1088.20**	**1449.21**	**87.14**
	T O T A L (1+2+3+4)	**9416.28**	**8218.88**	**7487.82**	**7029.73**	**2479.56**
5)	**Non-current assets**					
	a. Fixed assets					
	i. Tangible assets	5401.36	5580.49	5834.75	5363.37	74.65
	ii. Intangible assets	0.00	0.00	0.00	0.00	0.00
	iii.Capital work in progress	0.00	0.00	0.00	0.00	1172.76
	b.Non-current investments	0.00	0.00	0.00	0.00	0.00
	c. Long term loans &advances	0.95	0.95	1.15	16.48	1.15
	d. Other non-currentassets	2.98	3.97	5.95	7.93	99.97
	Sub-total	**5405.28**	**5585.40**	**5841.84**	**5387.78**	**1348.53**
6)	**Current assets**					
	a. Current investments	0.00	0.00	0.00	0.00	0.00
	b. Inventories	1521.49	993.24	820.43	397.21	0.00
	c. Trade receivables	660.09	562.39	201.03	207.67	0.00
	d. Cash and bank balances	127.63	123.63	135.78	333.80	248.98

Sr. No.	Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
	e. Short term loans & advances	1696.17	950.96	486.07	703.26	882.06
	f. Other current assets	5.62	3.27	2.67	0.00	0.00
	Sub-total	**4011.00**	**2633.48**	**1645.98**	**1641.95**	**1131.03**
	T O T A L (5+6)	**9416.28**	**8218.88**	**7487.82**	**7029.73**	**2479.56**

STATEMENT OF PROFIT AND LOSS AS RESTATED ***ANNEXURE- II***

(Rs. in Lacs)

Sr. No.	Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
	INCOME					
	Revenue from Operations	4544.22	8678.78	5841.03	1519.87	0.00
	Other income	116.37	360.16	143.36	41.87	0.00
	Total revenue (A)	**4660.59**	**9038.94**	**5984.38**	**1561.73**	**0.00**
	EXPENDITURE					
	Cost of materials consumed	3439.53	6671.59	3980.62	1078.28	0.00
	Purchase of stock-in-trade	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(404.45)	(228.47)	(143.37)	(129.73)	0.00
	Employee benefit expenses	334.21	478.24	393.69	108.53	0.00
	Finance costs	109.14	258.55	236.65	99.00	0.00
	Depreciation and amortization expenses	193.23	380.67	359.95	128.30	0.00
	Other expenses	462.89	860.16	809.62	252.41	0.00
	Total expenses (B)	**4134.55**	**8420.74**	**5637.17**	**1536.81**	**0.00**
	Net profit/ (loss) before exceptional, extraordinary items and tax, as restated	526.04	618.20	347.21	24.92	0.00
	Exceptional items	0.00	0.00	0.00	3.17	0.00
	Net profit/ (loss) before extraordinary items and tax, as restated	526.04	618.20	347.21	28.09	0.00
	Extraordinary items	0.00	0.00	0.00	0.00	0.00
	Net profit/ (loss) before tax, as restated	**526.04**	**618.20**	**347.21**	**28.09**	**0.00**
	Tax expense:					
	(i) Current tax	141.54	126.04	70.79	5.35	0
	(ii) Minimum alternate tax	0.00	(126.04)	(70.79)	(5.35)	0.00
	(ii) Deferred tax (asset)/liability	132.06	79.59	80.27	79.34	0

Sr. No.	Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
	Total tax expense	**273.60**	**79.59**	**80.27**	**79.34**	***0***
	Profit/ (loss) for the year/ period, as restated	**252.44**	**538.61**	**266.94**	**(51.25)**	0.00
	Earning per equity share(face value of Rs. 10/- each):					
	Basic (Rs.)	1.05	2.24	1.18	(0.42)	0.00
	Diluted (Rs.)	1.05	2.24	1.18	(0.42)	0.00
	Adjusted earning per equity share(face value of Rs. 10/- each):	1.05	2.24	1.18	(0.42)	0.00
	Basic (Rs.)					
	Diluted (Rs.)	1.05	2.24	1.18	(0.42)	0.00

STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE –III ***(Rs. in Lacs)***

Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Cash flow from operating activities:					
Net profit before tax as per statement of profit and loss	526.04	618.20	347.21	28.09	0.00
Adjusted for:					
Preliminary expenses	0.99	1.98	1.98	1.98	0.00
Provision for gratuity	0.35	2.45	3.33	1.08	0.00
Provision for doubtful debts	0.00	0.00	0.00	0.00	0.00
Depreciation & amortization	192.24	378.69	357.96	126.32	0.42
Interest (Net)	104.31	249.67	229.15	91.48	0.00
Operating cash flow before working capital changes					
Adjusted for:					
(Increase)/ decrease in inventories	(528.25)	(172.80)	(423.22)	(397.21)	0.00
(Increase)/ decrease in trade & other receivables	(97.70)	(361.36)	6.64	(207.67)	0.00
(Increase)/Decrease in Long-term loans and advances	0.00	0.20	15.33	(15.33)	(1.15)
Increase/ (decrease) in short- term loans and advances	(745.21)	(464.89)	217.19	178.80	(882.06)
(Increase)/Decrease in Other Current Assets	(2.35)	(0.60)	(2.67)	0.00	0.00
Increase/(Decrease) in Current Liabilities	724.33	326.65	13.35	772.61	87.14

Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Cash generated from/ (used in) operations	174.76	578.18	766.27	580.13	(795.64)
Net cash generated from/ (used in) operating activities (A)	**174.76**	**578.18**	**766.27**	**580.13**	**(795.64)**
Cash flow from investing activities:					
Purchase of fixed assets	(13.11)	(124.43)	(829.34)	(4242.28)	(1247.83)
Sale of fixed assets	0.00	0.00	0.00	0.00	0.00
Investments in WIP					
(Increase)/Decrease in Other Non-Current Assets	0.00	0.00	0.00	90.06	(99.97)
Net cash flow from/(used) in investing activities (B)	**(13.11)**	**(124.43)**	**(829.34)**	**(4152.22)**	**(1347.80)**
Cash flow from financing activities:					
Proceeds from issue of equity shares	0.00	0.00	399.00	1750.00	251.00
Share application money received	0.00	0.00	0.00	0.00	0.00
Increase / (Decrease) in Share allotment money	0.00	0.00	0.00	(250.00)	250.00
Increase / (Decrease) in Short Term Borrowing	48.22	340.13	(374.38)	589.46	0.00
Increase/(Decrease) in Long Term Borrowings	(101.55)	(556.37)	69.58	1658.94	1891.41
Interest & finance costs	(104.31)	(249.67)	(229.15)	(91.48)	0.00
Net cash flow from/(used in) financing activities (C)	**(157.64)**	**(465.91)**	**(134.94)**	**3656.92**	**2392.41**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	4.01	(12.16)	(198.02)	84.83	248.98
Cash & cash equivalents as at beginning of the year	123.63	135.78	333.80	248.98	0.00
Cash & cash equivalents as at end of the year	127.63	123.63	135.78	333.80	248.98

Notes:

i. The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "Cash flow Statement".

ii. Figures in Brackets represent outflows.

iii. The above statement should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Significant Accounting Policies and Notes as appearing in Annexure I, II and IV respectively.

THE OFFER

The following table summarizes the Offer details:

Particulars	Details of Equity Shares
Offer of Equity Shares by Our Company	Offer of up to 67,50,000 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:	
Fresh Issue	10,00,000 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
Offer for sale	Up to 57,50,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at a price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs
The Offer Consists of:	
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 Offer to the 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:	
Retail Portion	Up to [●] 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 up to Rs. 2.00 Lakhs
Non-Retail Portion	Up to [●] 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 above Rs. 2.00 Lakhs
Pre and Post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	2,40,00,000 Equity Shares of face value of Rs.10/- each
Equity Shares outstanding after the Offer	2,50,00,000 Equity Shares of face value of Rs.10/- each
Use of proceeds of this Offer	For further details please refer chapter titled "*Objects of the Offer"* beginning on page 97 of this Draft Prospectus for information on use of Offer Proceeds.

Notes:-

1. The Offer has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on February 05, 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 February 28, 2018.
2. The Selling Shareholders have consented to participate in the Offer for Sale in the following manner:

Sr. No.	Name of the Selling Shareholder	Consent Letter dated	No. of Equity Shares held	No. of Equity Shares Offered

1	Ashokbhai Bhalala	March 17, 2018	16,80,000	1,50,000
2)	Charmi Gadhiya	March 17, 2018	5,25,000	2,50,000
3)	Nayan Gadhiya	March 17, 2018	13,69,900	5,00,000
4)	Pooja Gadhiya	March 17, 2018	5,35,000	2,50,000
5)	Pareshbhai Bhalala	March 17, 2018	15,90,000	3,50,000
6)	Pravinbhai Bhalala	March 17, 2018	16,30,000	3,00,000
7)	Nipaben Sorathiya	March 17, 2018	27,05,273	7,68,773
8)	Sonal Sorathiya	March 17, 2018	24,12,727	4,76,227
9)	Rekhaben Chauhan	March 17, 2018	24,00,000	2,40,000
10)	Ashok Bhalala – HUF	March 17, 2018	2,00,000	1,50,000
11)	Chetana Bhalala	March 17, 2018	2,70,000	1,70,000
12)	Pareshbhai Bhalala – HUF	March 17, 2018	2,30,000	1,20,000
13)	Sukanbhai Bhalala – HUF	March 17, 2018	2,70,000	2,00,000
14)	Pravinbhai Bhalala – HUF	March 17, 2018	2,30,000	1,70,000
15)	Kantaben Gadhiya	March 17, 2018	5,50,000	1,50,000
16)	Narmadaben Chauhan	March 17, 2018	4,00,000	1,10,000
17)	Pareshbhai Jethva	March 17, 2018	4,00,000	4,00,000
18)	Pravinaben Gohil	March 17, 2018	4,00,000	4,00,000
19)	Prakashkumar Sorathia	March 17, 2018	4,80,000	4,80,000
20)	Manubhai Gareja	March 17, 2018	4,80,000	1,15,000
	Total		**1,87,57,900**	**57,50,000**

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

*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, the allocation in the net Issue Offer to the public category shall be made as follows:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to

i. Individual applicants other than retail individual investors; and

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

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

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

For further details please refer to section titled *'Offer Information'* beginning on page 276 of this Draft Prospectus.

GENERAL INFORMATION

Our Company was originally incorporated as "Akshar Spintex Private Limited" at Jamnagar, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 19, 2013 bearing Corporate Identification Number U17291GJ2013PTC075677 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extraordinary General Meeting held on December 26, 2017 and the name of our Company was changed to "Akshar Spintex Limited", vide a fresh Certificate of Incorporation dated January 5, 2018, bearing Corporate Identification Number U17291GJ2013PLC075677, issued by Registrar of Companies, Ahmedabad, Gujarat.

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 153 of this Draft Prospectus.

REGISTERED OFFICE OF OUR COMPANY

Akshar Spintex Limited
Revenue Survey No. 102/2 Paiki,
Plot No. 2, Village: Haripar,
Ranuja Road, Tal: Kalavad,
Jamnagar – 361013,
Gujarat, India.
Tel: +9198252 13622
Fax: NA
Email: admin@aksharspintex.in
Website: www.aksharspintex.in
Corporate Identification Number: U17291GJ2013PLC075677

REGISTRAR OF COMPANIES

Registrar of Companies, Ahmedabad, Gujarat
ROC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura, Ahmedabad-380013,
Gujarat, India
Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

SME Platform of BSE Limited
25th Floor, P.J. Towers, Dalal Street,
Fort, Mumbai-400001,
Maharashtra**,** India
Website: www.bseindia.com

BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age (In Years)	DIN	Address	Designation
1.	Ashokbhai Bhalala	44	02003197	Vejagam, Taluka - Gondal, Vejagam, Gujarat-360 311,India	Managing Director
2.	Amit Gadhiya	31	06604671	Govindratna Willa, Bunglow – 10, Opp. Govindratna Bunglow, Rajkot – 360005, Gujarat, India	Whole Time Director

Sr. No.	Name	Age (In Years)	DIN	Address	Designation
3.	Harikrishna Chauhan	50	07710106	Akshar Bhuvan, Parnakuti Society, Street no. 5, Block No. 65/A, Nana Mava Road, Rajkot-360001, Gujarat, India.	Whole Time Director
4.	Ilaben Paghdar	41	07591339	101, Vasant Avenue, Sanket Society, Jay Sardar Road, Opp. Raj Residency, B/H Raj Shrungar Party Plot, Rajkot – 360001, Gujarat, India.	Non-Executive Director
5.	Vipul Patel	38	08079702	Shree Naval Nagar, Street No.3, Near. Nilam Stationery, Mavadi Main Road, Rajkot - 360004, Gujarat, India.	Independent Director
6.	Nirala Joshi	60	08055148	Block No. 34, Vasundhra Residency, Opp. Govindbhai Solanki Vadi, Airport Road, Raiya Road, Rajkot - 360007, Gujarat, India	Independent Director
7.	Rohit Dobariya	37	08085331	Vrundavan, Vaniyawadi 1/6 Corner, Vaniyawadi Main Road, Opp. G.Patel Pan, Rajkot - 360007, Gujarat, India	Independent Director

For further details of our Directors, please refer to the chapter titled *"Our Management"* beginning on page 156 of this Draft Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ankita Popat
Akshar Spintex Limited
Revenue Survey No. 102/2, Paiki,
Plot No. 2, Village - Haripar,
Ranuja Road, Tal - Kalavad,
Jamnagar – 361013, Gujarat, India.
Tel: +9196875 66931 ssssssss
Fax: NA
Email: cs@aksharspintex.in
Website: www.aksharspintex.in

CHIEF FINANCIAL OFFICER

Pratik Raiyani
Akshar Spintex Limited
Revenue Survey No. 102/2, Paiki,
Plot No. 2, Village - Haripar,
Ranuja Road, Tal - Kalavad,
Jamnagar – 361013, Gujarat, India.
Tel: +91 80007 77671
Fax: NA
Email: cfo@aksharspintex.in

Website: www.aksharspintex.in

Investors can contact the Company Secretary and Compliance Officer, the LM or the Registrar to the Offer in case of any pre-Offer or post-Offer 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 Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

STATUTORY AUDITOR

H. B. KALARIA & ASSOCIATES
Chartered Accountants
A 601/602, The Imperial Heights, Opp. Big Bazar,
150 ft. Ring Road, Rajkot-360005, Gujarat, India
Tel No.: 0281 -2581501
Email: hbkalaria@gmail.com
Contact Person: Hasmukh B. Kalaria
Firm Registration No.: 104571W
Membership No.: 042002

PEER REVIEWED AUDITOR

M/S H. JAMNADAS & CO.
H. Jamnadas House, 50 Janta Society,
Opp. LIC Building, Mahila College Chowk,
Tagore Road, Rajkot – 360001, India
Tele No.: 0281-2481193
Fax No.: NA
Email: info@hjmannadas.com
Contact Person: Haresh Dadhania
Firm Registration No.: 104033W
Membership No.: 043076

M/s H. Jamnadas & Co., Chartered Accountant holds a peer reviewed certificate dated February 9, 2015, issued by the Institute of Chartered Accountants of India.

LEAD MANAGER

Pantomath Capital Advisors Private Limited
406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East)
Mumbai- 400051, Maharashtra, India
Tel: +91 22 6194 6700
Fax: + 91 22 2659 8690

Email: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Unmesh Zagade
SEBI Registration No: INM000012110

REGISTRAR TO THE OFFER

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri (East), Mumbai – 400 059, Maharashtra, India
Tel: 022-62638200
Fax: 022-62638299
Email: ipo@bigshareonline.com
Investor Grievance Id: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Babu Rapheal
SEBI Registration No: INR000001385

LEGAL ADVISOR TO THE OFFER

M V Kini, Law Firm
Kini House, 216/263, 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

State Bank of India
Commercial Branch, Noble House,
Near Jalaram Petrol Pump,
Kalawad Road, Rajkot – 360 001
Tel: 0281 2474 365
Fax: 0281 2477 590
Email: sbi.0485@sbi.co.in
Website: www.sbi.co.in
Contact Person: Adnan Gotajiwala

PUBLIC OFFER BANK / BANKER TO THE OFFER/ REFUND BANKER

ICICI Bank Limited
Capital Market Division,
1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Road, Backbay Reclamation,
Churchgate, Mumbai – 400 020,
Maharashtra, India
Tel: +91 22 66818923/924/932
Fax: +91 22 22611138
Email: shweta.surana@icicibank.com
Contact Person: Shweta Surana
Website: www.icicibank.com
SEBI Registration Number: INBI00000004

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

Applicants can submit Application Forms in the Issue using the stock broker network of the Stock Exchange, 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 BSE Limited, as updated from time to time. In relation to ASBA Applications submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

REGISTRAR SHARE TRANSFER AGENTS TO ISSUE

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

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE 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 offer of Equity Shares, credit rating is not required.

IPO GRADING

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

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Pantomath Capital Advisors Private Limited is the sole Lead Manager to this offer, a statement of inter se allocation of responsibilities among 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 offer size is below Rs. 10,000 Lakhs. Since the offer size is only of Rs. [●] lakhs, our Company has not appointed any monitoring agency for this offer. 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 offer.

EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the year ended March 31, 2014, 2015, 2016, 2017 and for the period ended on September 30, 2017 as included in this Draft Prospectus, our Company has not obtained any expert opinion.

DEBENTURE TRUSTEE

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

UNDERWRITER

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated March 01, 2018 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Offer.

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 61946700 **Fax:** +91 22 26598690 **Email:** ipo@pantomathgroup.com **Contact Person:** Unmesh Zagade **SEBI Registration Number**: INM000012110	**[●]**	[●]	[●]
Total	**[●]**	[●]	[●]

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 Lead Manager has entered into an agreement dated March 01, 2018, with the following Market Maker, duly registered with SME Platform of BSE Limited to fulfil the obligations of Market Making:-

Pantomath Stock Brokers Private Limited
108, Madhava Premises, Behind Family Court
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051, Maharashtra, India.
Tel: +91 22 42577000
Fax: +91 22 26598690
Email: broking@pantomathgroup.com
Contact Person: Mahavir Toshniwal
SEBI Registration Number: INZ000068338

Pantomath Stock Brokers Private Limited registered with SME Platform of BSE Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by 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 BSE Limited and SEBI in this matter from time to time.

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the stock exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. [●] the minimum lot size is [●] Equity shares thus minimum depth of the quote shall be Rs. [●] Lakhs until the same, would be revised by BSE Limited.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the upto [●] 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, BSE Limited may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
8. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).
11. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserves the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant

laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Corporate Office from 11.00 a.m. to 5.00 p.m. on working days.

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

13. SME Platform of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

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

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

CAPITAL STRUCTURE

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

Amount (Rs.in lakhs except share data)

No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price
A.	**Authorised Share Capital**		
	2,50,00,000 Equity Shares of face value of Rs. 10/- each	2,500.00	[●]
B.	**Issued, Subscribed and Paid-Up Share Capital before the Offer**		
	2,40,00,000 Equity Shares of face value of Rs. 10/- each	2,400.00	[●]
C.	**Present Offer in terms of this Draft Prospectus**		
	Offer of up to 67,50,000 Equity Shares of face value of Rs.10/- each at a price of Rs. [●]/- per Equity Share	675.00	[●]
	Of which		
	Fresh Issue of up to 10,00,000 Equity Shares of face value of Rs.10/- each at a price of Rs. [●]/- per Equity Share	100.00	[●]
	Offer for Sale of up to 57,50,000 Equity Shares of face value of Rs.10/- each at a price of Rs. [●]/- per Equity Share	575.00	[●]
	Consisting:		
	Reservation for Market Maker – Up to [●] Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●]/- per Equity Share	[●]	[●]
	Net Offer to the Public – Up to [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share	[●]	[●]
	Of the Net Offer to the Public		
	Allocation to Retail Individual Investors – Up to [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of up to Rs. 2 lakhs	[●]	[●]
	Allocation to Other than Retail Individual Investors – Up to **[●]** Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs. 2 lakhs	[●]	[●]
D.	**Issued, Subscribed and Paid-Up Share Capital after the Offer**		
	Up to 250,00,000 Equity Shares of face value of Rs. 10/- each	2500.00	[●]
E.	**Securities Premium Account**		
	Before the Offer		0
	After the Offer		[●]

1. The Offer has been authorised by the Board of Directors of our Company vide a resolution passed at its meeting held on February 05, 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 General Meeting held on February 28, 2018.

2. The Selling Shareholders have consented to participate in the Offer for Sale in the following manner:

Sr. No.	Name of the Selling Shareholder	Consent Letter dated	No. of Equity Shares held	No. of Equity Shares Offered

21)	Ashokbhai Bhalala	March 17, 2018	16,80,000	1,50,000
22)	Charmi Gadhiya	March 17, 2018	5,25,000	2,50,000
23)	Nayan Gadhiya	March 17, 2018	13,69,900	5,00,000
24)	Pooja Gadhiya	March 17, 2018	5,35,000	2,50,000
25)	Pareshbhai Bhalala	March 17, 2018	15,90,000	3,50,000
26)	Pravinbhai Bhalala	March 17, 2018	16,30,000	3,00,000
27)	Nipaben Sorathiya	March 17, 2018	27,05,273	7,68,773
28)	Sonal Sorathiya	March 17, 2018	24,12,727	4,76,227
29)	Rekhaben Chauhan	March 17, 2018	24,00,000	2,40,000
30)	Ashok Bhalala – HUF	March 17, 2018	2,00,000	1,50,000
31)	Chetana Bhalala	March 17, 2018	2,70,000	1,70,000
32)	Pareshbhai Bhalala – HUF	March 17, 2018	2,30,000	1,20,000
33)	Sukanbhai Bhalala – HUF	March 17, 2018	2,70,000	2,00,000
34)	Pravinbhai Bhalala – HUF	March 17, 2018	2,30,000	1,70,000
35)	Kantaben Gadhiya	March 17, 2018	5,50,000	1,50,000
36)	Narmadaben Chauhan	March 17, 2018	4,00,000	1,10,000
37)	Pareshbhai Jethva	March 17, 2018	4,00,000	4,00,000
38)	Pravinaben Gohil	March 17, 2018	4,00,000	4,00,000
39)	Prakashkumar Sorathia	March 17, 2018	4,80,000	4,80,000
40)	Manubhai Gajera	March 17, 2018	4,80,000	1,15,000
	Total		**1,87,57,900**	**57,50,000**

3. The Company has only one class of share capital as on the date of draft Prospectus 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 Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Details of changes in authorised Share Capital:

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

Particulars of Change		Date of Shareholders' Meeting	AGM / EGM
Increased From	**Increased To**		
The authorised share capital of our Company on incorporation comprised of Rs.10,00,000 divided into 1,00,000 Equity Shares of Rs. 10 each		On Incorporation	-
Rs. 10,00,000 consisting of 1,00,000 Equity shares of Rs. 10 each.	Rs. 11,50,00,000 consisting of 1,15,00,000 Equity shares of Rs. 10 each.	December 23, 2013	EGM
Rs. 11,50,00,000 consisting of 1,15,00,000 Equity shares of Rs. 10 each.	Rs. 24,00,00,000 consisting of 2,40,00,000 Equity shares of Rs. 10 each.	September 23, 2014	EGM
Rs. 24,00,00,000 consisting of 2,40,00,000 Equity shares of Rs. 10 each.	Rs. 25,00,00,000 consisting of 2,50,00,000 Equity shares of Rs. 10 each	December 04, 2017	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.)
On Incorporation	10,000	10	10	Cash	Subscription to MOA[1]	10,000	1,00,000
February 13, 2014	25,00,000	10	10	Cash	Further Allotment [2]	25,10,000	2,51,00,000
April 25, 2014	25,00,000	10	10	Cash	Rights Issue [3]	50,10,000	5,01,00,000
August 14, 2014	50,00,000	10	10	Other than Cash	Further Allotment [4]	1,00,10,000	10,01,00,000
October 28, 2014	1,00,00,000	10	10	Cash	Rights Issue [5]	2,00,10,000	20,01,00,000
July 30, 2015	39,90,000	10	10	Other than Cash	Further Allotment [6]	2,40,00,000	24,00,00,000

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

Sr. No.	Name of Allottees	No. of shares subscribed
1	Abhishek Tala	1,000
2	Amit Gadhiya	2,000
3	Ashok Dudhagara	5,000
4	Bakulesh Jani	1,000
5	Tarish Trivedi	1,000
	Total	**10,000**

2) Further allotment of 25,00,000 Equity Shares of Rs. 10/- each fully paid at par as on February 13, 2014 as per the details given below :

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Amit Gadhiya	5,00,000
2.	Ashokbhai Bhalala	4,00,000
3.	Charmi Gadhiya	50,000
4.	Nayan Gadhiya	50,000
5.	Pooja Gadhiya	25,000
6.	Pareshbhai Bhalala	1,00,000
7.	Pravinbhai Bhalala	1,25,000
8.	Rajdeep Patel	2,50,000
9.	Nipaben Sorathiya	2,50,000
10.	Sonal Sorathia	2,50,000
11.	Rekhaben Chauhan	5,00,000
	Total	**25,00,000**

3) Rights Issue of 25,00,000 Equity Shares of face value of Rs. 10 each fully paid at par on April 25, 2014 as per the details given below*:*

Sr. No	Name of Allottee	No. of Shares Allotted
1.	Amit Gadhiya	2,34,050
2.	Ashokbhai Bhalala	60,000
3.	Charmi Gadhiya	72,500

Sr. No	Name of Allottee	No. of Shares Allotted
4.	Nayan Gadhiya	2,35,950
5.	Pooja Gadhiya	82,500
6.	Pareshbhai Bhalala	2,82,500
7.	Pravinbhai Bhalala	2,82,500
8.	Rajdeep Patel	1,97,500
9.	Nipaben Sorathiya	2,50,000
10.	Sonal Sorathia	3,70,000
11.	Rekhaben Chauhan	75,000
12.	Harikrishna Chauhan	50,000
13.	Narmadaben Chauhan	1,50,000
14.	Harikrishna Chauhan- HUF	1,05,000
15.	Manubhai Gajera	52,500
	Total	**25,00,000**

4) Further allotment of 50,00,000 Equity Shares of face value of Rs. 10/- each fully paid at par as on August 14, 2014 as per the details given below –

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Abhishek Tala	3,50,000
2	Amit Gadhiya	1,50,000
3	Ashokbhai Bhalala	2,75,000
4	Charmi Gadhiya	40,000
5	Nayan Gadhiya	2,50,000
6	Pooja Gadhiya	60,000
7	Pareshbhai Bhalala	2,35,000
8	Pravinbhai Bhalala	2,52,500
9	Rajdeep Patel	1,52,500
10	Nipaben Sorathiya	5,00,000
11	Sonal Sorathia	1,92,500
12	Rekhaben Chauhan	2,25,000
13	Harikrishna Chauhan	2,50,000
14	Narmadaben Chauhan	50,000
15	Harikrishna Chauhan- HUF	1,95,000
16	Manubhai Gajera	1,47,500
17	Ashokbhai Bhalala - HUF	1,00,000
18	Chetnaben Bhalala	1,35,000
19	Pareshbhai Bhalala - HUF	1,15,000
20	Jalpaben Bhalala	1,07,500
21	Sukanbhai Bhalala – HUF	1,30,000
22	Pravinbhai Bhalala – HUF	1,15,000
23	Sarojben Bhalala	85,000
24	Kantaben Gadhiya	2,50,000
25	Pareshbhai Jethva	2,00,000
26	Pravinaben Gohil	2,00,000
27	Prakash Sorathiya	1,87,500
28	Reenaben Tala	25,000
29	Kunjalben Tala	25,000
	Total	**50,00,000**

5) Rights Issue of 1,00,00,000 Equity shares of face value of Rs. 10/- each fully paid at par as on October 28, 2014 as per the details given below –

Sr. No.	Name of Allottee	No. of shares Allotted
1	Abhishek Tala	3,50,000
2	Amit Gadhiya	8,84,050
3	Ashokbhai Bhalala	7,35,000
4	Charmi Gadhiya	1,62,500
5	Nayan Gadhiya	5,35,950
6	Pooja Gadhiya	1,67,500
7	Pareshbhai Bhalala	6,17,500
8	Pravinbhai Bhalala	6,60,000
9	Rajdeep Patel	6,00,000
10	Nipaben Sorathiya	10,00,000
11	Sonal Sorathia	8,12,500
12	Rekhaben Chauhan	8,00,000
13	Harikrishna Chauhan	3,00,000
14	Narmadaben Chauhan	2,00,000
15	Harikrishna Chauhan- HUF	3,00,000
16	Manubhai Gajera	2,00,000
17	Ashokbhai Bhalala - HUF	1,00,000
18	Chetanaben Bhalala	1,35,000
19	Pareshbhai Bhalala - HUF	1,15,000
20	Jalpaben Bhalala	1,07,500
21	Sukanbhai Bhalala - HUF	1,30,000
22	Pravinbhai Bhalala – HUF	1,15,000
23	Sarojben Bhalala	85,000
24	Kantaben Gadhiya	2,50,000
25	Pareshbhai Jethva	2,00,000
26	Pravinaben Gohil	2,00,000
27	Prakash Sorathiya	1,87,500
28	Reenaben Tala	25,000
29	Kunjalben Tala	25,000
	Total	**100,00,000**

6) Further Allotment of 39,90,000 Equity Shares of face value of Rs. 10/- each at par as on July 30, 2015 as per the details given below –

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Abhishek Tala	1,65,000
2.	Ashokbhai Bhalala	2,10,000
3.	Pareshbhai Bhalala	3,55,000
4.	Pravinbhai Bhalala	3,10,000
5.	Rajdeep Patel	2,34,000
6.	Nipaben Sorathiya	7,05,273
7.	Sonal Sorathia	7,87,727
8.	Rekhaben Chauhan	7,93,000
9.	Manubhai Gajera	80,000
10.	Jalpaben Bhalala	1,15,000
11.	Sukanbhai Bhalala - HUF	10,000
12.	Sarojben Bhalala	1,20,000
13.	Prakash Sorathiya	1,05,000
	Total	**39,90,000**

3. We have not issued any Equity Shares for consideration other than cash except as follows:

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
August 14, 2014	50,00,000	10	10	Further Allotment by way of conversion of unsecured loan	Unsecured Loan is converted into Equity Share Capital	Abhishek Tala	3,50,000
						Amit Gadhiya	1,50,000
						Ashokbhai Bhalala	2,75,000
						Charmi Gadhiya	40,000
						Nayan Gadhiya	2,50,000
						Pooja Gadhiya	60,000
						Pareshbhai Bhalala	2,35,000
						Pravinbhai Bhalala	2,52,500
						Rajdeep Patel	1,52,500
						Nipaben Sorathiya	5,00,000
						Sonal Sorathia	1,92,500
						Rekhaben Chauhan	2,25,000
						Harikrishna Chauhan	2,50,000
						Narmadaben Chauhan	50,000
						Harikrishna Chauhan-HUF	1,95,000
						Manubhai Gajera	1,47,500

						Ashokbhai Bhalala - HUF	1,00,000
						Chetnaben Bhalala	1,35,000
						Pareshbhai Bhalala - HUF	1,15,000
						Jalpaben Bhalala	1,07,500
						Sukanbhai Bhalala - HUF	1,30,000
						Pravinbhai Bhalala - HUF	1,15,000
						Sarojben Bhalala	85,000
						Kantaben Gadhiya	2,50,000
						Pareshbhai Jethva	2,00,000
						Pravinaben Gohil	2,00,000
						Prakash Sorathiya	1,87,500
						Reenaben Tala	25,000
						Kunjalben Tala	25,000
July 30, 2015	39,90,000	10	10	Further Allotment by way of conversion of unsecured loan	Unsecured Loan is converted into Equity Share Capital	Abhishek Tala	1,65,000
						Ashokbhai Bhalala	2,10,000
						Pareshbhai Bhalala	3,55,000
						Pravinbhai Bhalala	3,10,000

						Rajdeep Patel	2,34,000
						Nipaben Sorathiya	7,05,273
						Sonal Sorathia	7,87,727
						Rekhaben Chauhan	7,93,000
						Manubhai Gajera	80,000
						Jalpaben Bhalala	1,15,000
						Sukanbhai Bhalala - HUF	10,000
						Sarojben Bhalala	1,20,000
						Prakash Sorathiya	1,05,000

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 not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. No share has been issued at price below Offer Price within last one year from the date of this Draft Prospectus.

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

i. Build Up of Promoter's shareholdings

As on the date of this Draft Prospectus, our Promoters – Amit Gadhiya, Ashok Bhalala, Rekhaben Chauhan and Harikrishna Chauhan together holds 65,00,100 Equity Shares of our Company. None of the Equity shares held by our Promoters are subject to any pledge.

a. Amit Gadhiya

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-offer shareholding %	Post- offer shareholding %	Pledge
June 13, 2013	2,000	10	10	Subscription to MOA	0.01%	[●]	No
February 13, 2014	5,00,000	10	10	Further Allotment	2.08%	[●]	No
April 25, 2014	2,34,050	10	10	Further Allotment	0.98%	[●]	No
August 14, 2014	1,50,000	10	10	Further Allotment pursuant to Conversion of Loan	0.63%	[●]	No
October 28, 2014	8,84,050	10	10	Rights Issue	3.68%	[●]	No
April 12, 2016	4,00,000	10	10	Transfer	1.67%	[●]	No
June 6, 2016	(3,50,000)	10	10	Transfer	(1.46)%	[●]	No
Total	**18,20,100**				**7.58%**		

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

b. Ashok Bhalala

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-offer shareholding %	Post- offer shareholding %	Pledge
February 13, 2014	4,00,000	10	10	Further Allotment	1.67%	[●]	No
April 25, 2014	60,000	10	10	Further Allotment	0.25%	[●]	No
August 14, 2014	2,75,000	10	10	Further Allotment pursuant to Conversion of Loan	1.15%	[●]	No

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-offer shareholding %	Post- offer shareholding %	Pledge
October 28, 2014	7,35,000	10	10	Rights Issue	3.06%	[●]	No
July 30, 2015	2,10,000	10	10	Further Allotment pursuant to Conversion of Loan	0.88%	[●]	No
Total	**16,80,000**				**7.00%**		

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

c. Rekhaben Chauhan

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-offer shareholding %	Post- offer shareholding %	Pledge
January 28, 2014	7,000	10	10	Transfer	0.03%	[●]	No
February 13, 2014	5,00,000	10	10	Further Allotment	2.08%	[●]	No
April 25, 2014	75,000	10	10	Further Allotment	0.31%	[●]	No
August 14, 2014	2,25,000	10	10	Further Allotment pursuant to Conversion of Loan	0.94%	[●]	No
October 28, 2014	8,00,000	10	10	Rights Issue	3.33%	[●]	No
July 30, 2015	7,93,000	10	10	Further Allotment pursuant to Conversion of Loan	3.30%	[●]	No
Total	**24,00,000**				**10.00%**		

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

d. Harikrishna Chauhan

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-offer shareholding %	Post- offer shareholding %	Pledge
April 25, 2014	50,000	10	10	Further Allotment	0.21%	[●]	No
August 14, 2014	2,50,000	10	10	Further Allotment pursuant to Conversion of Loan	1.04%	[●]	No
October 28, 2014	3,00,000	10	10	Rights Issue	1.25%	[●]	No
Total	**6,00,000**				**2.50%**		

*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-Offer capital held by our Promoters 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 offer 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 Offer.

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	Source of Funds
Amit Gadhiya							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Ashok Bhalala							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Rekhaben Chauhan							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Harikrishna Chauhan							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
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:

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

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

c. No equity shares have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the offer price.

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

e. All the Equity Shares of our Company held by the Promoters are in the process of being dematerialized; and

f. 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-Offer Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Offer.

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 Offer.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer 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.

8. No share has been purchased / sold by the Promoter and Promoter Group, directors and their immediate relatives during last six months.

9. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company as per Regulation 31, of the SEBI Listing Regulations, 2015

Summary of Shareholding Pattern as on the date of this Draft Prospectus:-

Category	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	18	1,51,75,000	-	-	1,51,75,000	63.23%	1,51,75,000	63.23 %	-	-	[●]	[●]	-	-	[●]

Category	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
B	Public	8	88,25,000	-	-	88,25,000	36.77%	88,25,000	36.77%	-		[●]	[●]	-	-	[●]
C	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	26	2,40,00,000	-	-	2,40,00,000	100%	2,40,00,000	100%	-	-	[●]	[●]	-	-	[●]

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

**All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on SME Platform of BSE 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 BSE 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 dematerialised 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 Promoters and Promoter Group are as under:

Sr. No.	Name of the Shareholders	Pre – Offer		Post – Offer	
		No. of Equity Shares	% of Pre-Offer Capital	No. of Equity Shares	% of Post-Offer Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	Promoters				
1.	Amit Gadhiya	18,20,100	7.58%	[●]	[●]
2.	Ashok Bhalala	16,80,000	7.00%	[●]	[●]
3.	Rekhaben Chauhan	24,00,000	10.00%	[●]	[●]
4.	Harikrishna Chauhan	6,00,000	2.50%	[●]	[●]
	Sub Total (A)	**65,00,100**	**27.08%**	[●]	[●]
	Promoter Group				
5.	Nayan Gadhiya	13,69,900	5.71%	[●]	[●]
6.	Pooja Gadhiya	5,35,000	2.23%	[●]	[●]
7.	Paresh Bhalala	15,90,000	6.63%	[●]	[●]
8.	Pravin Bhalala	16,30,000	6.79%	[●]	[●]
9.	Narmadaben Chauhan	4,00,000	1.67%	[●]	[●]
10.	Harikrishna Chauhan- HUF	6,00,000	2.50%	[●]	[●]
11.	Ashok Bhalala – HUF	2,00,000	0.83%	[●]	[●]
12.	Chetnaben Bhalala	2,70,000	1.13%	[●]	[●]
13.	Paresh Bhalala – HUF	2,30,000	0.96%	[●]	[●]
14.	Sukan Bhalala – HUF	2,70,000	1.13%	[●]	[●]
15.	Pravin Bhalala – HUF	2,30,000	0.96%	[●]	[●]
16.	Kantaben Gadhiya	5,50,000	2.29%	[●]	[●]
17.	Paresh Jethva	4,00,000	1.67%	[●]	[●]
18.	Pravinaben Gohil	4,00,000	1.67%	[●]	[●]
	Sub total (B)	**86,74,900**	**36.15%**	[●]	[●]
	Total (A+B)	**1,51,75,000**	**63.23%**	[●]	[●]

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Amit Gadhiya	18,20,100	10
Ashok Bhalala	16,80,000	10
Rekhaben Chauhan	24,00,000	10
Harikrishna Chauhan	6,00,000	10

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

Sr. No.	Name of the Shareholder	Pre – Offer		Post – Offer	
		No. of Equity Shares	% of Pre-Offer Capital	No. of Equity Shares	% of Post-Offer Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
1.	Charmi Gadhiya	5,25,000	2.19%	[●]	[●]
2.	Manubhai Gajera	4,80,000	2.00%	[●]	[●]
3.	Jalpaben Bhalala	3,30,000	1.38%	[●]	[●]
4.	Sarojben Bhalala	2,90,000	1.21%	[●]	[●]
5.	Nipaben Sorathiya	27,05,273	11.27%	[●]	[●]

Sr. No.	Name of the Shareholder	Pre – Offer		Post – Offer	
		No. of Equity Shares	% of Pre-Offer Capital	No. of Equity Shares	% of Post-Offer Capital
6.	Sonal Sorathiya	24,12,727	10.05%	[●]	[●]
7.	Prakash Sorathiya	4,80,000	2.00%	[●]	[●]
8.	Ilaben Paghdar	16,02,000	6.68%	[●]	[●]
	Total	**88,25,000**	**36.77%**	[●]	[●]

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 Prospectus are set forth below:

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Nipaben Sorathiya	27,05,273	11.27%
2.	Sonal Sorathia	24,12,727	10.05%
3.	Rekhaben Chauhan	24,00,000	10.00%
4.	Amit Gadhiya	18,20,100	7.58%
5.	Ashok Bhalala	16,80,000	7.00%
6.	Pravin Bhalala	16,30,000	6.79%
7	Ilaben Paghdar	16,02,000	6.68%
8	Paresh Bhalala	15,90,000	6.63%
9	Nayan Gadhiya	13,69,900	5.71%
10	Harikrishna Chauhan	6,00,000	2.50%
11	Harikrishna Chauhan- HUF	6,00,000	2.50%
	Total	**184,10,000**	**76.71%**

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Nipaben Sorathiya	27,05,273	11.27%
2.	Sonal Sorathia	24,12,727	10.05%
3.	Rekhaben Chauhan	24,00,000	10.00%
4.	Amit Gadhiya	18,20,100	7.58%
5.	Ashok Bhalala	16,80,000	7.00%
6.	Pravin Bhalala	16,30,000	6.79%
7.	Ilaben Paghdar	16,02,000	6.68%
8.	Paresh Bhalala	15,90,000	6.63%
9.	Nayan Gadhiya	13,69,900	5.71%
10.	Harikrishna Chauhan	6,00,000	2.50%
11.	Harikrishna Chauhan- HUF	6,00,000	2.50%
	Total	**184,10,000**	**76.71%**

c. Particulars of the top ten shareholders two years prior to the date of filing of this Draft Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Nipaben Sorathiya	20,00,000	10.00%
2.	Amit Gadhiya	17,70,100	8.85%

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
3.	Sonal Sorathia	16,25,000	8.12%
4.	Rekhaben Chauhan	16,07,000	8.03%
5.	Ashok Bhalala	14,70,000	7.35%
6.	Pravin Bhalala	13,20,000	6.60%
7.	Paresh Bhalala	12,35,000	6.17%
8.	Rajdeep Patel	12,00,000	6.00%
9.	Nayan Gadhiya	10,71,900	5.36%
10.	Abhishek Tala	7,01,000	3.50%
	Total	**140,00,000**	**69.98%**

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 offer. 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 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 Prospectus.
16. Under-subscription in the net offer, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the BSE 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 offer 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, rights issue or in any other manner during the period commencing from the date of the Draft 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 Offer, 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 Prospectus.
23. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
24. There are no safety net arrangements for this public offer.
25. An over-subscription to the extent of 10% of the Offer 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 Offer, as a result of which, the post-Offer paid up capital after the Offer 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 Offer paid-up capital is locked in.

In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.

26. As on date of this Draft 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 Prospectus. Further, since the entire offer price in respect of the Offer is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this offer shall be fully paid-up.
28. As per RBI regulations, OCBs are not allowed to participate in this Offer.
29. Our Company has not raised any bridge loans against the proceeds of the Offer.
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 Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
33. 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 Offer.
34. Our Company has 26 shareholders as on the date of filing of this Draft Prospectus.
35. Our Promoters and the members of our Promoter Group will not participate in this Offer.
36. Our Company has not made any public issue since its incorporation.
37. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
38. For the details of transactions by our Company with our Promoter Group, Group Companies during the period ended September 30, 2017 and financial years ended March 31, 2017, 2016, 2015 and 2014, please refer to paragraph titled "Details of Related Parties Transactions as Restated" in the chapter titled "Financial Statements as restated" on page 181 of this Draft Prospectus.
39. 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 156 of this Draft Prospectus.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

The Offer for Sale

Each of the Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale. Our Company will not receive any proceeds from the Offer for Sale. All expenses in relation to the Offer other than listing fees (which shall be borne by our Company) shall be shared between our Company and the Selling Shareholders in accordance with applicable laws. Each Selling Shareholder shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on behalf of such Selling Shareholders.

The Fresh Issue

We intend to utilize the Net Proceeds of the Fresh Issue towards the following objects:

1. Funding the working capital requirements of the Company
2. General corporate purposes.

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 Offer. 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.

FRESH ISSUE PROCEEDS

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

(Rs in lakhs)

Particulars	Estimated amount
Gross Proceeds of the Offer ("Gross Offer Proceeds")	[●]
Less- Proceeds from Offer for Sale	[●]
Less- Offer expenses to be borne by our Company in relation to the Fresh Issue	[●]
Net Proceeds	[●]

UTILISATION OF NET PROCEEDS

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

Sr. No.	Particulars	Amount to be financed from Net Proceeds (Rs. in lakhs)	Percentage of Net Proceeds
1.	Funding the working capital requirements of the Company	280.00	[●]
2.	General corporate purposes	[●]	[●]

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. As on the date of this Draft Prospectus, our Company has not deployed any funds towards the objects of the Offer.

(Rs. In lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2018)	Estimated Utilisation of Net Proceeds (Financial Year 2019)
1.	Funding the working capital requirements of our Company	280.00	-	280.00
2.	General corporate purposes	[●]	-	[●]

To the extent our Company is unable to utilise 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

The working capital requirements under our Objects will be met through the Net Proceeds to the extent of Rs. 280.00 lakhs and balance through bank finance.

(Rs in lakhs)

Objects of the Offer	Amount Required	IPO Proceeds	Short Term Bank Borrowing	Internal Accruals/ Net Worth
Funding the working capital requirements of Our Company	2631.69	280.00	600.00	1751.69
General corporate purposes	[●]	[●]	-	-

Accordingly, we confirm that we are 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.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Lead Manager or appraised by any bank, financial institution or any other external agency. 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. 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

1. 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 various banks. As on March 31, 2016 and March 31, 2017, the total amount outstanding on our Company's fund based working capital facilities was Rs. 215.08 lakhs and Rs. 555.21 lakhs respectively, as per restated financial statements. As on March 31, 2017, our sanctioned working capital facilities comprised of fund based limit of Rs 600.00 lakhs. For further details, please refer to the chapter titled *"Financial Indebtedness"* beginning on page 246 of this Draft 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:

(Rs. in lakhs)

Particulars	March 31, 2016	March 31, 2017
Current Assets		
Inventories (Stores and Consumables)		
-Raw Material	547.33	491.67
-Work-in-Progress	146.35	238.83
-Finished Goods	126.75	262.74
Trade Receivables	201.03	562.39
Cash and Bank Balances	135.78	123.62
Short term loans & advances & Other Current Assets	488.73	954.22
Total (A)	**1645.97**	**2633.47**
Current Liabilities		
Trade Payables	114.75	351.82
Other Current Liabilities & Short Term Provision	758.36	847.96
Total (B)	**873.11**	**1433.69**
Total Working Capital (A)-(B)	**772.86**	**1433.69**
Existing Funding Pattern		
Working Capital facility from Bank	215.08	555.21
Internal Accrual/ Net Worth	557.78	878.48

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 March 20, 2018 has approved the business plan for the Fiscals 2018 and for the Fiscal 2019. The projected working capital requirements for Fiscal 2018 and Fiscal 2019 is stated below:

(Rs. in lakhs)

Particulars	March 31, 2018 (Estimated)	March 31, 2019 (Estimated)
Current Assets		
Inventories		
-Raw Material	615.47	905.00
-Work-in-Progress	245.00	255.00
-Finished Goods	426.05	475.00
Trade Receivables	665.00	1015.00
Cash and Bank Balance	136.30	172.65
Short term loans & advances & Other Current Assets	1513.00	1201.00
Total (A)	**3600.82**	**4023.65**
Current Liabilities		
Trade Payables	400.00	425.00
Other Current Liabilities & Short term Provision	1198.62	966.96
Total (B)	**1598.62**	**1391.96**
Total Working Capital (A)-(B)	**2002.20**	**2631.69**
Funding Pattern		
IPO Proceeds	-	280.00
Working Capital facility from Bank	600.00	600.00
Internal Accruals/ Net Worth	1402.20	1751.69

Assumption for working capital requirements

(In months)

Particulars	Holding Level for March 31, 2016	Holding Level for March 31, 2017	Holding Level for March 31, 2018 (Estimated)	Holding Level for March 31, 2019 (Estimated)
Current Assets				
Inventory				
-Raw Material	1.65	0.88	1.06	1.47
-Work-in-Progress	0.33	0.35	0.34	0.33
-Finished Goods	0.29	0.39	0.60	0.62
Trade Receivables	0.52	0.80	1.09	1.51
Current Liabilities				
Trade Payables	0.33	0.62	0.68	0.67

Justification for "Holding Period" levels

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

Assets- Current Assets	
Inventories	**Raw Material-** We have assumed raw material Inventory period of 1.06 months and 1.06 months for the fiscal 2017-18 and 2018-19 respectively which is slightly higher than FY 2016-17 as we intend to increase our customer base we will maintain higher level of raw material inventory to execute large orders. **Work In Progress-** We have assumed work in progress period of 0.34 months and 0.33 months for the fiscal 2017-18 and for the fiscal 2018-19 respectively, which is in line with our current holding levels. **Finished Goods-** We have assumed finished goods inventory of 0.60 months and 0.62 months for fiscal 2017-18 and for fiscal 2018-19 respectively as against 0.39 months in 2016-17 as we aim to increase our sales and customer base for which we intend to maintain higher level of finished goods inventory.
Trade Receivables	**Financial Year 2017-18-** We have assumed trade receivable period of 1.09 months for FY 2017-18 as against 0.80 months for FY 2016-17 as we intend to provide liberal credit terms to our customers in the financial year 2017-18. **Financial Year 2018-19-** Since, we are proposing our initial public offering in the financial year 2018-19, we would be able to fund part of our increased estimated working capital requirements from the issue proceeds and therefore, we intend to liberalise our credit policy from 1.09 months in the financial year 2017-18 to 1.51 months in the financial year 2018-19.
Liabilities–Current Liabilities	
Trade Payables	In FY 2017-18 and for FY 2018-19, the credit period is expected to be 0.67 months and 0.68 months respectively which is in line with our current credit policy.

Our Company proposes to utilize Rs. 280.00 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 bank loans and internal accruals/ net worth.

2. General Corporate Purposes

The Net Proceeds will be first utilized towards the Objects as mentioned 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
- On-going 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.

OFFER RELATED EXPENSES

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

Expenses	Expenses (Rs. in Lakhs)*	Expenses (% of total Offer expenses)	Expenses (% of Gross Offer Proceeds)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	[●]	[●]	[●]
Regulatory fees	[●]	[●]	[●]
Marketing and Other Expenses	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

As on the date of Prospectus*, *our Company has incurred Rs. [●] Lakhs towards Offer Expenses out of internal accruals.

***SCSBs will be entitled to a processing fee of Rs. [●]/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.*

Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non-Institutional Applicants, would be [●]% on the Allotment Amount# or Rs [●]/- whichever is less on the Applications wherein shares are allotted.

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

#Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

BRIDGE FINANCING

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

APPRAISAL BY APPRAISING AGENCY

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

INTERIM USE OF FUNDS

Pending utilization of the Net Proceeds for the Objects of the Offer 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 utilization of the net proceeds of the fresh Issue as described above, it shall not use the funds from the Net Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILIZATION OF FUNDS

As the size of the Fresh Issue does not exceed Rs 10,000 lakhs in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Offer. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

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

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 Offer without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office 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 Net Proceeds will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel or Group Companies, except in the normal course of business and in compliance with applicable law.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Lead Manager, on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs. 10 each and the Offer Price is Rs. [●] per equity share and is [●] times of the face value. Investors should also refer sections titled *"Risk Factors"* and *"Financial Statements"* and the chapter titled *"Our Business"* beginning on pages 19, 181 and 128, respectively of this Draft Prospectus, to have a more 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 Promoters;
- Receipt of Government Incentives;
- Modern Process and Technology;
- Strategic Location Advantage;
- Customer Oriented Approach

For further details, refer to heading *"Our Competitive Strengths"* under chapter titled *"Our Business"* beginning on page 128 of this Draft Prospectus.

QUANTITATIVE FACTORS

The information presented below is based on the restated financial statements of the Company for Financial Years 2017, 2016, 2015 and period ended September 30, 2017 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis or 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 based on restated financials:

Year/Period Ended	EPS (Rs.)	Weight
March 31, 2017	2.24	3
March 31, 2016	1.17	2
March 31, 2015	(0.44)	1
Weighted Average (Rs.)		**1.44**
For the period ended September 30, 2017 (Rs.)*		**1.05**

**Not Annualised*

Note:

1. 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 period / year. Restated weighted average number of equity shares has been computed as per AS-20. The face value of each Equity Share is Rs. 10/-.
2. For the purpose of calculating EPS for March 31, 2015 above, Exceptional Items have not been considered as part of the restated net profit attributable to the equity shareholders as the same were income items.

2. Price to Earnings (P/E) ratio in relation to Offer Price of Rs. [●] per Equity Share having face value of Rs. 10 each:

Particulars	P/E Ratio
P/E ratio based on EPS for FY 2016-17	[●]
P/E ratio based on Weighted Average EPS	[●]
Industry PE*	
Highest	12.16
Lowest	8.41
Average	10.29

**Industry Composite comprises of Vippy Spinpro Limited & Sri Nachammai Cotton Mills Limited.*

3. Return on Net worth (RoNW):

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

Year/Period Ended	RoNW (%)	Weight
March 31, 2017	17.08	3
March 31, 2016	10.21	2
March 31, 2015	(2.63)	1
Weighted Average (%)		**11.50**
For the period ended September 30, 2017 (%)*		**7.74**

**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.

4. Minimum Return on Total Net Worth Post Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2017 based on restated financial statements is [●]%.

5. Net Asset Value (NAV) based on the restated financial statements:

Particulars	NAV per Equity Share (Rs.)
Net Asset Value per Equity Share as of September 30, 2017	14.19
Net Asset Value per Equity Share as of March 31, 2017	13.14
Net Asset Value per Equity Share after the Offer	[●]
Offer Price per equity share	[●]

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

6. Comparison with listed industry peers:

Companies	CMP*	EPS	PE Ratio	RONW %	NAV (Per Share)	Face Value	Total Income (In Lakhs)
Akshar Spintex Limited	[●]	2.24	[●]	17.08	13.14	10.00	9,038.94
Listed Industry Peers**							
Vippy Spinpro Limited	47.50	5.65	8.41	10.28	54.97	10.00	9,947.42
Sri Nachammai Cotton Mills Limited	18.00	1.48	12.16	37.18	4.37	10.00	16,933.51

**CMP for our Company is considered as Offer Price*
***Source:* www.bseindia.com

Notes:

1. Considering the nature and size of business of the Company the peer are not strictly comparable. However same have been included for broad comparison;
2. The figures for Akshar Spintex Limited are based on the restated financial results for the year ended March 31, 2017.
3. The figures for the listed industry peers are based on standalone audited results for the respective year ended March 31, 2017.
4. NAV is computed as the closing net worth divided by the closing outstanding number of paid up equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves and miscellaneous expenditure).
5. While calculating the NAV per share of Sri Nachammai Cotton Mills Limited, Preference Shares have not been considered as part of the Net Worth.
6. P/E Ratio has been computed based on the closing market price of respective equity shares on March 21, 2018 sourced from BSE website as divided by the Basic EPS provided.

7. RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves and miscellaneous expenditure). While calculating RoNW of Sri Nachammai Cotton Mills Limited, Preference Shares have not been considered as part of the Net Worth.
8. Current Market Price (CMP) is the closing prices of respective scripts as on March 21, 2018.
9. The Offer Price per Equity Share will be determined by the Company in consultation with the Lead Manager and is justified based on the above accounting ratios.

For further details see section titled *"Risk Factors"* beginning on page 19 and the financials of the Company including profitability and return ratios, as set out in the section titled *"Financial Statements"* beginning on page 181 of this Draft Prospectus for a more detailed view.

STATEMENT OF POSSIBLE TAX BENEFITS

The Board of Directors
Akshar Spintex Limited
Rev. Sur. No. 102/2, Plot no. 2
Ranuja Road, Village: Haripar
Tal: Kalawad, Dist. Rajkot.

Dear Sirs,

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

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ("Act") as amended by the Finance Act, 2017 (i.e. applicable to Financial Year 2017-18 relevant to Assessment Year 2018-19), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

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

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

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

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

The enclosed annexure is intended for your information and for inclusion in the Draft Prospectus /Prospectus 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 written consent.

For HB Kalaria and Associates
Chartered Accountants
Firm Registeration No.: 104571W

_____

Hasmukh Kalaria
Partner
Membership No.: 042002
Date: March 23, 2018
Place: Rajkot

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

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

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

The company is not entitled to any special tax benefits under the Act.

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

The Shareholders of the Company are not entitled to any special tax benefits under the Act

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 Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statements" and related notes beginning on page 19 and 181 respectively of this Draft Prospectus before deciding to invest in our Equity Shares.

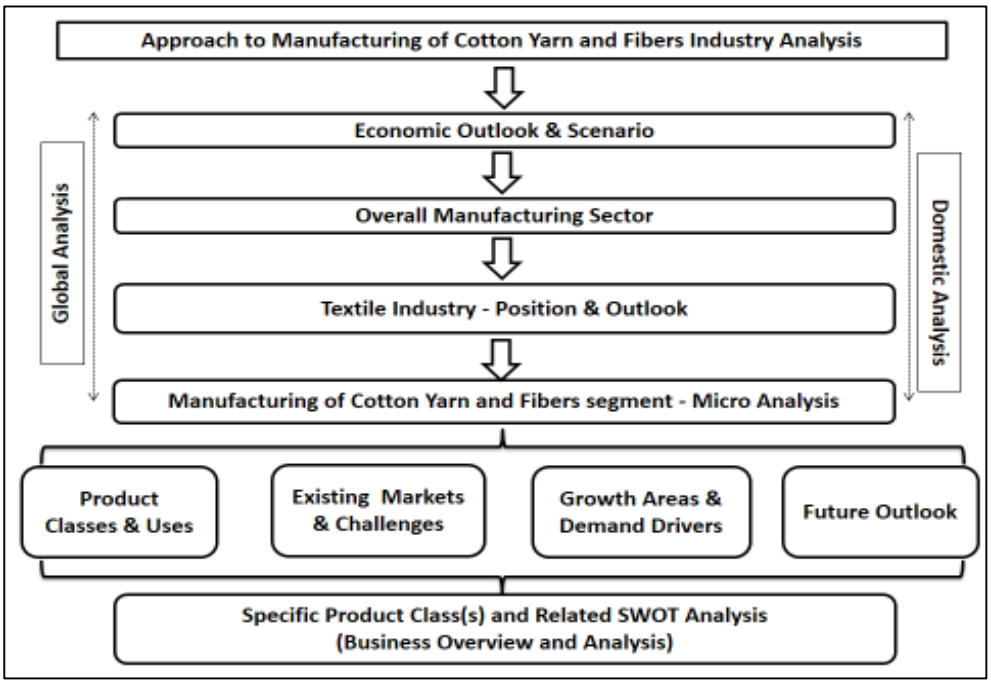
INTRODUCTION TO TEXTILE INDUSTRY

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*)*

APPROACH TO TEXTILE INDUSTRY ANALYSIS



Analysis of Textile Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Textile Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the 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 "Manufacturing of Cotton Yarn and Cotton fibres".

Thus, Manufacturing of Cotton Yarn and Cotton Fibers segment should be analysed in the light of "Textile Industry" at large. An appropriate view on Textile Industry, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Textiles Industry and micro analysis.

This Approach Note is developed by Pantomath Capital Advisors (P) Ltd ('Pantomath') and any unauthorized reference or use of this Note, whether in the context of Textile 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).

Figure 19. Sale of Motorcycles
(Seasonally adjusted, in thousands)

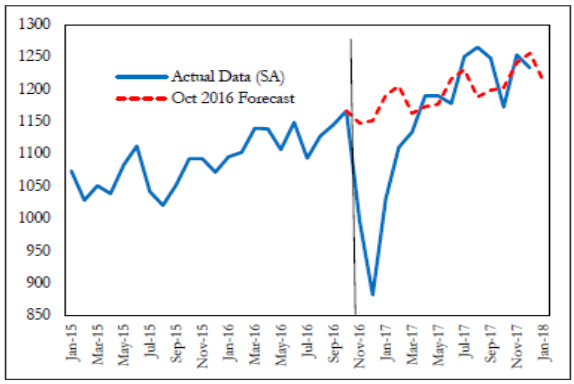
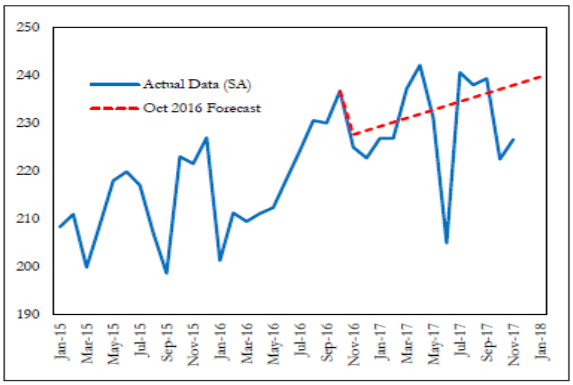


Figure 20. Sale of Passenger Cars
(Seasonally adjusted, in thousands)

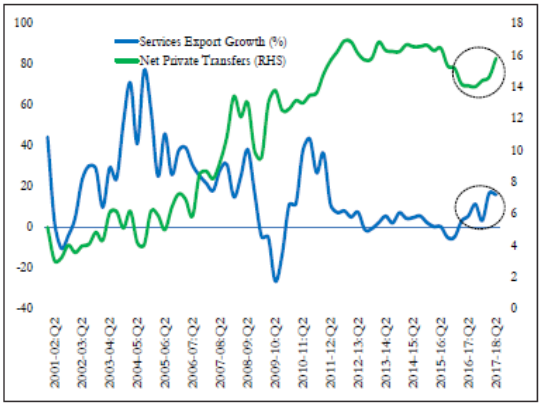


Source: Society for Indian Automobile Manufacturers, Survey calculations.

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).

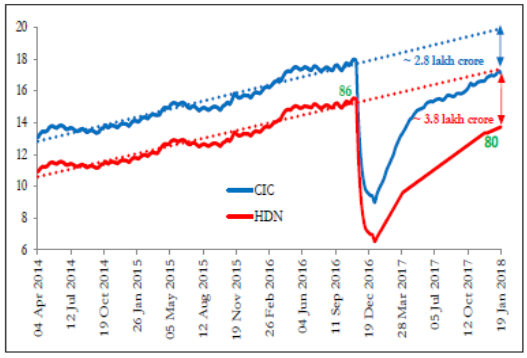
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about 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 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.

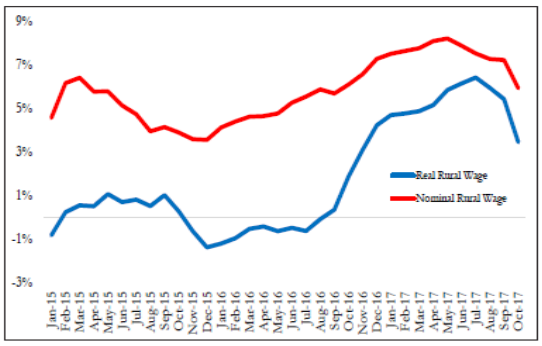
All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than 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

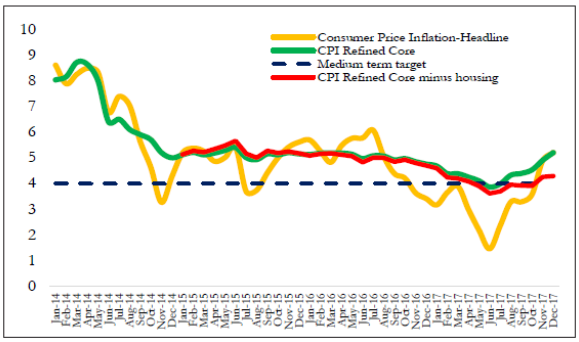
growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.

Figure 23. Real and Nominal Rural Wages Growth (percent, 3 month moving average)



Source: Labour Bureau, Survey calculations.

Figure 24. Inflation: CPI and Variants* (percent, year-on-year)



Source: MoSPI, Survey calculations.
*CPI Refined Core is obtained by stripping out the volatile food and fuel components.

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. Thisimplies 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.

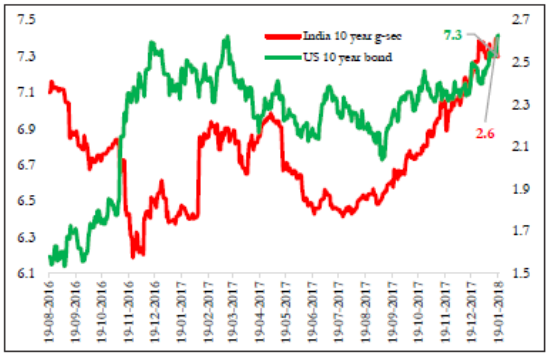
Despite these developments, the overall external position remains solid. The current account deficit is well below the 3 percent of GDP threshold beyond which vulnerability emerges. Meanwhile, foreign exchange reserves have reached a record level of about $432 billion (spot and forward) at end-December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

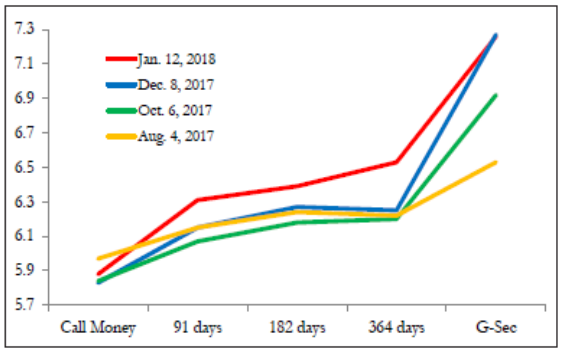
The fiscal deficit for the first eight months of 2017-18 reached 112 percent of the total for the year, far above the 89 percent norm (average of last 5 years), largely because of a shortfall in non-tax revenue, reflecting reduced dividends from government agencies and enterprises. Expenditure also progressed 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.

Figure 26. 10-year G-sec Yields : India and US



Source: Bloomberg; RBI.

Figure 27. Yield Curve



Source: Bloomberg; RBI, Survey calculations.

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 cape 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 SECTOR

World manufacturing growth

World manufacturing growth accelerated in the third quarter of 2017, as economic recovery strengthened worldwide. Positive results re- ported in the First half of this year carried over into the third quarter. Steady progress over several consecutive quarters characterizes both industrialized and developing and emerging industrial economies, and prospects for sustained global industrial growth in forthcoming periods are good (Figure 1). For the first time in several years, industrial growth moved back to the positive zone in all of the major economies.

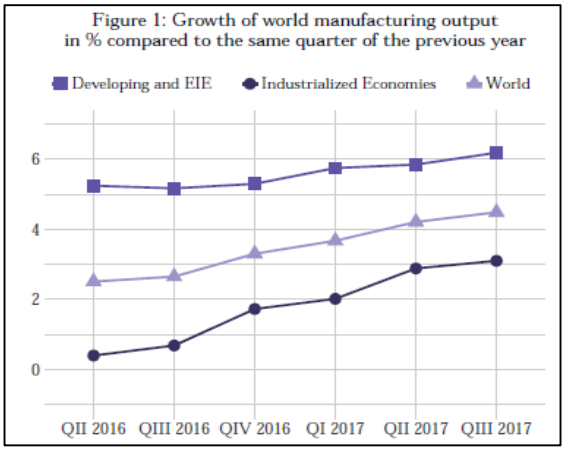
The driving forces behind the positive developments in global manufacturing were improving business conditions, rising consumer spending, promising investment plans directed towards developing economies and healthy external demand support activities. On the other hand, risks for global growth such as concerns where Brexit negotiations will lead to, changes in global trade arrangements or high geopolitical uncertainty have not yet dissipated.

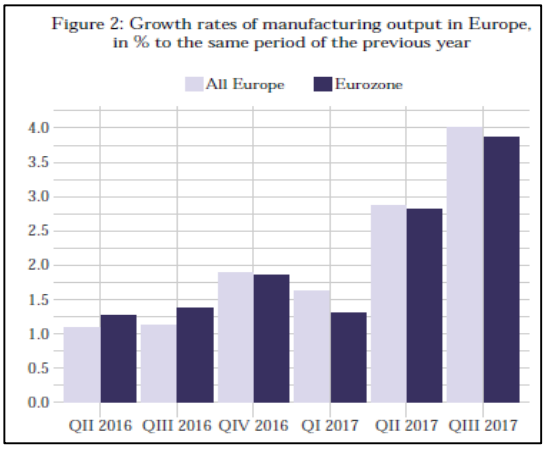
Global manufacturing output rose by 4.5 per cent in the third quarter of 2017 compared to the same period of the previous year .This impressive gain was based on an already strong growth throughout the first half of 2017. The disaggregated data points to the thriving performance of major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea, Italy as well as Brazil. The manufacturing output of China, the world's largest manufacturer, continued to register a high growth rate in the third quarter.

Industrialized economies as a whole exhibited record-breaking growth at 3.1 per cent in the third quarter of 2017 - the highest manufacturing output growth in a year-by-year comparison in the post-crisis period. Such growth was attributable to Europe's dynamic recovery, where a 4.0 per cent growth was achieved. East Asian industrialized economies experienced a healthy 4.5 per cent year-by-year upward trend and the nearly two-year consecutive slump has all but been forgotten. Relative lower growth was observed in the North America region, where manufacturing output expanded by a mere 1.4 per cent.

A reversal of negative trends in Argentina and Brazil has had a considerable impact on recovery in the Latin America region. Manufacturing output of the region rose by 2.5 per cent in the third quarter of 2017, which also resulted in an accelerated growth rate of developing and emerging industrial economies as a whole at 6.2 per cent. A relatively higher increase was achieved by Asia's developing economies with a 6.5 per cent expansion recorded in the third quarter on a year-to-year basis. The manufacturing production of African regions remained in the positive zone of high growth despite the weak foundation of these countries' manufacturing industries. According to UNIDO's latest estimates, African manufacturing experienced a 6.4 per cent year-to-year gain in the third quarter of 2017.

Entering the second half of the year 2017, recovery in global manufacturing has evolved from being relatively modest to becoming more dynamic. Improvements were recorded in both industrialized economies and developing and emerging industrial economies.





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

Developing and Emerging Industrial Economies

The combination of good results in all developing and emerging industrial regions helped the developing and emerging industrial economies as a whole achieve a 6.2 per cent growth in the third quarter of 2017 (Figure 3). The recovery of Latin America continues unabated, the growth momentum is also largely holding up across the Asian economies and production in Africa is further promoting from boosted investor confidence.

Manufacturing activity in China has stabilized at the same pace of growth since the beginning of 2017 - a 7.3 per cent increase on a year-by-year basis. The development of advanced manufacturing industries and the new investment plan in the environment has led to an overall upgrade of China's manufacturing industry.

Latin America has made positive developments in the manufacturing sector, following the resumption of growth in the second quarter. Brazilian manufacturers are finally emerging from the deep recession with an upward trend of 2.8 per cent recorded in the third quarter of 2017. The largest expansion was observed in the manufacturing of motor vehicles, trailers and semi-trailers. Meanwhile, Argentina has overcome a severe decline in economic growth with the country's manufacturing activity recording a growth of 4.4 per cent – its best performance over the last six years. Looking at other countries in the region, Mexico's manufacturing production retained a positive increase of nearly 3.5 per cent, Chile recorded a moderate upturn of 1.5 per cent, while manufacturing output in Peru and Ecuador decreased in comparison to the same period of 2016.

An impressive growth rate was observed in Asia and the Pacific region. Viet Nam, one of Asia's fast growing economies, continued to attract sizeable foreign direct investment in-ows. Its manufacturing sector was supported by strong demand for electronics and retained a solid pace in the third quarter, expanding by 12.8 per cent. However, the long-term trajectory of double-digit year-to-year growth in manufacturing was interrupted at the beginning of 2017 due to weakened exports. A positive development in growth was also observed in Indonesia, where manufacturing production accelerated and registered a 5.5 per cent gain in the third quarter of 2017. Similarly, the slowed performance of India's manufacturing sector in the last quarter improved slightly, with a moderate 2.2 per cent increase. In Thailand, manufacturing output rose by 4.2 per cent, which was mainly supported by a higher output of the automotive industry. As regards the manufacturing output of other economies from the region, Pakistan and Mongolia performed well, but the Philippines and Jordan's manufacturing sector contracted in a year-by-year comparison.

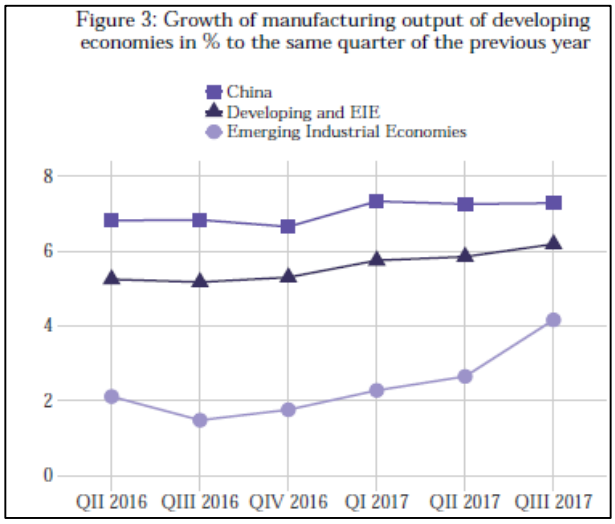
Among Africa's economies, South Africa, the region's most industrialized country, has been performing below its potential since the final quarter of 2016 and has entered a recession. Following three quarters of depressed manufacturing production in a row, South Africa's manufacturing sector showed marginal positive growth in the third quarter of 2017. However, its current growth is still too weak to project whether the recession will be overcome by the end of the year. Similarly, Tunisia's manufacturing output rose by 2.4 per cent following a period of contraction. A positive growth rate was also registered in Egypt and Morocco, while Senegal and Nigeria's manufacturing output fell compared to the same period of the previous year. However, it should be noted that estimates for Africa are based on limited data, revealing high instability and volatility.

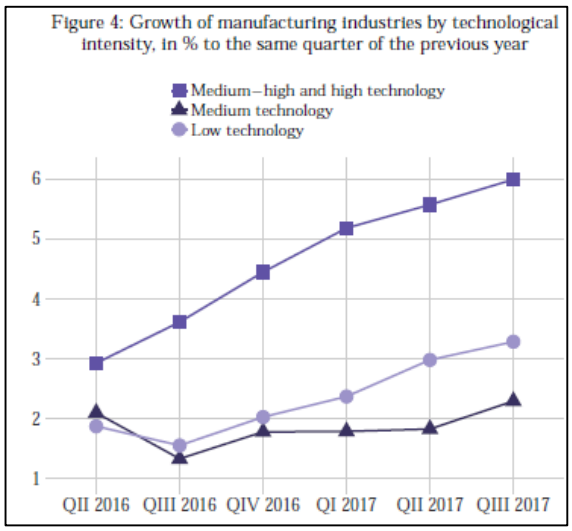
Among other developing economies, the manufacturing output of Eastern European countries registered relatively higher growth rates in the third quarter of 2017. Manufacturing output rose by 8.2 per cent in Poland, 4.7 per cent in Belarus, 5.8 per cent in Bulgaria, 8.5 per cent in Serbia and over 9.0 per cent in

Romania, Latvia and Bosnia and Herzegovina. Turkey's manufacturing sector also performed well and exceeded 10.0 per cent growth rate.

Key Findings - Global manufacturing Sector

Global manufacturing production maintained a positive growth rate in all industries in the third quarter of 2017. Advanced manufacturing such as automation, robotics and digital products have been experiencing a steady expansion at the global level. Shifting from low technology to high technology manufacturing industries plays a key role in promoting innovation in the long term and, moreover, determines the positioning of economies within the global market. Therefore, the competition between advanced and emerging economies in high-tech leadership will be compelling and crucial for both groups. In the wake of the fourth industrial revolution, embracing emerging technologies brings global manufacturing production to a new level. The high growth rate in medium high and high technology industries observed in the third quarter of 2017 led to an increase in high value goods, indicating a high level of consumer confidence (Figure 4). UNIDO data largely support this pro-technology approach.





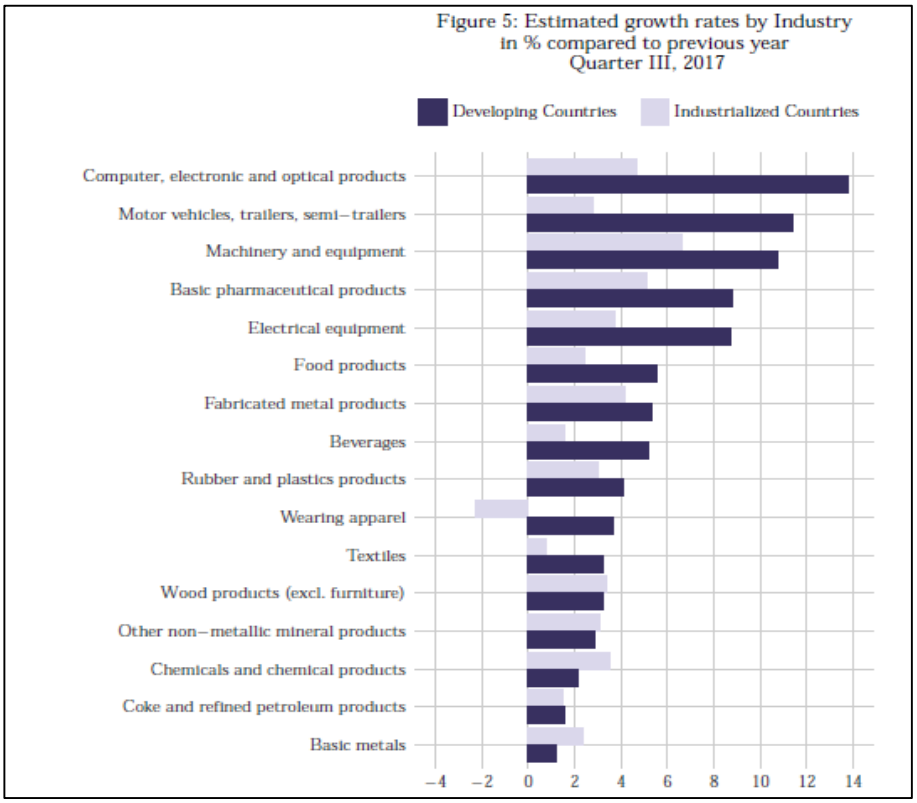
(Source: World Manufacturing Production- Statistics for Quarter III, 2017; United Nations Industrial Development Organisation - www.unido.org)

Medium high and high technology manufacturing industries have repeatedly held top positions when looking at year-by-year comparisons - these industries witnessed a 6.0 per cent growth rate, a record-breaking result in the last five years. When reviewing the individual top industries, the manufacturing of computers, electronics and optical products grew by 8.3 per cent, the production of machinery and equipment rose by 8.0 per cent, the manufacturing of pharmaceutical products by 6.7 per cent (which recorded a visibly accelerated growth rate compared to the results of the previous quarter), the production of electrical equipment by 6.1 per cent and the manufacturing of motor vehicles by 5.9 per cent. The production in all of the above- mentioned industries was dominated by developing and emerging industrial economies compared with industrialized economies (Figure 5).

As regards medium technology manufacturing industries, 2.3 per cent growth was registered worldwide in the third quarter of 2017. The global manufacturing of rubber and plastic products increased by 3.4 per cent in a year-by-year comparison, while the manufacturing of non-metallic mineral products recorded a growth rate of 3.0 per cent. The global manufacturing of basic metals rose at a moderate pace of 1.6 per cent.

In low technology manufacturing industries, overall global production rose by 3.3 per cent in the third quarter of 2017 compared to the same period of the previous year. The global manufacturing of fabricated metal products grew by 4.6 per cent, followed by the manufacturing of furniture with a 4.3 per cent increase. Relatively high growth rates were maintained worldwide in the production of basic consumer goods - the global manufacturing of food products rose by 3.8 per cent, beverages by 3.4 per cent and the global manufacturing of both textile and wearing apparel increased by slightly over 2.5 per cent. The growth rate of the manufacturing of paper products expanded by 2.4 per cent, while coke and refined petroleum products and printing remained below 2.0 per cent.

The growth rates for selected industries are presented below. Additional statistics on the growth rates in the third quarter of 2017 are available in the Statistical Tables.



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

GLOBAL COTTON INDUSTRY: POSITION & OUTLOOK

World Balance sheet of Cotton Stocks

World Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 February	2017/18 March
Beginning Stocks	92.1	102.9	111.1	95.3	87.7	87.7
Production	120.4	119.1	96.2	106.8	121.4	121.9
Supply	212.5	222.1	207.3	202.1	209.0	209.6
Mill-Use	110.0	111.9	112.3	114.8	120.5	120.8
Ending Stocks	102.9	111.1	95.3	87.7	88.6	88.8
Stocks/Use Ratio	93.5%	99.3%	84.9%	76.4%	73.5%	73.6%

China: Balance sheet of Cotton Stocks

China Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 February	2017/18 March
Beginning Stocks	50.4	62.7	66.9	58.2	48.4	48.4
Production	32.8	30.0	22.0	22.8	27.5	27.5
Imports	14.1	8.3	4.4	5.0	5.0	5.1
Supply	97.2	101.0	93.3	86.0	80.9	81.0
Mill-Use	34.5	34.0	35.0	37.5	40.0	40.0
Exports	0.0	0.1	0.1	0.1	0.1	0.1
Demand	34.5	34.1	35.1	37.6	40.1	40.1
Ending Stocks	62.7	66.9	58.2	48.4	40.9	41.0
Stocks/Use Ratio	181.6%	196.4%	165.7%	128.9%	102.0%	102.3%

Word less china: Balance sheet of cotton Stocks

World-Less-China Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 February	2017/18 March
Beginning Stocks	41.8	40.2	44.1	37.1	39.2	39.3
Production	87.6	89.1	74.2	84.0	93.9	94.4
Imports from China	0.0	0.1	0.1	0.1	0.1	0.1
Supply	129.4	129.4	118.5	121.2	133.2	133.8
Mill-Use	75.5	77.9	77.3	77.3	80.5	80.8
Exports to China	14.1	8.3	4.4	5.0	5.0	5.1
Demand	89.7	86.2	81.7	82.3	85.5	85.9
Ending Stocks	40.2	44.1	37.1	39.3	47.7	47.9
Stocks/Use Ratio	44.9%	51.2%	45.4%	47.7%	55.8%	55.7%

Source: USDA

India: Balance sheet of Cotton Stocks

India Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 February	2017/18 March
Beginning Stocks	11.8	11.5	13.5	9.9	11.1	11.1
Production	31.0	29.5	25.9	27.0	28.5	28.5
Imports	0.7	1.2	1.1	2.7	1.7	1.7
Supply	43.5	42.2	40.5	39.7	41.3	41.3
Mill-Use	23.3	24.5	24.8	24.0	24.5	24.5
Exports	9.3	4.2	5.8	4.6	4.2	4.2
Demand	32.5	28.7	30.5	28.6	28.7	28.7
Ending Stocks	11.5	13.5	9.9	11.1	12.6	12.6
Stocks/Use Ratio	35.2%	47.0%	32.6%	39.0%	44.0%	44.0%

United States: Balance Sheet of Cotton Stocks

U.S. Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 February	2017/18 March
Beginning Stocks	3.8	2.4	3.7	3.8	2.8	2.8
Production	12.9	16.3	12.9	17.2	21.3	21.0
Imports	0.0	0.0	0.0	0.0	0.0	0.0
Supply	16.7	18.7	16.6	21.0	24.0	23.8
Mill-Use	3.6	3.6	3.5	3.3	3.4	3.4
Exports	10.5	11.2	9.2	14.9	14.5	14.8
Demand	14.1	14.8	12.6	18.2	17.9	18.2
Ending Stocks	2.4	3.7	3.8	2.8	6.0	5.5
Stocks/Use Ratio	16.7%	24.6%	30.2%	15.1%	33.6%	30.3%

(Source: USDA – United States Department of Agriculture www.usda.gov)

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 constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the first revised estimates of annual national income published by the Government of India. 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$ 72.31 billion during April 2000-September 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:

- 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$ 0.0155 as on January 04, 2018

*Notes: * - According to the Global Manufacturing Competitiveness Index published by Deloitte*

(Source: Indian Manufacturing Sector 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 believes 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 of 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 TEXTILES AND APPAREL INDUSTRY

The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for ~14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share. The domestic textile industry in India is estimated to reach US$ 250 billion by 2019 from US$ 150 billion in July 2017, while cotton production in India is estimated to reach 37.7 million bales in FY18.

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

Textile and apparel exports from India are expected to increase to US$ 82 billion by 2021. Exports of textiles from India reached US$ 24.24 billion during April – November 2017. Readymade garments remain the largest contributor to total textile and apparel exports from India, contributing 47.69 per cent to total textile and apparel exports. Yarn and made-ups were the other major contributors with shares of 14.36 per cent and 12.89 per cent, respectively.

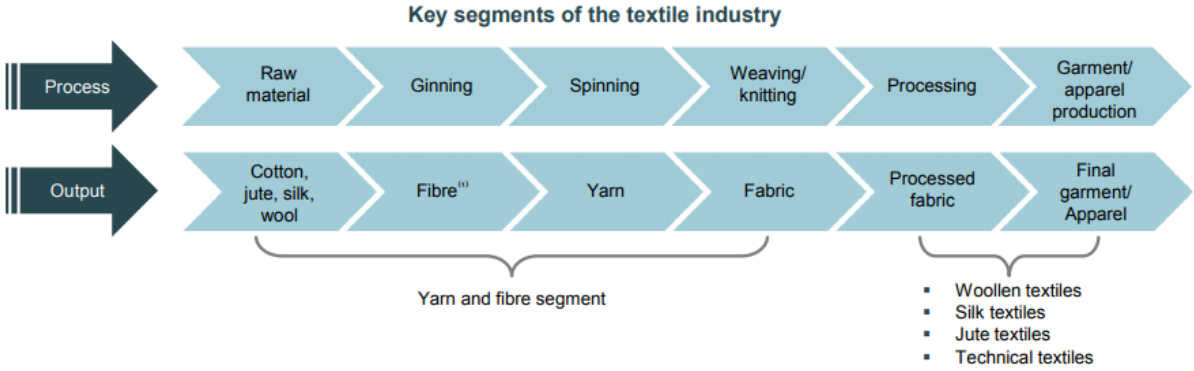
Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). Under the Union Budget 2018-19, Rs 2,300 (US$ 355.27 million) crore have been allocated for TUFS and Rs 30 crore (US$ 4.63 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects. 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)'. Cumulative FDI in the Indian textiles reached US$ 2.4 billion between April 2000 to September 2017.

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 is also planning to conduct roadshows to promote the country's textiles in non-traditional markets like South America, Russia and select countries in West Asia.

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

INDIAN COTTON YARN SEGMANT OVERVIEW

Cotton Yarn 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 February 2018 – India Brand Equity Foundation www.ibef.org*)*

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 18 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" 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 Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Information" beginning on pages 19 and 181, respectively.

OVERVIEW

Our Company was originally incorporated as "Akshar Spintex Private Limited" at Jamnagar, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 19, 2013 bearing Corporate Identification Number U17291GJ2013PTC075677 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders' resolution passed in the Extra-ordinary General Meeting held on December 26, 2017 and the name of our Company was changed to "Akshar Spintex Limited", vide a fresh Certificate of Incorporation dated January 5, 2018, bearing Corporate Identification Number U17291GJ2013PLC075677, issued by Registrar of Companies, Gujarat.

Incorporated in 2013, we are engaged in manufacturing of cotton yarn. We manufacture 100% cotton yarn which include combed, semi combed and carded yarn. Our registered office is situated at Survey No. 102 Kalavad Ranuja Road, Kalavad District Rajkot, Gujarat. The manufacturing facility of our Company is situated at Kalavad of Rajkot District in Gujarat state in 1,83,437 sq. ft. area which is in the vicinity of the rich cotton growing areas of Gujarat. The company has installed a capacity of total 24,480 spindle. Technology is a crucial aspect of the cotton 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 spinning technology and processing techniques by virtue of which we are able to ensure quality yarn.

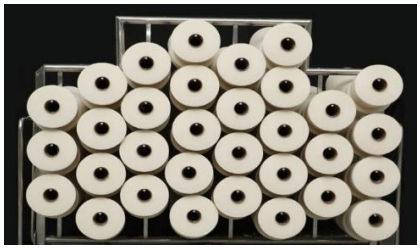
Our Company is promoted by Ashok Bhalala, Amit Gadhiya, Harikrishna Chauhan and Rekhaben Chauhan. They have sound knowledge and experience in the industry in which we operate. Our Promoters have sound knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the cotton textile industry including but not limited to manufacturing and marketing of raw cotton, Cotton bales, Cotton seeds, yarn and by-products.

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 cotton industry has maintained close relations with its suppliers and tries to strengthen the same.

From FY 2014-15 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has grown from Rs. 1519.87 lakhs to Rs. 8678.78 lakhs, representing a CAGR of 138.96% ii) our EBITDA has grown from Rs. 255.39 lakhs to Rs. 1257.42 lakhs, representing a CAGR of 121.89% iii) our profit after tax has grown from a loss of Rs. 51.25 lakhs in the FY 2014-15 to a profit of Rs. 538.61 lakhs in the FY 2016-17 for which CAGR cannot be computed. Our restated total revenue, EBITDA and profit after tax for the six months ended September 30, 2017 was Rs. 4660.59 lakhs, Rs. 828.41 lakhs and Rs. 252.44 lakhs respectively, with an EBITDA margin of 17.77% and PAT margin of 5.42%.

OUR BUSINESS

We are enageged in manufactring of yarn viz. Combed Yarn, Semi Combed Yarn and Carded Yarn.

Product		Use/ Application
100% cotton yarn		Yarn is the end product of spinning. It is the primary component for any knitted fabric. 100% cotton yarn is used to make different type of fabrics. In some cases, the 100% cotton yarn is blended with some other yarn in different ratios to provide different effects like shining or to lend more elasticity to the yarn. It is the yarn count and the twisting mode of the yarn that actually determines the overall strength and look of the manufactured fabric.

OUR COMPETITIVE STRENGTHS

1. **Leveraging the experience of our promoter**

   The Promoters of the Company Ashok Bhalala, Amit Gadhiya, Harikrishna Chauhan and Rekhaben Chauhan have been associated with cotton farming and trading in cotton and have sound knowledge and experience in the industry in which we operate. They are the guiding force behind the operational and financial decisions of our company. They are responsible for the entire business operations of the Company along with an experienced team of professionals who assist them independently.

   Their Industry knowledge and understanding is also a key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. With their vision and expertise, we have grown in a consistent and speedy manner from the time of our incorporation in 2013. We believe that their experience shall continue to contribute significantly to the growth of our operations.

2. **Government incentives**

   We are located in the state of Gujarat and enjoy benefits of various incentives provided by central and state government which includes 2% interest subsidy under TUFS, 7% interest subsidy and 5% VAT incentive under Gujarat Textile Policy, 2012. Thus, such government incentives gives Company an operating leverage over the units located in other states.

3. **Modern Processes and Technology**

   Our Company has invested significant resources in technological capabilities and has developed a scalable technology system. We use process and technology to continuously improve our business operations and customer service. Our business is supported by modern facilities and methods. We have modern equipments in Blow Room, Carding, Draw Frame, Lap Former, Combing, Finished Draw Frame, Simplex, Ring Spinning and Winding.

4. **Locational Advantage**

   The manufacturing facility of the Company is located at kalavad, district Rajkot of Gujarat. The manufacturing facility is located at a distance of 250km from kandla port and is in a Shankar-6 cotton rich belt. All infrastructure facilities like availability of skilled labour, raw material, technology; Communication, transportation etc. are easily available due to extensive industrialization in the area. The manufacturing facility of our Company is located in the vicinity of cotton rich belt of Gujarat. The small staple cotton is also available in the month of February to April.

5. **Customer oriented approach**

Customer satisfaction is one of our key success factors. We cater to various domestic customers across product segments. We try to provide customer specific solutions and offer our products and services 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 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:

1. **Brand image**

We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

2. **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.

3. **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.

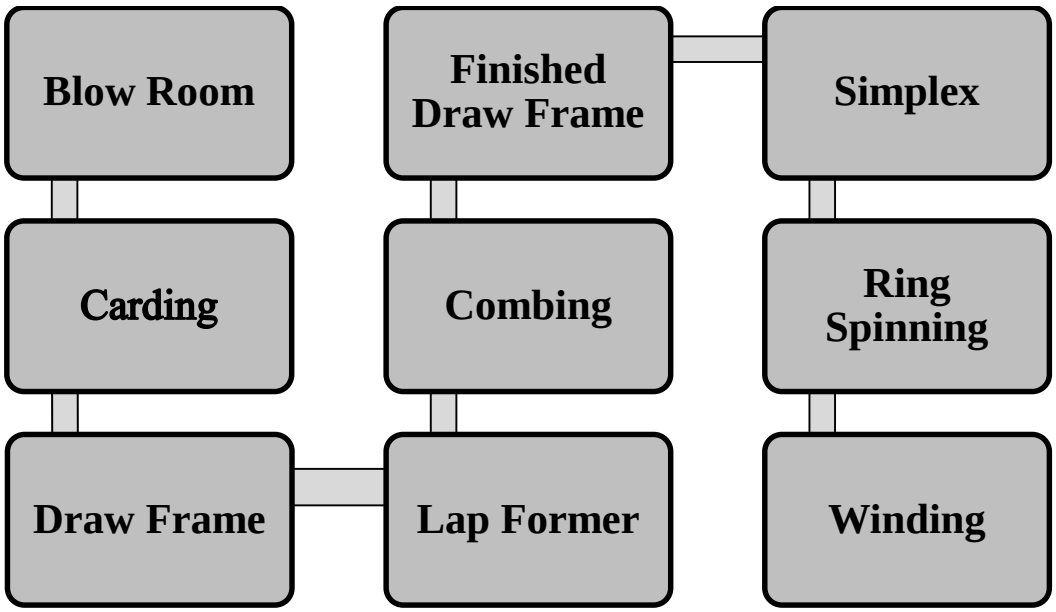
4. **Customer Satisfaction**

The Business of our Company is customer oriented and always strives to maintain good relationship with the customers. Our Company's marketing team approaches existing customers for their feedback and based on their feedback any changes in the products if required are carried out. Our Company provides quality products and effective follow-ups with customers who ensure that the customers are satisfied with the product and do not have any complain.

5. **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.

OUR MANUFACTURING PROCESS



1. **PURIFYING OF COTTON**

   Blow Room: Cotton bales enter the first stage of yarn formation where they are mixed to form a uniform mass by Reiter's blow room technology, which gently handles the material with a combination of high level cleaning and production rate. Cotton bales are spread and mixed according to the quality required.

2. **REMOVING OF SHORT FIBERS AND IMPURITIES**

   Carding: Blow Room provides uniform feeding to carding machines. The Picker Lap undergoes carding to remove short fibers and removes impurities and dust to provide additional orientation and alignment to individual fibers. The Carded Lap is removed by Doffer Cylinder in the form of Sliver, which undergoes additional blending to improve uniformity and density, which is carried out by Carding Machines.

   Draw Frame: Through draw frame, Slivers of high evenness can be produced. An adjustable Suction nozzle over the top rollers ensures cleaner Slivers. It helps to produce compact slivers with uniformity

   Lap Former: In lap forming process slivers are converted into laps by pressing the doubling of slivers uniformly and material is rolled on a lap. This is intermediate process, which produce feed material for the comber.

   Combing: The combing process is carried out in order to improve the quality of the sliver coming out of the card. The process eliminates short fibers, it achieves better parallelization of fibers, it straightens curls, and it removes neps and residue impurities

3. **PARALLELIZATION OF FIBERS**

   After combing of the cotton sliver, it becomes ready for drawing process, which improves the quality, evenness and homogenization of fibers. The cotton sliver is made ready for being processed into yarn. The sliver goes through drafting Rollers and is systematically drawn for better evenness.

   Simplex: In case of Ring Spun Yarn the sliver is drawn into strands called roving. In this process both drafting and twisting takes place.

4. **RING SPINNING**

   Subsequent drawing and high speed twisting of roving bobbins is carried out on Ring frames until the required fitness achieved.

5. **WINDING**

The winding process has the basic function of obtaining a larger package from several small ring bobbins. This conversion process provides one with the possibility of cutting out unwanted and problematic objectionable faults. The process of removing such objectionable faults is called as yarn ‘clearing’.

OUR MANUFACTURING FACILITY

Name of the Process	
BLOW ROOM	
CARDING	
DRAW FRAME	
SIMPLEX	

RING SPINNING	
WINDING	

OUR RAW MATERIALS

The basic raw material required for the manufacture of 100% cotton yarn is ginned cotton. We procure only Shankar-6 quality of cotton which is predominantly grown in Gujarat. The vendors of raw cotton are identified based on the several parameters like the quality of raw material, price competitiveness and the time taken for delivery. The raw cotton required is mainly procured from the local supplies. The Packing material required by the company are mainly Paper tube, HDPE bag, HM bag, etc. for safety of the products during transportation. Packing materials are easily available in domestic market.

END USERS

Our end users are textile manufacturers and traders. We supply our products to large garment houses for manufacturing of cotton textiles.

SWOT ANALYSIS:

Strength • Technological advantage • Experienced Management team • Strategic Location	**Threat** • Changing technology • High competition • Raw material price fluctuation
Weaknesses • Labour intensive industry • Timely Availability of Raw Material	**Opportunity** • Government incentives and subsidies • Expanding Export Markets • Enhancing functional Efficiency

COLLABORATIONS/TIE UPS/ JOINT VENTURE

As on date of this Draft Prospectus, our Company has not entered into any collaboration / Tie Ups / Joint Ventures.

EXPORT AND EXPORT OBLIGATIONS

As on the date of Draft Prospectus, our Company has following export obligations under EPCG scheme:

License No.	Date of issue	Export Obligation (In US $)	Export Obligation (Amount In Rs. Lakhs)	Duty Saved (Amount Rs. In Lakhs)	Export Obligation Period
2430002210	December 30, 2013	USD 34,66,083	2211.36	368.56	6 Years
2430002292	March 11, 2014	USD 16,54,399	1041.44	173.57	6 Years
2430002302	March 13, 2014	USD 2,62,790	165.43	27.57	6 Years
2430002391	June 10, 2014	USD 7,47,115	449.02	74.84	6 Years
2430002424	July 02, 2014	USD 2,12,044	127.44	21.24	6 Years
2430002696	November 25, 2014	USD 16,17,943	991.80	165.30	6 Years
2430002908	April 09, 2015	USD 2,23,256	140.21	15.35	6 Years
2430002916	April 17, 2015	USD 1,46,176	92.09	14.81	6 Years
2430003011	June 18, 2015	USD 52,354	32.96	15.35	6 Years
		USD 83,82,159	**5,251.74**	**876.58**	

CAPACITY AND CAPACITY UTILISATION

Product Name: Cotton Yarn	Existing			Projected		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Installed Capacity* (Units In Kg)	13,00,000**	41,00,000	51,00,000	53,00,000	63,80,000	63,80,000
Actual Production (Units In Kg)	9,33,254	36,02,995	49,98,304	51,94,000	62,52,400	62,52,400
% of Utilization	71.79%	87.88%	98.01%	98.00%	98.00%	98.00%

*The Installed capacity is based on 29 average counts of yarn, however the actual installed capacity may depend upon the type of count of the yarn.

**Installed capacity for 2014-15 is based on 4 months period as our Company had started commercial operations from December 2014.

Note: The projected capacity cannot be exactly determined as production depends upon the type of count of the yarn ordered.

COMPETITION

Textiles being a large and global industry, we face competition from various domestic and international players. 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 availability of product, product quality and product range. Among listed companies, we face competition from Vippy Spinpro Limited and Sri Nachammai Cotton Mills Limited. Further, most of our competitors in the regional level are from the unorganized sector of the textile industry. Moreover, as we seek to diversify into new geographical areas we may face competition from existing players that have presence in respective markets. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

SALES & MARKETING

The efficiency of the marketing and sales network is critical to the success of our business. Our success lies in the strength of our relationship with the customers who have been associated with our Company. Our team through their relevant experience and good rapport with our customers due to the timely delivery of quality products has played an instrumental role in creating and expanding a work platform for our Company. Our Company and the promoters focus on establishing cordial relationship with the customers

due to this we have been able to established relationship with number of textile mills, number of business houses and brokers dealing 100% cotton yarn and consistently receive repeated orders from them. The sales and marketing of Yarn is based on factors such as quality, easy availability and competitive pricing of the products.

HUMAN RESOURCE:

We believe that our employees are key contributors to the success of our business. 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 the kind of business that we are engaged in. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to implement our growth plans. As on January 31, 2017, we have 216 employees on our payroll.

UTILITIES & INFRASTRUCTURE FACILITIES:

Infrastructure	Our registered office, corporate office and manufacturing unit are well equipped with computer system, internet connectivity, other communication equipment, security and other facilities which are required for our business operations to function smoothly. Our manufacturing facilities are equipped with the requisite plant and machineries and other resources.
Utilities	**Power:** We meet our power requirements by purchasing the electricity from Paschim Gujarat Vij Company Limited and we have sanctioned limit of 2000 KVA. We also use DG sets. **Water**: We require water for humidification as well as drinking & sanitation purposes. We source our water requirements through bore well at factory premises. **Safety Precautions**: Online fire detection system, water tank, fire extinguishers.

PLANT & MACHINERY:

The following is the indicative list of machineries owned by our Company at the factory

Sr. No.	Process Area	Usage	Name of Vendor	Quantity
1	Blow Room	Blendomat	Truetzschler	1
		Blow Line	Truetzschler	2
2	Carding	Cards (TC 5/1)	Truetzschler	14
3	Draw Frame	Draw frame breaker (RSB -22)	Rieter	3
4	Lap Former	Omega Lap (E-35)	Rieter	1
5	Combing	Comber (E-80)	Rieter	5
6	Finished Draw Frame	RSBD Single Delivery (RSB D – 45)	Rieter	4
7	Simplex	Speed frame – 192 spindles (51 M)	Zinser	4
8	Ring Spinning	Ring frame– 24,480 spindles (RXI 240 E & RX 300)	Kirloskar Toyota Textile machinery	17
9	Winding	Drums -72 (QPRO – II)	Murata	6

INSURANCE DETAILS:

Our Company has an insurance coverage which we consider reasonably sufficient to cover risks associated with our operations and which we believe is in accordance with the industry standards. We have taken standard fire and special perils, earthquake (fire and shock) for a most of our assets at our manufacturing facilities. 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. We have following insurance policies:

Policy No.	Risk Covered	Sum Assured	Name of the Insurer	Policy Period	
				From	To
300408/11/17/3300000429	Building, plant & machinery & Stock	Rs. 8,50,00,000	National Insurance Company Limited	September 26, 2017	September 25, 2018
300408/11/17/3300000430	Building, plant & machinery	Rs. 55,00,00,000	National Insurance Company Limited	September 22, 2017	September 21, 2018
300408/11/17/3300000428	Stock	Rs. 8,00,00,000	National Insurance Company Limited	September 22, 2017	September 21, 2018
300408/11/17/3100000427	Stock	Rs. 10,00,00,000	National Insurance Company Limited	September 22, 2017	September 21, 2018

INTELLECTUAL PROPERTY RIGHTS:

Our Company markets its products under the following trademarks as set out below:

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Status
1	AKSHAR SPINTEX LIMITED	Device	23	Akshar Spintex Limited	3771191	March 6, 2018	Accepted

LAND AND PROPERTY:

Owned Properties:

Sr. No	Address of the Property	Area of the Property	Usage
1	Revenue Survey No.102/2 Paiki, Plot No. - 2, Village: Haripar, Ranuja Road, Tal: Kalavad, Jamnagar -361013, Gujarat, India	1,83,437 sq. ft.	Registered office and Manufacturing Facility

Leased/ Licensed Properties

Sr. No	Address of the Property	Licensor / Lessor	Lease Rent / License Fees	Period of Agreement		Use
				From	To	
1.	C/704, Imperial Heights,Opp. Big Bazar, 150 Ft.Ring Road,Rajkot, 360005, Gujarat, India	Rekaben Harikrushnabhai Chauhan & Sonal Prakashkumar Sorthia	Rs. 30,000 per month	January 1, 2018	November 30, 2018	Corporate Office

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft 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 the cotton yarn and cotton fibre. 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 256 of this Draft 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

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 bay 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 SME 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.

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 up gradation 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 it‘s 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.

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

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

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.

Employees' State Insurance Act, 1948 (the "ESI Act")

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

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.

Inter-State Migrant Workmen (Regulation of Employment And Conditions of Service) Act, 1979

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also a contractor employing inter-state migrant workmen has to obtain a license for the same from the licensing officer appointed for the purpose by the Central or the state Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor is to provide for adequate wages, medical facilities and

other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

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

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.

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.

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.

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.

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, Muncipalities, 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 of 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

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

Ministry of Industry, Department of Industrial Policy and Promotion, Press Note No. 17 (1998 series)

With a view to encouraging investments towards the setting up of integrated units and thus achieving value additions, as well as to address the current difficulties of the cotton yarn export oriented units, the Government of India issued Press Note No. 17 (1998 Series), which allows export oriented units the operational flexibility of exporting cotton yarn without being subject to domestic cotton sourcing restrictions to the extent provided for within the press note.

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 Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, 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 Circular. The Indian company making such fresh issue

of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

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 originally incorporated as "Akshar Spintex Private Limited" at Jamnagar, Gujarat as a Private Limited Company under the provision of Companies Act, 1956 vide Certificate of Incorporation dated June 19, 2013 bearing Corporate Identification Number U17291GJ2013PTC075677 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extraordinary General Meeting held on December 26, 2017 and the name of our Company was changed to Akshar Spintex Limited, vide a fresh Certificate of Incorporation dated January 5, 2018, bearing Corporate Identification Number U17291GJ2013PLC075677 was issued by Registrar of Companies, Ahmedabad, Gujarat.

Abhishekbhai Tala, Amit Gadhiya, Ashok Dudhagara, Bakulesh Jani and Harish Trivedi were the initial subscribers to the Memorandum of Association of our Company. Abhishekbhai Tala had transferred his entire shareholding i.e. 8,66,000 Equity shares to Amit Gadhiya and Nayan Gadhiya on April 12, 2016, i.e. 4,00,000 and 4,66,000 Equity shares respectively. Further, Ashok Dudhagara, Bakulesh Jani and Tarish Trivedi had transferred their entire shareholding i.e. 5,000 shares, 1,000 shares and 1,000 shares, respectively to Rekhaben Chauhan on January 28, 2014. For further information, please refer to the chapter title "Capital Structure" on page 76 of this Draft Prospectus.

Amit Gadhiya, Ashok Bhalala, Rekhaben Chauhan and Harikrishna Chauhan are the Promoters of Our Company. Our current promoters were first associated with our company as below:

Promoters	Association
Amit Gadhiya	First acquired shares on June 13, 2013, by way of Subscription to MoA.
Ashok Bhalala	First acquired shares on February 13, 2014, by way of allotment.
Rekhaben Chauhan	First acquired shares on January 28, 2014, by way of transfer.
Harikrishna Chauhan	First acquired shares on April 25, 2014, by way of allotment.

For information on our Company's profile, activities, market, products, etc., market of each segment, capacity built-up, exports and profits due to foreign operations together with country wise analysis, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled *"Our Business"* and *"Government and Other Statutory Approvals"* beginning on page 128 and 256 respectively of this Draft Prospectus.

CHANGES IN OUR REGISTERED OFFICE:

Since incorporation the registered office of our Company is situated at Revenue Survey No. - 102/2 Paiki, Plot No. - 2, Village - Haripar, Ranuja Road, Tal – Kalavad, Jamnagar -361013, Gujarat, India. There is no changes in Registered Office of our company since incorporation.

KEY EVENTS AND MILESTONES

The following table sets forth the key events and milestones in the history of our Company since incorporation:

YEAR	EVENTS
2013	Incorporation of the company as a private Limited company under the name and style of Akshar Spintex Private Limited.
2018	Conversion of company from Private Limited Company to Public Limited Company.

MAIN OBJECTS OF OUR COMPANY

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

"To carry on in India or elsewhere the business of manufacturing, ginning, pressing, washing, dyeing, spinning, weaving, Texturing, bleaching, finishing, printing, embroidering, blending, sorting, stretching, drying, buying, selling, trading, importing, exporting, transporting, storing, fabricating and to act as agent, broker, job worker, liasioner and distributor or otherwise dealing in all types of textile goods, fabrics, cloths, yarns to do all incidental acts and things necessary for the attainment of the foregoing object."

AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

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

DATE OF AGM / EGM	CHANGES
December 23, 2013	The authorised share capital of the Company of Rs. 10,00,000 consisting of 1,00,000 Equity Shares of Rs. 10/- each was increased to Rs.11,50,00,000 consisting of 1,15,00,000 Equity Share of Rs. 10/- each.
September 23, 2014	The authorised share capital of the Company of Rs. 11,50,00,000 consisting of 1,15,00,000 Equity Shares of Rs. 10/- each was increased to Rs.24,00,00,000 consisting of 2,40,00,000 Equity Share of Rs. 10/- each.
December 04, 2017	The authorised share capital of the Company of Rs. 24,00,00,000 consisting of 2,40,00,000 Equity Shares of Rs. 10/- each was increased to Rs.25,00,00,000 consisting of 2,50,00,000 Equity Share of Rs. 10/- each.
December 26, 2017	Change in the name of the company pursuant to conversion of the company from Private Limited Company to Public Limited Company.

COUNTRY WISE EXPORT SALES

Our Company does not have any export sales.

OUR HOLDING / SUBSIDIARY COMPANY

Our Company has neither holding nor subsidiary Company as on date of filing of this Draft Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details in relation to our capital raising activities through equity and debt, please refer to the chapter titled "*Capital Structure*" beginning on page 76 of this Draft Prospectus.

REVALUATION OF ASSETS

Our Company has not revalued its assets since its incorporation.

CHANGES IN THE ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

There has been no change in the activities being carried out by our Company since incorporation.

INJUNCTIONS OR RESTRAINING ORDERS

Our 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 since incorporation.

SHAREHOLDER'S AGREEMENTS

Our Company has not entered into any shareholder's agreement as on date of filing of this Draft Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any agreements / arrangements except under normal course of business of the Company, as on date of filing of this Draft Prospectus.

STRIKES AND LOCK-OUTS

There have been no strikes or lockouts in our Company since incorporation.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

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

STRATEGIC PARTNERS

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

FINANCIAL PARTNERS

As on the date of this Draft Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS

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

NUMBER OF SHAREHOLDERS

Our Company has 26 (twenty six) shareholders as on date of this Draft Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association we are required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act, 2013. We currently have 7 (Seven) directors on our Board.

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

Sr. No.	Name, Father's Name/Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment/ Reappointment as Director	Other Directorship
1.	**Name:** Ashokbhai Bhalala **Father's Name:** Sukanbhai Bhalala **Age:** 44 Years **Designation:** Managing Director **Address**: Vejagam,Taluka Gondal, Vejagam, Gujarat-360 311, India **Occupation:** Business **Nationality:** Indian **DIN**: 02003197 **Term**: For a period of 3 years w.e.f. January 09, 2018 not liable to retire by rotation.	Appointed as Director on September 05, 2013 Designated as Chairman and Managing director on January 09, 2018	**Public Limited Company:** – Nil **Private Limited Company:** – Amtech Investment Casting Private Limited
2.	**Name:** Amit Gadhiya **Father's Name:** Vallabhbhai Gadhiya **Age:** 31 Years **Designation:** Whole-time Director **Address:** Govindratna Willa, Bunglow-10, Opp. Govindratna Bunglow. Rajkot - 360005 Gujarat, India **Occupation:** Business **Nationality:** Indian **Din**: 06604671 **Term**: For a period of 3 years w.e.f. January 09, 2018	Appointed as Director on June 19, 2013 Designated as Whole-time Director on January 09, 2018	**Public Limited Company:** – Nil **Private Limited Company:** – Nil

Sr. No.	Name, Father's Name/Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment/ Reappointment as Director	Other Directorship
3.	**Name:** Harikrishna Chauhan **Father's Name:** Shamjibhai Chauhan **Age:** 50 Years **Designation:** Whole-time Director **Address**: Akshar Bhuvan, Parnakuti Society,Street No. 5, Block No. 65/A, Nana Mava Road, Rajkot - 360001, Gujarat, India **Occupation:** Business **Nationality:** Indian **DIN**: 07710106 **Term**: For a period of 3 years w.e.f. January 09, 2018	Appointed as Director on January 17, 2017 Designated as Whole-Time Director on January 09, 2018	**Public Limited Company:** – Nil **Private Limited Company:** – Nil
4.	**Name:** Ilaben Paghdar **Father's Name:** Rambhai Sorathiya **Age:** 41 Years **Designation:** Non-Executive Director **Address**: 101, Vasant Avenue, Sanket Society, Jay Sardar Road, Opp. Raj Residency, B/H Raj Shrungar Par Ty Plot, Rajkot – 360001, Gujarat, India **Occupation:** Business **Nationality:** Indian **DIN**: 07591339 **Term**: Liable to retire by rotation	Appointed as Director on August 16, 2016 Re-designated as Non-Executive Director January 09, 2018	**Public Limited Company:** – Nil **Private Limited Company:** – Nil
5.	**Name:** Nirala Joshi **Father's Name:** Indubhai Joshi **Age:** 60 Years **Designation:** Additional Independent Director **Address**: Block No-34, Vasundhara Residency, Opp. Govindbhai Solanki Vadi, Airport Road, Raiya R Rajkot - 360007, Gujarat, India **Occupation:** Business **Nationality:** Indian	Appointed as Additional Independent Director on January 17, 2018	**Public Limited Company:** – Nil **Private Limited Company:** – Nil

Sr. No.	Name, Father's Name/Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment/ Reappointment as Director	Other Directorship
	DIN: 08055148 **Term**: For a period of 5 Years w.e.f. January 17, 2018		
6.	**Name:** Vipul Patel **Father's Name:** Vallabhbhai Patel **Age:** 38 Years **Designation:** Additional Independent Director **Address**: Shree Naval Nagar, Street No.3, Near.Nilam Stationeary, Mavadi Main Road, Rajkot, Gujarat – 360004, India **Occupation:** Service **Nationality:** Indian **DIN**: 08079702 **Term**: For a period of 5 Years w.e.f. March 07, 2018	Appointed as Additional Independent Director on March 07, 2018	**Public Limited Company:** – Nil **Private Limited Company:** – Nil
7.	**Name:** Rohit Dobariya **Father's Name:** Banjibhai Dobariya **Age:** 37 Years **Designation:** Additional Independent Director **Address**: Vrundavan,Vaniyawadi 1/6 Corner, Vaniyawadi Main Road,Opp. G.Patel Pan, Rajkot - 360007, Gujarat, India **Occupation:** Business **Nationality:** Indian **DIN**: 08085331 **Term**: For a period of 5 Years w.e.f. March 14, 2018	Appointed as Additional Independent Director on March 14, 2018	**Public Limited Company:** – Nil **Private Limited Company:** – Nil

BRIEF BIOGRAPHIES OF OUR DIRECTORS:

Ashok Bhalala, Promoter, Chairman and Managing Director

Ashokbhai Bhalala, aged 44 years, is the Promoter, Chairman and Managing Director of our Company. He has been appointed as Director on September 05, 2013 and has been designated as the Chairman and Managing Director of the Company w.e.f. January 09, 2018. He has completed his Secondary and Higher Secondary Education from the Gujarat State Board. He has experience of more than 25 Years

in the Cotton Industry and experience of more than 10 years in the Investment Casting industry. He is the guiding force behind all the corporate decision and is responsible for the entire business operation of the Company.

Amit Gadhiya, Promoter and Whole-Time Director
Amit Gadhiya, aged 31 years is the Promoter and Whole-Time Director of our Company. He has been associated with the Company since incorporation and has been designated as Whole-time Director w.e.f. January 09, 2018. He has completed his Secondary and Higher Secondary Education from the Gujarat State Board. He has an experience of more than 5 years in this industry in which we operate. Currently, he looks Purchase, sales and Administrative unit of our company.

Harikrishna Chauhan, Whole-Time Director
Harikrishna Chauhan, aged 50 years is the Promoter and Whole-Time Director of our Company. He has been associated with Company since January 17, 2017 and has designated as Whole-time Director w.e.f. January 09, 2018. He has completed Certification course in Cine Production of Technical Examination Board, Gujarat. He looks HR Department and Marketing Department of the Company.

Ilaben Paghdar, Non-executive Director
Ilaben Paghdar, aged 41 years is Non-executive Director of our Company. She has been appointed as Executive Director on August 16, 2016 and has designated as Non-executive Director w.e.f. January 09, 2018.

Nirala Joshi, Independent Director
Nirala Joshi, aged 60 years is Independent Director of our Company. He has been on the Board of our Company since January 17, 2018. He holds a degree in Bachelor of commerce from Saurashtra University. He has completed his Secondary and Higher Secondary Education from the Gujarat State Board.

Vipul Patel, Independent Director

Vipul Patel, aged 48 Years is Independent Director of our Company. He has been appointed as Independent Director w.e.f. March 07, 2018. He is Member of The Bar Council of Gujarat.

Rohit Dobariya, Independent Director

Rohit Dobariya, aged 37 years is Independent Director of our Company. He has been appointed as Independent Director w.e.f. March 14, 2018. He holds a degree in Bachelor of Science from Saurashtra University, Gujarat.

CONFIRMATIONS:

As on the date of this Draft Prospectus:

1. None of the Directors of our Company are related to each other within the meaning of section 2(77) of the Companies Act, 2013.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of our Directors are on the RBI List of wilful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.

6. None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

REMUNERATION/COMPENSATION/COMMISSION PAID TO DIRECTORS

During the last financial year ended on March 31, 2017, the directors have been paid gross remuneration as follows:

Name of Director	Amount (Rs. In Lakhs)
Ashokbhai Bhalala	2.40
Amit Gadhiya	2.40
Harikrishna Chauhan	1.50
Ilaben Paghdhar	1.50

Terms and conditions of employment of our Managing Director:

Ashok Bhalala

Ashokbhai Bhalala, is the Managing Director of our Company and has been appointed for a period of 3 years with effect from January 9, 2018 and is not liable to retire by rotation. He is entitled for remuneration as per the terms and conditions mentioned in the Board Resolution dated January 09, 2018 passed by the Board of Directors of our Company. Followings are the terms and condition of appointment of Managing Director of our company:

Remuneration	Not exceeding Rs. 30,00,000/- (rupees thirty lakhs rupees only) per annum with liberty to Board of committee thereof to vary and alter the terms and condition of remuneration as per profitability if the company.
Term of Appointment	3 Years with effect from January 9, 2018 and not liable to retire by rotation.

However, the total managerial remuneration payable to the director shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time (i.e as per section 1 of Part II of Schedule V) or whether in case in any financial year, during his currency of tenure of a managerial person, the Company has no profits or its profits are inadequate, it may without approval of Central Government pay, the remuneration to above managerial personnel not exceeding the ceiling (not exceeding the highest of the limit prescribed under section 2 of Part II of Schedule V of the Act.

Terms and conditions of employment of our Whole-time Director:

Amit Gadhiya

Amit Gadhiya, is Whole-time Director of our Company and has been appointed for a period of 3 years with effect from January 9, 2018 and is liable to retire by rotation. He will be paid remuneration as per the terms and conditions mentioned in Board resolution dated January 09, 2018 passed by Board of Director of our Company.

Remuneration	Not exceeding Rs. 24,00,000/- (rupees twenty four lakhs rupees only) per annum with liberty to Board of committee thereof to vary and alter the terms and condition of remuneration as per profitability if the company.

Term of Appointment	3 years with effect from January 09th, 2018 and liable to retire by rotation

However, the total managerial remuneration payable to the director shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time (i.e as per section 1 of Part II of Schedule V) or whether in case in any financial year, during his currency of tenure of a managerial person, the Company has no profits or its profits are inadequate, it may without approval of Central Government pay, the remuneration to above managerial personnel not exceeding the ceiling (not exceeding the highest of the limit prescribed under section 2 of Part II of Schedule V of the Act.

Harikrishna Chauhan

Harikrishna Chauhan, is Whole-time Director of our Company and has been appointed for a period of 3 years with effect from January 9, 2018 and liable to retire by rotation. He will be paid remuneration as per the terms and conditions mentioned in Board resolution dated January 09, 2018 passed by the Board of Directors of our Company.

Remuneration	Not exceeding Rs. 24,00,000/- (rupees twenty four lakhs rupees only) per annum with liberty to Board of committee thereof to vary and alter the terms and condition of remuneration as per profitability if the company.
Term of Appointment	3 years with effect from January 09th, 2018 and liable to retire by rotation

However, the total managerial remuneration payable to the director shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time (i.e. as per section 1 of Part II of Schedule V) or whether in case in any financial year, during his currency of tenure of a managerial person, the Company has no profits or its profits are inadequate, it may without approval of Central Government pay, the remuneration to above managerial personnel not exceeding the ceiling (not exceeding the highest of the limit prescribed under section 2 of Part II of Schedule V of the Act.

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 a, the Companies Act, 2013 and their appointment letters and other applicable laws and regulations.

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.

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

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Ashok Bhalala	16,80,000	7.00%	[●]
2.	Amit Gadhiya	18,20,100	7.58%	[●]
3.	Harikrishna Chauhan	6,00,000	2.50%	[●]
4.	Ilaben Paghdar	16,02,000	6.67%	[●]
	Total	**57,02,100**	**23.76%**	[●]

INTERESTS OF DIRECTORS:

Interest in Promotion of the Company

Our Directors, Ashokbhai Bhalala, Amit Gadhiya and Harikrishna Chauhan may be deemed to be interested to the extent of being Promoters of 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 the Equity Shares held by them. For further details, refer to chapters titled *"Our Promoter and Promoter Group"* and *"Related Party Transaction* beginning on page 172 and 179 of this Draft Prospectus.

Interest by way of Remuneration from the Company

Our Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses payable to them. For details, see *"Remuneration/Compensation of Directors"* above. Further, our Independent Directors are entitled to receive sitting fees for attending meetings of our Board within the limits laid down in the Companies Act, 2013 and as decided by our Board subject to Articles of Association. Further, except as disclosed above none of our Directors hold any Equity Shares in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue. Some of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said equity shares, if any. Except as stated in the chapters *"Our Management"* and *"Related Party Transactions"* beginning on pages 156 and 179 respectively of this Draft Prospectus and described herein above, our Directors do not have any other interest in the business of our Company.

Interest by way of sitting fees

The Articles of Association and appointment letters to the Non-Executive Directors and Independent Directors of our Company provides that payment of sitting fees for each meeting to Non-Executive Directors and Independent Directors for attending a meeting of the Board or a Committee thereof and shall be decided by the Board of Directors from time to time.

PROPERTY INTEREST:

Except as stated/referred to in the heading titled *"Land and Property"* under the chapter titled *"Our Business"* beginning on page 128 and chapter titled *"Related Party Transaction"* on page 179 of the Draft Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of two years preceding the date of Draft 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 Property"* under the chapter titled *"Our Business"* beginning on page 128 of the Draft Prospectus.

INTEREST IN THE BUSINESS OF OUR COMPANY:

Save and except as stated otherwise in *"Related Party Transactions"* in the chapter titled *"Financial Statements as Restated"* beginning on page 181 of this Draft Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Prospectus.

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES:

Our Company does not have any other Subsidiary Company/ Associate Company as on date of filing this Draft 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 Prospectus:

NAME	DATE OF EVENT	NATURE OF EVENT	REASON
Rohit Dobariya	March 14, 2018	Appointment	Appointed as Additional Independent Director
Vipul Patel	March 07, 2018	Appointment	Appointed as Additional Independent Director
Ashok Vaghasia	February 23, 2018	Resignation	Personal Reason
Ramesh Chavda	February 23, 2018	Resignation	Personal Reason
Ashokbhai Vaghasia	January 17, 2018	Appointment	Appointed as Independent Director
Nirala Joshi	January 17, 2018	Appointment	Appointed as Independent Director
Ramesh Chavda	January 17, 2018	Appointment	Appointed as Independent Director
Ashok Bhalala	January 09, 2018	Change in designation	Designated as Managing Director
Amit Gadhiya	January 09, 2018	Change in designation	Designated as Whole-time Director
Harikrishna Chauhan	January 09, 2018	Change in designation	Designated as Whole-time Director
Ilaben Paghdar	January 09, 2018	Change in designation	Designated as Non-Executive Director
Paresh Bhalala	December 02, 2017	Resignation	Personal Reason
Pravin Bhalala	December 02, 2017	Resignation	Personal Reason
Manojbhai Baldha	December 02, 2017	Resignation	Personal Reason
Rajdeep Patel	December 02, 2017	Resignation	Personal Reason
Rekhaben Chauhan	December 02, 2017	Resignation	Personal Reason
Harsh Kumar Bhalala	February 22, 2017	Resignation	Personal Reason
Harsh Kumar Bhalala	January 17, 2017	Appointment	Appointed as Director
Harikrishnan Chauhan	January 17, 2017	Appointment	Appointed as Director
Paresh Bhalala	January 17, 2017	Appointment	Appointed as Director
Pravin Bhalala	January 17, 2017	Appointment	Appointed as Director
Manojbhai Baldha	January 17, 2017	Appointment	Appointed as Director

NAME	DATE OF EVENT	NATURE OF EVENT	REASON
Ilaben Paghdar	August 16, 2016	Appointment	Appointed as Director
Prakash Kumar Sorathia	March 12, 2016	Resignation	Personal Reason
Bakulesh Jani	March 12, 2015	Resignation	Personal Reason
Harish Trivedi	March 12, 2015	Resignation	Personal Reason
Ashok Dudhagara	March 12, 2015	Resignation	Personal Reason

BORROWING POWERS OF THE BOARD:

Pursuant to a special resolution passed at an Extra-Ordinary General Meeting of our Company held on January 15, 2018 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made there-under, consent of Members be and is hereby accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and free reserve, that is to say, reserves not set apart for any specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of Rs. 100.00 Crores.

CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of our Equity Shares with BSE Limited. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Chapter IV of the SEBI Listing Regulations as may be applicable.

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

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Currently our Board has seven directors out of which three are Independent Directors. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

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

A) Audit Committee;
B) Stakeholders Relationship Committee;
C) Nomination and Remuneration Committee;
D) Risk Management Committee.

A) Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), as per Section 177 of the Companies Act 2013 vide resolution passed in the meeting of the Board of Directors dated March 14, 2018 The constituted Audit Committee comprises following members:

Name of the Director	Status	Nature of Directorship
Nirala Joshi	Chairperson	Independent Director
Vipul Patel	Member	Independent Director
Ilaben Paghdar	Member	Non-Executive 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. To investigate any activity within its terms of reference.
b. To seek information from any employee.
c. To obtain outside legal or other professional advice, and
d. To secure attendance of outsiders with relevant expertise if it considers necessary

The Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations Statement of significant related party transactions (as defined by the audit committee), submitted by management;
b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
d. Internal Audit reports relating to internal control weaknesses; and
e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The role of the Audit Committee not limited to but includes:

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
    i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    ii. Changes, if any, in accounting policies and practices and reasons for the same;
    iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    iv. Significant adjustments made in the financial statements arising out of audit findings;
    v. Compliance with listing and other legal requirements relating to financial statements;
    vi. Disclosure of any related party transactions;
    vii. Qualifications in the draft audit report.
5) Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7) Review and monitor the auditor's independence, performance and effectiveness of audit process.
8) Approval or any subsequent modification of transactions of the company with related parties;
9) Scrutiny of inter-corporate loans and investments;
10) Valuation of undertakings or assets of the company, wherever it is necessary;
11) Evaluation of internal financial controls and risk management systems;
12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14) Discussion with internal auditors any significant findings and follow up there on.
15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18) To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19) Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21) To investigate any other matters referred to by the Board of Directors;
22) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Meeting of Audit Committee and relevant Quorum

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven days' notice in advance.

Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

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 14, 2018.

The Stakeholder's Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Vipul Patel	Chairman	Independent Director
Harikrishna Chauhan	Member	Whole-time Director
Amit Gadhiya	Member	Whole-time Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholder‘s Relationship Committee.

The scope and function of the Stakeholder‘s Relationship Committee and its terms of reference shall include the following:

Tenure: The Stakeholder/ Investor Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder / Investor Relationship Committee as approved by the Board.

Meetings: The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher

Terms of Reference: Redressal of shareholders’ and investors’ complaints, including and in respect of:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of security holders’/investor’s complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Allotment and listing of shares;
- Reference to statutory and regulatory authorities regarding investor grievances; and
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- 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 14, 2018. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Rohit Dobariya	Chairman	Independent Director
Nirala Joshi	Member	Independent Director
Ilaben Paghdar	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

Meetings: The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration/Compensation Committee shall be called by at least seven days' notice in advance.

Terms of Reference:

- 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;
- Formulation of criteria for evaluation of independent directors and the Board;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Devising a policy on Board diversity; and
- 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.

- **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 SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on Stock Exchanges.

  Ankita Popat, Company Secretary & Compliance Officer, will be responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

D) **Risk Management Committee**

Our Company has constituted a Risk Management Committee in accordance with clause 21 of SEBI (LODR) Regulations, 2015. The constitution of Risk Management Committee was approved by the Board in the Board Meeting held on January 17, 2018.

The Risk Management Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Ashokbhai Bhalala	Chairman	Managing Director
Harikrishna Chouhan	Member	Whole-time Director
Amit Gadhiya	Member	Whole-time Director

Ashokbhai Bhalala shall be the Chairman of the committee.

Terms of Reference:

i. planning, designing and implementing an overall risk management process for the organisation;
ii. risk assessment, which involves analysing risks as well as identifying, describing and estimating the risks affecting the business;

iii. risk evaluation, which involves comparing estimated risks with criteria established by the organisation such as costs, legal requirements and environmental factors, and evaluating the organisation's previous handling of risks;

iv. establishing and quantifying the organisation's 'risk appetite', i.e. the level of risk they are prepared to accept;

v. risk reporting in an appropriate way for different audiences, for example, to the board of directors so they understand the most significant risks, to business heads to ensure they are aware of risks relevant to their parts of the business and to individuals to understand their accountability for individual risks;

vi. corporate governance involving external risk reporting to stakeholders;

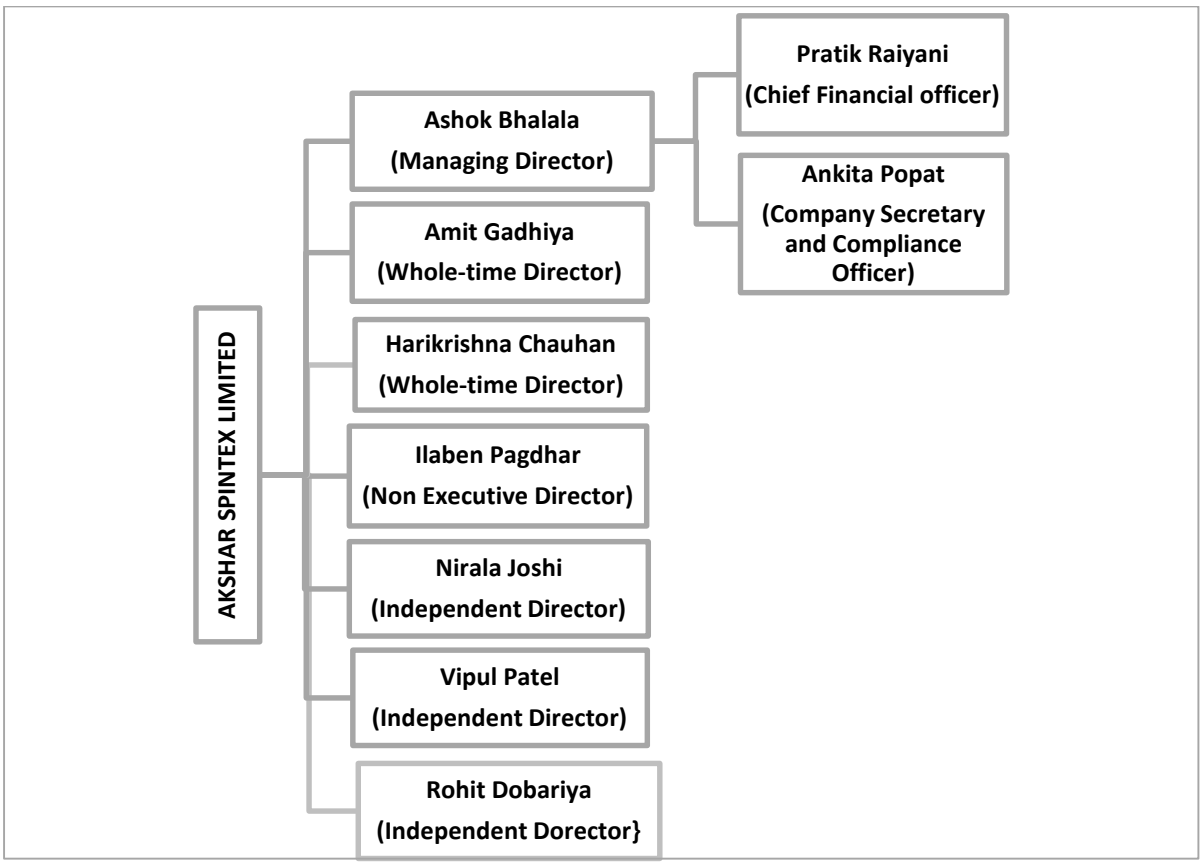
vii. carrying out processes such as purchasing insurance, implementing health and safety measures and making business continuity plans to limit risks and prepare for if things go wrong;

viii. conducting audits of policy and compliance to standards, including liaison with internal and external auditors;

ix. Providing support, education and training to staff to build risk awareness within the organisation.

Decision of the Committee: Decisions at the committee meetings shall be by a majority of the votes of members present at the meeting and in the event of equality of votes, the Chairman shall have a second or casting vote.

KEY ORGANIZATIONAL STRUCTURE:



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 Ashokbhai Bhalala, our Chairman Managing Director, Amit Gadhiya, Whole-time Director and Harikrishna Chauhan, Whole-time Director as on the date of filing of this Draft Prospectus. For details of Ashokbhai Bhalala, Amit Gadhiya and Harikrishna Chauhan, see – "Brief Profile of our Directors" on page 158-159.

The details of our Key Managerial Personnel are set out below:

Pratik Raiyani, Chief Financial Officer

Pratik Raiyani, aged 26 years is the Chief Financial Officer of our Company. He has been appointed as CFO of the company w.e.f. January 09, 2018. He is entrusted with the responsibility of handling finance, Accounts and taxation activities of our Company.

Ankita Popat, Company Secretary and Compliance officer

Ankita Popat, aged 25 years, is the Company Secretary of our Company. She has been appointed as Company Secretary and Compliance Officer of our Company with effect from January 09, 2018. She is a qualified Company Secretary by profession and is an associate member of the Institute of Company Secretaries of India (ICSI). She is entrusted with the responsibility of handling Legal and Corporate Secretarial Department of our Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL (KMP):

None of the Key Managerial Personnel's are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of the Key Managerial Personnel are permanent employees of our company.

RELATIONSHIPS OF DIRECTORS/ AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL

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.

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS:

None of our Directors 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 given below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Draft Prospectus.

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1	Ashok Bhalala	16,80,000	7.00%	[●]
2	Amit Gadhiya	18,20,100	7.58%	[●]
3	Harikrishna Chauhan	6,00,000	2.50%	[●]

BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS/ KEY MANAGERIAL PERSONNEL:

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Directors, 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:

The Company has not given any loans and advances to the Key Managerial Personnel as on the date of this Draft 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, if any.

Except as disclosed in this Draft 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 in the heading titled *"Related Party Transactions"* under the Section titled "Financial Statements as Restated" beginning on page 181 of this Draft Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

The Changes in the Key Managerial Personnel in the last three years are as follows:

NAME	DATE OF EVENT	NATURE OF EVENT	REASON
Ashok Bhalala	January 09, 2018	Change in designation	Designated as Chairman and Managing Director
Amit Gadhiya	January 09, 2018	Change in designation	Designated as Whole-time Director
Harikrishna Chauhan	January 09, 2018	Change in designation	Designated as Whole-time Director
Pratik Raiyani	January 09, 2018	Appointment	Appointed as Chief Financial Officer
Ankita Popat	January 09, 2018	Appointment	Appointed as Company Secretary and Compliance Officer

Other than the above changes, there have been no changes to the KMP of our Company that are not in the normal cause of employment.

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 181 of this Draft Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company are Ashok Bhalala, Amit Gadhiya, Harikrishna Chauhan and Rekhaben Chauhan. As on the date of this Draft Prospectus, our promoters hold, in aggregate 65,00,100 Equity Shares representing 27.08% of the pre-issue paid up Capital of our Company.

Brief profile of our Promoter is as under:

<table>
<tr><td> </td><td>Ashokbhai Bhalala, Promoter, Chairman and Managing Director

Ashokbhai Bhalala, aged 44 years, is the Promoter, Chairman and Managing Director of our Company. He has been associated with our Company since September 09, 2013 and has been designated as Managing Director w.e.f. January 09, 2018. He has an experience of more than two decades in the Cotton industry and more than one decade in the Investment Casting industry. He is the guiding force behind all the corporate decisions and is responsible for the entire business operations of our Company.

Nationality: Indian
Passport No: H3925219
Driving License: GJ0319950103044
Voters ID: GJ/04/020/099264
DIN: 02003197
Address: Vejagam Taluka Gondal, Vejagam – 360 311, Gujarat, India.

Other ventures promoted by him:

1. M/s. Sixty Eight Metals (A Partnership Firm)
2. M/s A Patel Alloys (A Partnership Firm)
3. Amtech Investment Casting Private Limited

For further details relating to Ashok Bhalala, including terms of appointment as Managing Director, other directorships, please refer to the chapter titled “Our Management” beginning on page 156 of this Draft Prospectus.</td></tr>
<tr><td> </td><td>Amit Gadhiya, Promoter and Whole Time Director

Amit Gadhiya, aged 31 years, is the Promoter and Whole Time Director of our Company. He has been associated with company since incorporation and has been designated as Whole Time Director w.e.f. January 09, 2018. He has completed his Higher Secondary Education from the Gujarat Secondary and Higher Secondary Board. He has an experience of more than one decade in the textile industry. Currently, he looks after Purchase, Sales and Administrative affairs of our Company.

Nationality: Indian
Passport No: Z3904187
Driving License: GJ03/056382/04
Voters ID: RIN2521276
DIN: 06604671
Address: Govindratna Willa, Bunglow-10, Opp. Govindratna Bunglow. Rajkot - 360005 Gujarat, India.</td></tr>
</table>

	For further details relating to Amit Gadhiya, including terms of appointment as Whole Time Director, other directorships, please refer to the chapter titled "*Our Management"* beginning on page 156 of this Draft Prospectus.
	Harikrishna Chauhan, Promoter and Whole Time Director Harikrishna Chauhan, aged 50 years, is the Promoter and Whole Time Director of our Company. He has been has been associated with Company since January 17, 2017 and was designated as Whole Time Director w.e.f. January 09, 2018. He has completed Certification course in Cine Production of Technical Examination Board, Gujarat. He looks after the Human Resources and Marketing affairs of the company. **Passport No:** G9028912 **Driving License:** GJ03/304020/01 **Voters ID:**TZX1754753 **DIN:** 07710106 **Address:** Akshar Bhuvan, Parnakuti Society, Street No.5, Block No. 65/A, Nana Mava Road, Rajkot, Gujarat-360001, India **Other ventures Promoted by him:** M/s. Shreeji Developers (A Partnership Firm) For further details relating to Harikrishna Chauhan, including terms of appointment as Whole Time Director, other directorships, please refer to the chapter titled "*Our Management"* beginning on page 156 of this Draft Prospectus.
	Rekhaben Chauhan, Promoter Rekhaben Chauhan, aged 44 years, is the Promoter of our company. **Passport No:** J0323679 **Driving License:** NA* **Voters ID:**TZX1754480 **DIN:** 01055985 **Address**: Akshar Bhuvan, Parnakuti Society, Street No.5, Block No65/A, Nana Mava Road, Rajkot, Gujarat - 360001, India. **Other ventures Promoted by her:** 1. M/s. Arkh Developers (A Partnership Firm) 2. Amtech Investment Casting Private Limited

**Pursuant to affidavit dated March 27, 2018, our Promoter Rekhaben Chauhan has confirmed that she does not hold Driving Licence.*

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 Prospectus.

INTEREST OF PROMOTERS

Our Promoters, Ashokbhai Bhalala, Amit Gadhiya, Harikrishna Chauhan and. Rekhaben Chauhan are interested in our Company to the extent that they have promoted and formed our Company and are interested 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"* beginning on page 76 of this Draft Prospectus.

Our Promoters may also be deem to be interested in our Company to the extent of their shareholding/ interest in our group company /or ventures promoted by them with which our Company transacts during the normal course of its business.

Our Promoters are Directors 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, 2013 and in terms of the agreements entered into with our company, if any and AOA of our Company. For details please see *"Our Management", 'Financial Statements"* and *"Capital Structure"* beginning on pages 156, 181 and 76 respectively of this Draft Prospectus.

Except as mentioned in the chapter titled **—***"Our Business*" beginning on page [●] of this Draft Prospectus, 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 Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as stated in this section and chapters titled *"Related Party Transactions"* and *"Our Management"* on page 179 and 156 of this Draft Prospectus respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in this chapter and chapter titled *"Group Companies*" beginning on page 178 of this Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

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*" beginning on page 179 of this Draft Prospectus.

PAYMENT OR BENEFITS TO PROMOTERS

Except as stated otherwise in the chapter titled "*Related Party Transactions*" beginning on page 179 of this Draft Prospectus, there have been no payments or benefits to the Promoters during the two years prior to date of filing of this Draft Prospectus.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

1. Natural Persons who are part of the Promoter Group:

Relationship with Promoter	Ashokbhai Bhalala	Amit Gadhiya	Harikrishna Chauhan	Rekhaben Chauhan
Father	Sukanbhai Bhalala	-	-	Babulal Jethva
Mother	Jayaben Bhalala[(1)]	Kantaben Gadhiya	Narmadaben Chauhan	-
Brother	Paresh Bhalala Pravin Bhalala	Nayan Gadhiya	Sanjay Chauhan	Paresh Jethva Atul Jethva
Sister	-	-	Pravinaben Gohil	-
Spouse	Chetnaben Bhalala	Pooja Gadhiya	Rekhaben Chauhan	Harikrishna Chauhan
Son	Arth Bhalala (Minor)	-	Yogesh Chauhan (Minor)	Yogesh Chauhan (Minor)
Daughter	Drashti Bhalala (Minor)	Mahi Gadhiya (Minor)	Priyanka Chauhan Mansi Chauhan (Minor)	Priyanka Chauhan Mansi Chauhan (Minor)
Spouse's Father	Gordhan Gadhiya	Keshavji Sangani	Babulal Jethva	-
Spouse's Mother	-	Hansaben Sangani[(2)]	-	Narmadaben Chauhan
Spouse's Brother	Dhiren Gadhiya	Rakesh Sangani	Paresh Jethva Atul Jethva	Sanjay Chauhan
Spouse's Sister	Hiraben Pipadiya[(3)] Rashilaben Viradiya	Rasmita Pansuriya	-	Pravinaben Gohil

(1) Jayaben Bhalala has confirmed pursuant to affidavit dated March 07, 2018 that she does not have PAN.

(2) Hansaben Sangani has confirmed pursuant to affidavit dated March 27, 2018 that he does not have PAN.

(3) Our Company had issued letter dated March 27, 2018 to Hiraben Pipadiya, asking for details of the entity (ies) in which she severally or jointly may have an interest. Also, our Company sent a letter to Hiraben Pipadiya demanding her personal documents for identification of Promoter Group. However, we have not received any reply her till the date of filing of this Draft Prospectus.

2. Companies, Firms, Entities and HUFs forming part of our Promoter Group:

- Amtech Investment Casting Private Limited
- A. Patel Alloys (A Partnership Firm)
- Sixty Eight Metals (A Partnership Firm)

- Arkh Devlopers (A Partnership Firm)
- Shreeji Devlopers (A Partnership Firm)
- Lalkrupa Enterprise (A Proprietorship Firm)
- Ashokbhai Bhalala HUF
- Amitbhai Gadhiya HUF
- Nayanbhai Gadhiya HUF
- Harikrishnabhai Chauhan HUF
- Pareshbhai Bhalala HUF
- Shukanbhai Bhalala HUF
- Harikrishna Chauhan HUF
- Pravinbhai Bhalala HUF

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Except as mentioned below, our Promoters are not related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013:

Name of Promoter	Name of Director	Relationship
Rekhaben Chauhan	Harikrishna Chauhan	Wife-Husband

DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEAR

Our Promoters have not disassociated themselves from any entities/firms during the last three years preceding the date of this Draft Prospectus.

CHANGES IN CONTROL

Abhishekbhai Tala, Amit Gadhiya, Ashok Dudhagara, Bakulesh Jani and Harish Trivedi were the initial subscribers to the Memorandum of Association of our Company. Abhishekbhai Tala transferred his entire shareholding i.e. 8,66,000 Equity shares to Amit Gadhiya and Nayan Gadhiya on April 12, 2016, i.e. 4,00,000 and 4,66,000 Equity shares respectively. Further, Ashok Dudhagara, Bakulesh Jani and Tarish Trivedi had transferred their entire shareholding i.e. 5,000 shares, 1,000 shares and 1,000 shares, respectively to Rekhaben Chauhan on January 28, 2014. Except this, there has been no change in management and control of our Company during five years immediately preceding the date of filing of this Draft Prospectus. For further details, please refer chapter titled *"Capital Structure"* beginning on page [●] of this Draft Prospectus.

LITIGATION INVOLVING OUR PROMOTERS

For details of legal and regulatory proceedings involving our Promoters, please refer *"Outstanding Litigation and Material Developments"* beginning on page 250 of this Draft Prospectus.

CONFIRMATIONS

Our Company, our Promoters and members of promoter group are not Wilful Defaulters and there are no violations of securities laws committed by our Promoters 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 has 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"* beginning on page 179 of this Draft Prospectus, our Promoters are not related to any of the sundry debtors nor are the beneficiaries of Loans and Advances given by/to our Company.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in this chapter and chapter titled *"Our Group Companies"* beginning on page 178 of this Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

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, being AS 18 (as mentioned in our Restated Financials) and other companies as per the policy adopted by our Board. Our Board, in its meeting dated March 14, 2018 has decided that a company shall be considered as a "Group Company" if: (i) such company is part of the "Promoter Group" of our Company in terms Regulation 2(1)(zb) of the SEBI ICDR Regulations; and (ii) our Company has entered into one or more transactions with such company during the last three completed financial year which in value exceeds 10% of the total consolidated revenue of our Company for that financial year as per the audited financial statements.

Based on the above, there is no Group Company of our Company.

RELATED PARTY TRANSACTION

For details on Related Party Transactions of our Company, please refer to Annexure XXV of restated financial statement under the section titled, "Financial Statements as restated" beginning on page 181 of this Draft 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 since Incorporation.

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 STATEMENT AS RESTATED

Independent Auditor's Report for the Restated Financial Statements of AKSHAR SPINTEX LIMITED (Formally known as Akshar Spintex Private Limited)

The Board of Directors
Akshar Spintex Ltd.
Revenue Survey No. 102/2, Plot No 2,
Ranuja Road, Village: Haripar,
Taluka: Kalawad, Dist:Rajkot.

Dear Sirs,

We have examined the attached Restated Statement of Assets and Liabilities of **Akshar Spintex Ltd. (hereinafter referred to as "the Company")** as at concerned period/years September 30th2017, March 31st2017, 2016, 2015 and 2014and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the financial period/year ended on September 30th 2017, March 31st 2017, 2016, 2015 and 2014 (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**") annexed to this report and initialled by us for identification purpose.. These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) on the SME Platform of BSE Limited.

1. These Restated Summary Statements have been prepared in accordance with the requirements of:

   (i) Part I of ChapterIII to the Companies Act, 2013("**Act**") read with Companies (Prospectus and Allotment of Securities) Rule, 2014;;

   (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations"**) issued by the Securities and Exchange Board of India ("**SEBI"**) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;

   The preparation of the Restated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.

2. We have examined such Restated Financial Statements taking into consideration

   (iii) The terms of reference to our engagements with the Company letter dated [●]requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited ("**IPO**" or "**SME IPO**"); and

   (iv) The Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ("**The Guidance Note**").

3. The Restated Summary Statements of the Company have been complied by the management from the Audited Financial Statements of the Company for the financial period/yearended on

September 30th 2017, March 31st 2017, 2016, 2015 and 2014 which have been approved by the Board of Directors.

4. Audit for the financial period/year ended September 30th 2017, March 31st 2017, 2016, 2015 and 2014 was conducted by **M/s H.B. Kalaria & Associates**, Chartered Accountants and accordingly, reliance has been placed on the financial information examined by them for the said years/period.

5. In accordance with the requirements of Paragraph B(1) of Part II of Schedule II of the Act, ICDR Regulations, The Guidance Noteand Engagement Letter, we report that:

   (i) The "**Restated Statement of Assets and Liabilities**" as set out in **Annexure I** to this report, of the Company as at September 30th 2017, March 31st 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV**to this Report.

   (ii) The "**Restated Statement of Profit and Loss**" as set out in **Annexure II** to this report, of the Company for the financial period/yearended on September 30th 2017, March 31st 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV**to this Report.

   (iii) The "**Restated Statement of Cash Flow**" as set out in **Annexure III** to this report, of the Company for the financial period/yearended on September 30th 2017, March 31st 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV**to this Report.

6. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:

   a) Adjustments for the changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.

   b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.

   c) There are no extra-ordinary items that need to be disclosed separately other than those presented in the restated summary statements in the accounts and which contains the audit qualifications requiring adjustments. The required adjustments in this Restated Financial Statements of the Company have been made and its effect on the Restated Profit & Loss is disclosed separately in the Notes to accounts under **"Reconciliation of Restated Profit and Loss"**.

   d) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Restated Summary Statements as set out in **Annexure IV**to this report.

7. We have also examined the following regrouped/ rearranged financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period/year ended on September 30th 2017, March 31st 2017, 2016, 2015 and 2014 proposed to be included in the Draft Prospectus/Prospectus ("**Offer Document**").

Annexure of Restated Financial Statements of the Company:-

1. Significant Accounting Policies in Annexure IV;
2. Details of Share Capital as Restated as appearing in ANNEXURE V to this report;
3. Details of Reserves and Surplus as Restated as appearing in ANNEXURE VI to this report;
4. Details of Long Term Borrowings as Restated as appearing in ANNEXURE VII to this report;
5. Details of Deferred Tax Liabilities (Net) as Restated as appearing in ANNEXURE VIII to this report;
6. Details of Long Term Provisions as Restated as appearing in ANNEXURE IX to this report;
7. Details of Short Term Borrowings as Restated as appearing in ANNEXURE X to this report;
8. Details of Trade Payables as Restated as appearing in ANNEXURE XI to this report;
9. Details of Other Current Liabilities as Restated as appearing in ANNEXURE XII to this report;
10. Details of Short Term Provisions as Restated as appearing in ANNEXURE XIII to this report;
11. Details of Fixed Assets as Restated as appearing in ANNEXURE XIV to this report;
12. Details of Long Term Loans & Advances as Restated as appearing in ANNEXURE XV to this report;
13. Details of Other Non-Current Assets as Restated as appearing in ANNEXURE XVI to this report;
14. Details of Inventories as Restated as appearing in ANNEXURE XVII to this report;
15. Details of Trade Receivables as Restated enclosed as ANNEXURE XVIII to this report;
16. Details of Cash and Bank Balances as Restated enclosed as ANNEXURE XIX to this report;
17. Details of Short Term Loans & Advances as Restated as appearing in ANNEXURE XX to this report;
18. Details of Other Current Assets as Restated as appearing in ANNEXURE XXI to this report;
19. Details of Other Income as Restated as appearing in ANNEXURE XXII to this report;
20. Capitalization Statement as Restated as at 30th September, 2017 as appearing in ANNEXURE XXIII to this report;
21. Statement of Tax Shelters as Restated as appearing in ANNEXURE XXIV Ito this report;
22. Details of Related Parties Transactions with the Directors as Restated as appearing in ANNEXURE XXV to this report;
23. Details of Significant Accounting Ratios as Restated as appearing in ANNEXURE XXVI to this report
24. Reconciliation of Restated Profit as appearing in ANNEXURE XXVII to this report.

8. We, **H. Jamnadas & Co.**, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India ("**ICAI**") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI (**"Peer Reviewed Auditor**").

9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. In our opinion, the above financial information contained in Annexure I to XXVII of this report read with the respective Significant Accounting Polices and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note to the extent applicable, as amended from time to time. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions and accordingly, we express no such opinion thereon.

13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

Date: 23/03/2018

Place: Rajkot

For,

H. Jamnadas& Co.

FRN: 104033W

_____

(Haresh Dadhania)

Partner

Mem. No. 043076

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE- I ***(Rs. in Lacs)***

Sr. No.	Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
1)	**Equity & Liabilities**					
	Shareholders' funds					
	a. Share capital	2400.00	2400.00	2400.00	2001.00	251.00
	b. Reserves & surplus	1006.73	754.30	215.69	-51.25	0.00
	Sub-total	**3406.73**	**3154.30**	**2615.69**	**1949.75**	**251.00**
2)	**Share application money pending allotment**	0.00	0.00	0.00	0.00	250.00
3)	**Non-current liabilities**					
	a. Long-term borrowings	2962.02	3063.57	3619.94	3550.35	1891.41
	b. Deferred tax liabilities (net)	371.27	239.20	159.61	79.34	0.00
	c. Long-term liabilities	0.00	0.00	0.00	0.00	0.00
	d. Long-term provisions	7.18	6.83	4.39	1.07	0.00
	Sub-total	**3340.46**	**3309.60**	**3783.93**	**3630.77**	**1891.41**
4)	**Current liabilities**					
	a. Short-term borrowings	603.43	555.21	215.08	589.46	0.00
	b. Trade payables	713.00	351.83	114.75	275.90	0.00
	c. Other current liabilities	982.23	640.13	610.85	548.24	46.79
	d. Short term provisions	370.44	207.82	147.52	35.62	40.35
	Sub-total	**2669.09**	**1754.99**	**1088.20**	**1449.21**	**87.14**
	T O T A L (1+2+3+4)	**9416.28**	**8218.88**	**7487.82**	**7029.73**	**2479.56**
5)	**Non-current assets**					
	a. Fixed assets					
	i. Tangible assets	5401.36	5580.49	5834.75	5363.37	74.65
	ii. Intangible assets	0.00	0.00	0.00	0.00	0.00
	iii.Capital work in progress	0.00	0.00	0.00	0.00	1172.76
	b.Non-current investments	0.00	0.00	0.00	0.00	0.00
	c. Long term loans &advances	0.95	0.95	1.15	16.48	1.15
	d. Other non-currentassets	2.98	3.97	5.95	7.93	99.97
	Sub-total	**5405.28**	**5585.40**	**5841.84**	**5387.78**	**1348.53**
6)	**Current assets**					
	a. Current investments	0.00	0.00	0.00	0.00	0.00
	b. Inventories	1521.49	993.24	820.43	397.21	0.00
	c. Trade receivables	660.09	562.39	201.03	207.67	0.00

Sr. No.	Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
	d. Cash and bank balances	127.63	123.63	135.78	333.80	248.98
	e. Short term loans & advances	1696.17	950.96	486.07	703.26	882.06
	f. Other current assets	5.62	3.27	2.67	0.00	0.00
	Sub-total	**4011.00**	**2633.48**	**1645.98**	**1641.95**	**1131.03**
	T O T A L (5+6)	**9416.28**	**8218.88**	**7487.82**	**7029.73**	**2479.56**

STATEMENT OF PROFIT AND LOSS AS RESTATED ***ANNEXURE- II***

(Rs. in Lacs)

Sr. No.	Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
	INCOME					
	Revenue from Operations	4544.22	8678.78	5841.03	1519.87	0.00
	Other income	116.37	360.16	143.36	41.87	0.00
	Total revenue (A)	**4660.59**	**9038.94**	**5984.38**	**1561.73**	**0.00**
	EXPENDITURE					
	Cost of materials consumed	3439.53	6671.59	3980.62	1078.28	0.00
	Purchase of stock-in-trade	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(404.45)	(228.47)	(143.37)	(129.73)	0.00
	Employee benefit expenses	334.21	478.24	393.69	108.53	0.00
	Finance costs	109.14	258.55	236.65	99.00	0.00
	Depreciation and amortization expenses	193.23	380.67	359.95	128.30	0.00
	Other expenses	462.89	860.16	809.62	252.41	0.00
	Total expenses (B)	**4134.55**	**8420.74**	**5637.17**	**1536.81**	**0.00**
	Net profit/ (loss) before exceptional, extraordinary items and tax, as restated	526.04	618.20	347.21	24.92	0.00
	Exceptional items	0.00	0.00	0.00	3.17	0.00
	Net profit/ (loss) before extraordinary items and tax, as restated	526.04	618.20	347.21	28.09	0.00
	Extraordinary items	0.00	0.00	0.00	0.00	0.00
	Net profit/ (loss) before tax, as restated	**526.04**	**618.20**	**347.21**	**28.09**	**0.00**
	Tax expense:					
	(i) Current tax	141.54	126.04	70.79	5.35	0
	(ii) Minimum alternate tax	0.00	(126.04)	(70.79)	(5.35)	0.00

Sr. No.	Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
	(ii) Deferred tax (asset)/liability	132.06	79.59	80.27	79.34	0
	Total tax expense	**273.60**	**79.59**	**80.27**	**79.34**	***0***
	Profit/ (loss) for the year/ period, as restated	**252.44**	**538.61**	**266.94**	**(51.25)**	0.00
	Earning per equity share(face value of Rs. 10/- each):					
	Basic (Rs.)	1.05	2.24	1.18	(0.42)	0.00
	Diluted (Rs.)	1.05	2.24	1.18	(0.42)	0.00
	Adjusted earning per equity share(face value of Rs. 10/- each):	1.05	2.24	1.18	(0.42)	0.00
	Basic (Rs.)					
	Diluted (Rs.)	1.05	2.24	1.18	(0.42)	0.00

STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE –III ***(Rs. in Lacs)***

Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Cash flow from operating activities:					
Net profit before tax as per statement of profit and loss	526.04	618.20	347.21	28.09	0.00
Adjusted for:					
Preliminary expenses	0.99	1.98	1.98	1.98	0.00
Provision for gratuity	0.35	2.45	3.33	1.08	0.00
Provision for doubtful debts	0.00	0.00	0.00	0.00	0.00
Depreciation & amortization	192.24	378.69	357.96	126.32	0.42
Interest (Net)	104.31	249.67	229.15	91.48	0.00
Operating cash flow before working capital changes					
Adjusted for:					
(Increase)/ decrease in inventories	(528.25)	(172.80)	(423.22)	(397.21)	0.00
(Increase)/ decrease in trade & other receivables	(97.70)	(361.36)	6.64	(207.67)	0.00
(Increase)/Decrease in Long-term loans and advances	0.00	0.20	15.33	(15.33)	(1.15)
Increase/ (decrease) in short- term loans and advances	(745.21)	(464.89)	217.19	178.80	(882.06)

Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
(Increase)/Decrease in Other Current Assets	(2.35)	(0.60)	(2.67)	0.00	0.00
Increase/(Decrease) in Current Liabilities	724.33	326.65	13.35	772.61	87.14
Cash generated from/ (used in) operations	174.76	578.18	766.27	580.13	(795.64)
Net cash generated from/ (used in) operating activities (A)	**174.76**	**578.18**	**766.27**	**580.13**	**(795.64)**
Cash flow from investing activities:					
Purchase of fixed assets	(13.11)	(124.43)	(829.34)	(4242.28)	(1247.83)
Sale of fixed assets	0.00	0.00	0.00	0.00	0.00
Investments in WIP					
(Increase)/Decrease in Other Non-Current Assets	0.00	0.00	0.00	90.06	(99.97)
Net cash flow from/(used) in investing activities (B)	**(13.11)**	**(124.43)**	**(829.34)**	**(4152.22)**	**(1347.80)**
Cash flow from financing activities:					
Proceeds from issue of equity shares	0.00	0.00	399.00	1750.00	251.00
Share application money received	0.00	0.00	0.00	0.00	0.00
Increase / (Decrease) in Share allotment money	0.00	0.00	0.00	(250.00)	250.00
Increase / (Decrease) in Short Term Borrowing	48.22	340.13	(374.38)	589.46	0.00
Increase/(Decrease) in Long Term Borrowings	(101.55)	(556.37)	69.58	1658.94	1891.41
Interest & finance costs	(104.31)	(249.67)	(229.15)	(91.48)	0.00
Net cash flow from/(used in) financing activities (C)	**(157.64)**	**(465.91)**	**(134.94)**	**3656.92**	**2392.41**
Net increase/(decrease) in cash & cash equivalents (A+B+C)	4.01	(12.16)	(198.02)	84.83	248.98
Cash & cash equivalents as at beginning of the year	123.63	135.78	333.80	248.98	0.00
Cash & cash equivalents as at end of the year	127.63	123.63	135.78	333.80	248.98

Notes:

i. The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "Cash flow Statement".

ii. Figures in Brackets represent outflows.

iii. The above statement should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Significant Accounting Policies and Notes as appearing in Annexure I, II and IV respectively.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
ANNEXURE IV

a. Basis of Presentation

The restated summary statement of assets and liabilities of the Company as at September 30, 2017, March 31, 2017, 2016, 2015 and 2014 and the related restated summary statement of profits and loss and cash flows for the period/years ended September 30, 2017, March 31, 2017, 2016, 2015 and 2014 (herein collectively referred to as ('Restated Summary Statements') have been complied by the management from the audited financial statements of the Company for the period/years ended on March 31, 2017, 2016, 2015, 2014 and 2013, approved by the board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with provisions of Part - I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of BSE in connection with its proposed Public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

b. Use of Estimates

The Preparation of restated financial statements in conformity with the Generally Accounting Principles (GAAP) requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

c. AS - 2 Valuation of Inventory

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing them to their respective present condition and location. Cost of Raw Material including components, Testing Materials, Scrap and consumable stores are determined on Weighted Average Method basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

d. AS - 4 Contingencies and Events Occurring After the Balance Sheet Date

Effects of, events occurred after Balance Sheet date and having material effect on financial statements are reflected in the accounts at appropriate places.

e. AS - 5 Net Profit or loss for the period, prior period items and changes in accounting policies

Material items of prior period, non-recurring and extra ordinary items are shown separately, If any

f. AS – 6 Depreciation accounting

Depreciation on tangible assets and intangible assets is provided on the Straight-Line Method Value over the useful lives of assets prescribed under Part C of Schedule II of the Companies Act, 2013.

g. AS - 9 Revenue Recognition

In appropriate circumstances, Revenue income is recognized when no significant uncertainty as to determination or realization exists. Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

h. AS - 10 Accounting for Fixed Assets

Tangible fixed assets are stated at cost net of recoverable taxes less accumulated depreciation.

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation.

i. AS - 11 Accounting for effects of changes in foreign exchange rates

(i) Transactions dominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transaction.

(ii) Monetary items denominated in foreign currencies at the year-end are restated at year end rates.

(iii) Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the profit or loss account.

j. AS – 12 Accounting for Government Grants

Capital subsidiary receivable specific to fixed assets is treated as per accounting standard 12 and other revenue grants is recorded as revenue items.

k. AS – 13 Accounting for Investments

During the years there were no investments.

l. AS – 14 Accounting for Amalgamations

During the years there was no amalgamation.

m. AS – 15 Employees Retirement Benefit Plan

a. Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

b. Gratuity Plan

The cost of providing benefit under the scheme are determined on the basis of actuarial valuation at each year end and contribution for the year is charged to the statement of profit and loss for the year.

c. Leave Encashment

The company measures the expected cost that it expects to pay as a result of unused entitlement that has accumulated at the reporting date and the earned leave amount for the current reporting period is charged to the statement of profit and loss for the year. The company presents the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n. AS – 16 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

o. AS – 18 Related Party Disclosure

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given in notes of accounts.

p. AS – 19 Accounting for Leases

The Company has not entered into any lease agreements during the year.

q. AS – 20 Earnings Per Share

Disclosure is made in the Notes of accounts as per the requirements of the standard.

r. AS – 22 Accounting for Taxes on Income

Provision for Current tax is based on the assessable income under the provisions of the Income-tax Act, 1961.

Deferred tax is recognized on timing difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods. Deferred tax resulting from "timing differences" is accounted for using tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried forward only to the extent that there is a reasonable / virtual certainty that the asset will be realized in future.

s. AS – 24 Discontinuing Operations

During the year the company has not discontinued any of its operations.

t. AS – 28 Impairment of Assets

At the date of each Balance Sheet, the company evaluates indications of the impairment internally, if any, to the carrying amounts of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated realizable value is less than the carrying amount, an impairment loss is recorded.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (Net of Depreciation) had no impairment loss been recognized for the assets in prior years.

u. AS – 29 Provisions Contingent liabilities and contingent assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized but are disclosed as under.

Contingent assets are neither recognized nor disclosed in the Financial Statements.

(in Rs. lacs)

Sr. No.	Particulars	Amount as at 30.09.2017	Amount as at 31.03.2017	Amount as at 31.03.2016	Amount as at 31.03.2015
(i)	**Contingent Liability**				
	Claim against the company / disputed liabilities not acknowledged as debt	NIL	NIL	NIL	NIL
	Guarantees				
	Guarantees to Bank and Financial Institution against Credit Facilities extended to third parties and other Guarantees	135.00	135.00	135.00	135.00
		NIL	NIL	NIL	NIL
	Performance Guarantees	NIL	NIL	NIL	NIL
	Outstanding Guarantees furnished to Bank or financial institution including in respect of Letter of Credit				
	Other Money for which the company is contingent liable	NIL	NIL	NIL	NIL
(ii)	**Commitment**				
	Estimated amount of contract remaining to be executed on capital account and not provided for	NIL	NIL	NIL	NIL
	Other Commitment – EPCG Duty Saved against Export Obligation	876.58	876.58	876.58	831.08

v. Disclosure on Specified Bank Notes (SBNs)

During the Year, the company has specified Bank notes or other denomination notes in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBN and other notes as per the notification is given below:

(Amount in Rs.)

Particulars	SBNs	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	--	6,73,212.00	6,73,212.00
(+) Permitted Receipts	--	5,14,000.00	5,14,000.00
(-) Permitted Payments	--	3,21,863.00	3,21,863.00
(-) Amount Deposited in banks	--	0.00	0.00
Closing cash in hand as on December 30, 2016	--	9,65,349.00	9,65,349.00

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government India, in the Ministry of Finance, Department of Economic Affairs S.O.3407(E), dated the 8th November, 2016.

DETAILS OF SHARE CAPITALAS RESTATED ***Annexure – V***

(Rs. in Lacs)

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Share capital					
Authorised:					
Equity shares of Rs. 10/- each	2400.00	2400.00	2400.00	2400.00	1150.00
Issued, subscribed & fully paid up:					
Equity shares of Rs. 10/- each	2400.00	2400.00	2400.00	2001.00	251.00

Notes:

i. During FY 2014-15 Company has increased its Authorised Capital from Rs. 1150 lacs to Rs. 2400 lacs by passing Resolution at Extra Ordinary General Meeting. During FY 2017-18 the authorised share capital was increased to Rs. 2500 lacs.

ii. During FY 2014-15 Company has allotted 175 lac equity sharesand FY 2015-16 allotted 39.90 lacs equity shares by passing resolutions at Board Meetings.

Terms and Rights of Shareholders

I. The company was having only one class of equity shares with par value of Rs.10/- per share. Each holder of equity shares was entitled to one vote per share.

ii. In the Liquidation of the company, the holders of equity shares shall be entitled to receive any of the remaining assets of the company, after distribution of all the preferential amounts. The amount distributed will be in proportion to the number of shares held by the shareholders.

Reconciliation of number of shares outstanding:

(Rs. in Lacs)

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Equity shares outstanding at the beginning of the year	240.00	240.00	200.10	25.10	0.00
Add: Shares issued during the year	0.00	0.00	39.90	175.00	25.10
Add: Issue of bonus shares					
Equity shares outstanding at the end of the year	240.00	240.00	240.00	200.10	25.10

Details of Shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 30thSept, 2017		As at 31stMarch, 2017		As at 31stMarch, 2016	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Amit V. Ghadiya	18.20	7.58%	18.20	7.58%	17.70	7.38%
Ashokbhai S. Bhalala	16.80	7.00%	16.80	7.00%	16.80	7.00%
Rajdeep M. Patel	0.00	0.00%	0.00	0.00%	14.34	5.98%

Nipaben V. Sorathia	27.05	11.27%	27.05	11.27%	27.05	11.27%
Rekhaben H. Chauhan	24.00	10.00%	24.00	10.00%	24.00	10.00%
Nayan V. Ghadiya	13.70	5.71%	13.70	5.71%	10.72	4.47%
SonalP. Sorathia	24.13	10.05%	24.13	10.05%	24.13	10.05%
Pravinbhai S. Bhalala	16.30	6.79%	16.30	6.79%	16.30	6.79%
Ilaben D. Paghdar	16.02	6.68%	16.02	6.68%	0.00	0.00%
Pareshbhai S. Bhalala	15.90	6.63%	15.90	6.63%	15.90	6.63%

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. Of Shares	Percentage	No. Of Shares	Percentage
Amit V. Ghadiya	17.70	8.85%	5.02	20.00%
Ashokbhai S. Bhalala	14.70	7.35%	4.00	15.94%
Rajdeep M. Patel	12.00	6.00%	2.50	9.96%
Nipaben V. Sorathia	20.00	10.00%	2.50	9.96%
Rekhaben H. Chauhan	16.07	8.03%	2.50	9.96%
Nayan V. Ghadiya	10.72	5.36%	0.50	1.99%
SonalP. Sorathia	16.25	8.12%	2.50	9.96%
Pravinbhai S. Bhalala	13.20	6.60%	1.25	4.98%
Ilaben D. Paghdar	0.00	0.00%	0.00	0.00%
Pareshbhai S. Bhalala	0.00	0.00%	0.00	0.00%

Share Application money pending allotment:-

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Amit V. Ghadiya	0.00	0.00	0.00	0.00	50.00
Ashok S. Bhalala	0.00	0.00	0.00	0.00	40.00
Charmi N. Ghadiya	0.00	0.00	0.00	0.00	5.00
Nayan V. Ghadiya	0.00	0.00	0.00	0.00	5.00
Pooja A. Ghadiya	0.00	0.00	0.00	0.00	2.50
Paresh S. Bhalala	0.00	0.00	0.00	0.00	10.00
Pravinbhai S. Bhalala	0.00	0.00	0.00	0.00	12.50
Rajdeep M. Patel	0.00	0.00	0.00	0.00	25.00
Nipaben V. Sorathia	0.00	0.00	0.00	0.00	25.00
Sonal P. Sorathia	0.00	0.00	0.00	0.00	25.00
Rekhaben H. Chauhan	0.00	0.00	0.00	0.00	50.00
Total	**0.00**	**0.00**	**0.00**	**0.00**	**250.00**

DETAILS OF RESERVES & SURPLUS AS RESTATED ***Annexure – VI***

(Rs. in Lacs)

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Securities premium account					
Opening balance	0.00	0.00	0.00	0.00	0.00
Add: Additions during the year/ period	0.00	0.00	0.00	0.00	0.00
Closing balance	0.00	0.00	0.00	0.00	0.00
General reserve					
Opening balance	0.00	0.00	0.00	0.00	0.00
Add: Additions during the year/ period	0.00	0.00	0.00	0.00	0.00
Add: Utilisation during the year/ period	0.00	0.00	0.00	0.00	0.00
Closing balance	0.00	0.00	0.00	0.00	0.00
Surplus in statement of Profit & Loss					
Opening balance	754.30	215.69	(51.25)	0.00	0.00
Add: Profit for the year/ period	252.44	538.61	266.94	(51.25)	0.00
Amount available for appropriation	**1006.73**	**754.30**	**215.69**	**(51.25)**	**0.00**
Appropriations:					
Proposed dividend	0.00	0.00	0.00	0.00	0.00
Dividend distribution tax	0.00	0.00	0.00	0.00	0.00
Transfer to general reserve	0.00	0.00	0.00	0.00	0.00
Closing balance	**1006.73**	**754.30**	**215.69**	**(51.25)**	**0.00**
Balance Transfer to Balance Sheet	**1006.73**	**754.30**	**215.69**	**(51.25)**	**0.00**

Notes:

i. The Figures disclosed above are based on the Unconsolidated Restated Summary Statement of Assets and Liabilities of the Company.

ii. The above statement should be read with the notes to Unconsolidated Restated Summary Statement of Assets and Liabilities, Profit and Loss and Cash Flow appearing in Annexure I, II and III.

DETAILS OF LONG TERM BORROWINGS AS RESTATED ***ANNEXURE-VII***

(Rs. in Lacs)

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Secured					
- Term Loan					
- From Bank	2166.36	2465.08	3048.88	3081.62	1075.59
Unsecured					
- From Banks and NBFCs	67.12	0.00	0.00	0.00	0.00

- From Directors and Relatives	728.55	598.49	571.06	468.73	815.83
TOTAL	**2962.02**	**3063.57**	**3619.94**	**3550.35**	**1891.41**

Name of Lender	Purpose	Loan Agreement no	Sanctioned Amount	Rate of Interest	Repayment Schedule	Outstanding as on 30.09.2017
(I) SECURED LOAN						
HDFC Bank, Rajkot	Purchase of Car	-	13.92	9.5%	Monthly	8.97
State Bank of India, Rajkot	Purchase of Plant & Machinery	SBI/COMM/2017-18/559	4080	MCLR+ 3.75%	Monthly	2744.94

Security:

A) Mortgage of land and buildings situated at Plot No. 2, Survey No. 102/2, Vill.:Haripar, Tal: Kalawad, Dist. Jamnagar.

B) Hypothecation of all movable assets of the Company.

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR UNSECURED LOAN:

(Rs. in Lacs)

Name of Lender	Purpose	Rate of Interest	Repayment Schedule	Outstanding as on 30.09.2017
From Banks and NBFCs				
Bajaj Finance Ltd	Business	18.00%	Monthly	30.26
Capital First Ltd	Business	18.80%	Monthly	75.41
HDFC Bank	Business	15.50%	Monthly	29.15
ICICI Bank	Business	15.50%	Monthly	30.00
From Directors and Relatives	Business	9.00%	On repayment of term loan	728.55

DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED

ANNEXURE-VIII

(Rs. in Lacs)

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Opening Balance Deferred Tax (Assets)/Liability	239.20	159.61	79.34	0.00	0.00
Difference between book and tax depreciation	41.29	119.81	156.55	79.68	0.00
(DTA)/DTL on carried forward of losses	90.89	(39.41)	(75.18)	0.00	0.00
Provision for doubtful debts/advances	0.00	0.00	0.00	0.00	0.00

Disallowances under section 43B of the Income Tax Act,1961	0.00	0.00	0.00	0.00	0.00
Any other item	(0.12)	(0.81)	(1.10)	(0.33)	0.00
Closing Balance Deferred Tax (Assets)/Liability	**371.27**	**239.20**	**159.61**	**79.34**	**0.00**

DETAILS OF LONG TERM PROVISIONS AS RESTATED

ANNEXURE – IX ***(Rs. in Lacs)***

Particulars	**As at Sept 30,**	**As at March 31,**			
	2017	**2017**	**2016**	**2015**	**2014**
Provision for employee benefits:-					
Gratuity	7.18	6.83	4.39	1.07	0.00
Compensated absences	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00
Provision for Taxation	0.00	0.00	0.00	0.00	0.00
TOTAL	**7.18**	**6.83**	**4.39**	**1.07**	**0.00**

DETAILS OF SHORT TERM BORROWINGS AS RESTATED

ANNEXURE-X ***(Rs. in Lacs)***

Particulars	**As at Sept 30,**	**As at March 31,**			
	2017	**2017**	**2016**	**2015**	**2014**
Secured					
(a) Loans repayable on demand					
- From State Bank of India, Rajkot *					
- Cash Credit A/c (including Packing Credit as sub-limit)	603.43	555.21	215.08	589.46	0.00
TOTAL	**603.43**	**555.21**	**215.08**	**589.46**	**0.00**

Name of Lender	**Purpose**	**Loan Agreement no**	**Sanctioned Amount**	**Rate of Interest**	**Repayment Schedule**	**Outstanding as on 30.09.2017**
(I) SECURED LOAN						
State Bank of India, Rajkot *	Working Capital Finance	SBI/COMM/ 2017-18/559	600	MCLR+3.75%	On Demand	603.43

Security :-Extension of Equitable Mortgage on following Property

A) Land and Buildings situated at Plot No. 2, Survey No. 102/2, Vill: Haripar, Tal: Kalawad, Dist Jamnagar

'(*) (Secured against raw material, work in process, finished goods, book debts, other receivables and other current asset of the Company)

DETAILS OF TRADE PAYABLES AS RESTATED ***ANNEXURE-XI***

(Rs. in Lacs)

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
A) Micro, Small and Medium Enterprise	0.00	0.00	0.00	0.00	0.00
B) Others	713.00	351.83	114.75	275.90	0.00
TOTAL	**713.00**	**351.83**	**114.75**	**275.90**	**0.00**

Note:

The Trade payables as on September 30, 2017 have been taken as certified by the management of the company.

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED
ANNEXURE – XII

(Rs. in Lacs)

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Current maturities of long term debt	682.30	589.01	586.85	344.53	2.02
Other payables					
- For Expenses	27.50	0.00	0.00	0.00	0.00
- For Capital Goods	6.73	13.51	22.92	195.79	41.84
Advance from customers	3.93	2.00	0.35	0.00	0.00
Statutory dues					
- VAT/GST Payable	248.18	17.66	0.00	0.00	0.00
- Provident Fund	1.08	1.35	0.72	0.76	0.00
- TDS Payable	1.26	7.25	0.00	5.93	2.93
- TCS Payable	11.25	9.35	0.00	1.23	0.00
TOTAL	**982.23**	**640.13**	**610.85**	**548.24**	**46.79**

Note:

Advances from Customers have been taken as certified by the management of the company and not any security has been offered by the company against the same.

DETAILS OF SHORT TERM PROVISIONS AS RESTATED

ANNEXURE- XIII ***(Rs. in Lacs)***

Particulars	As at Sept 30,	As at March 31,

	2017	2017	2016	2015	2014
Provision for employee benefits					
-Gratuity	0.03	0.02	0.02	0.00	0.00
- Wages Payable	31.16	9.01	11.36	0.00	0.00
- Salary Payable	28.55	9.27	19.58	0.00	0.00
- Compensated absences	0.00	0.00	0.00	0.00	0.00
Other Provisions					
- Security charges	0.00	0.00	1.44	1.45	0.00
- Audit Fees	0.20	0.86	0.75	0.75	0.10
- Factory Power Consumption	14.43	34.13	33.05	28.06	40.25
- Sales Commission Payable	0.00	0.00	5.18	0.00	0.00
Provision for taxation	296.06	154.52	76.14	5.35	0.00
TOTAL	**370.44**	**207.82**	**147.52**	**35.62**	**40.35**

Note:

The provision of income tax of each year is without adjustment of TDS receivable if any.

DETAILS OF FIXED ASSETS AS RESTATED

ANNEXURE –XIV ***(Rs. in Lacs)***

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Tangible Assets					
Land	63.60	63.60	63.60	63.60	63.60
Buildings	906.68	922.56	948.26	963.42	0.00
Plant & Equipment	4350.45	4507.73	4744.03	4265.95	0.31
Furniture & Fixtures	14.40	15.31	14.53	15.84	0.00
Electrification	32.61	34.60	36.45	23.31	0.00
Vehicles	25.85	27.25	14.32	16.78	10.16
Office Equipment	4.81	4.17	4.25	1.78	0.00
Computer & Printer	2.95	5.27	9.32	12.69	0.59
Total Tangible Assets (A)	**5401.36**	**5580.49**	**5834.75**	**5363.37**	**74.65**
Capital Work-in-Progress					
Factory Building/ Plant & Equipment	0.00	0.00	0.00	0.00	1172.76
Total Capital Work-in-Progress (B)	**0.00**	**0.00**	**0.00**	**0.00**	**1172.76**
Grand Total (A+B)	**5401.36**	**5580.49**	**5834.75**	**5363.37**	**1247.41**

DETAILS OF LONG TERM LOANS AND ADVANCES AS RESTATED

ANNEXURE – XV

(Rs. in Lacs)

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
(a) Security Deposits					
(Unsecured, considered good)					
- Deposits	0.95	0.95	1.15	16.48	1.15
TOTAL	**0.95**	**0.95**	**1.15**	**16.48**	**1.15**

DETAILS OF OTHER NON CURRENT ASSETS AS RESTATED

ANNEXURE – XVI ***(Rs. in Lacs)***

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Unamortised expenditure					
Preliminary Expenses (not Written off)	2.98	3.97	5.95	7.93	0.34
Pre-Operative Expenses	0.00	0.00	0.00	0.00	99.63
TOTAL	**2.98**	**3.97**	**5.95**	**7.93**	**99.97**

DETAILS OF INVENTORIES AS RESTATED

ANNEXURE – XVII ***(Rs. in Lacs)***

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Raw materials& Components	615.47	491.67	547.34	267.49	0.00
Work-in-process	479.96	238.83	146.35	0.00	0.00
Finished goods	426.05	262.74	126.75	129.73	0.00
TOTAL	**1521.49**	**993.24**	**820.43**	**397.21**	**0.00**

Note:

Value of the inventory as of September 30th 2017 has been taken as certified by the management.

DETAILS OF TRADE RECEIVABLES AS RESTATED

ANNEXURE-XVIII ***(Rs. in Lacs)***

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014

Unsecured, considered good					
Outstanding for a periodexceeding six months	35.40	39.00	39.00	0.00	0.00
Less: Provision for doubtful debts	0.00	0.00	0.00	0.00	0.00
Other debts	624.69	523.39	162.03	207.67	0.00
TOTAL*	**660.09**	**562.39**	**201.03**	**207.67**	**0.00**

Note:

i. * of the above outstanding from related parties

ii. As per view of the management of the company there is no doubtful debt and hence provision for doubtful debt has not been made.

iii. Trade receivables as on September 30, 2017 has been taken as certified by the management of the company.

DETAILS OF CASH AND BANK BALANCES AS RESTATED

ANNEXURE- XIX ***(Rs. in Lacs)***

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Cash in hand	8.48	8.99	1.80	14.03	2.59
Balances with banks					
- in current accounts	1.05	1.37	28.70	178.01	33.82
- Fixed deposits	118.10	113.27	105.28	141.76	212.57
Total	**127.63**	**123.63**	**135.78**	**333.80**	**248.98**

DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED

ANNEXURE – XX ***(Rs. in Lacs)***

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Unsecured, considered good					
- VAT/GST receivable	761.70	0.00	58.45	64.04	0.36
- Excise authority	1.62	1.62	3.49	71.22	68.93
- VAT reimbursement receivable	632.70	521.15	170.18	34.33	0.00
- Power tariff subsidy receivable	24.26	56.18	50.18	71.28	0.00
- Interest subsidy receivable	59.05	63.86	117.97	188.62	0.00
Other loans and advances					
Advance to Suppliers	12.79	104.09	7.92	0.00	0.00

Advance income-tax (net)/Income-tax Authority	204.06	204.06	77.88	6.33	0.27
Capital Advances	0.00	0.00	0.00	267.43	812.49
TOTAL	**1696.17**	**950.96**	**486.07**	**703.26**	**882.06**

Note:

i. Advances to Suppliers have been taken as certified by the management of the company.

ii. No securities has been taken by the management against advances given to suppliers.

iii. Receivables from Income tax includes TDS receivables and MAT Entitlements.

DETAILS OF OTHER CURRENT ASSETS AS RESTATED

ANNEXURE – XXI ***(Rs. in Lacs)***

Particulars	**As at Sept 30,**	**As at March 31,**			
	2017	**2017**	**2016**	**2015**	**2014**
Unamortised expenditure					
-Prepaid Expenses	5.62	3.27	2.67	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00
TOTAL	**5.62**	**3.27**	**2.67**	**0.00**	**0.00**

DETAILS OF OTHER INCOME AS RESTATED

ANNEXURE –XXII ***(Rs. in Lacs)***

Particulars	**As at Sept 30,**	**As at March 31,**			
	2017	**2017**	**2016**	**2015**	**2014**
Other income	116.37	360.16	143.36	41.87	0.00
Net profit before tax as restated	526.04	618.20	347.21	28.09	0.00
Percentage	**22.12%**	**58.26%**	**41.29%**	**149.03%**	**0.00%**
Interest Income FD (Business-Recurring)	4.83	8.88	7.50	7.53	0.00
Discount received	0.00	0.00	0.00	0.00	000
Miscellaneous income / Balance Written-off	0.00	0.30	0.00	0.01	0.00
-VAT Refund Claim (Business-Recurring)	111.54	350.97	135.85	34.33	0.00
Total other income	**116.37**	**360.16**	**143.36**	**41.87**	**0.00**

CAPITALISATION STATEMENT AS AT 30th SEPTEMBER, 2017

ANNEXURE – XXIII ***(Rs. in Lacs)***

Particulars	**Pre Issue**	**Post Issue**

Borrowings:		
Short-term	603.43	603.43
Long-term (A)	3644.32	3644.32
Total debts (B)	**4247.75**	**4247.75**
Shareholders' funds		
Equity Share capital	2400.00	*
Reserve and surplus- as restated	1006.73	*
Total shareholders' funds (C)	**3406.73**	
Long term debt / shareholders' funds (A/C)	**1.07**	*
Total debt / shareholders' funds (B/C)	**1.25**	*

Note:

1. The Short Terms debts represent are due within next 12 months from September 30, 2017.

2. The long term debts represent debts other than short term debts as referred above, but includes current maturities of long term debts.

3. The figures disclosed above are based on restated statement of assets and liabilities of the Company as at September 30, 2017.

STATEMENT OF TAX SHELTERS ***ANNEXURE – XXIV***

(Rs. in Lacs)

Particulars	**As at Sept 30,**	**As at March 31,**			
	2017	**2017**	**2016**	**2015**	**2014**
Profit before tax, as restated (A)	526.04	618.20	347.21	28.09	0.00
Tax Rate (%)	34.61%	33.06%	33.06%	0.31%	0.31%
Tax at notional rate on profits	182.05	204.38	114.79	8.68	0.00
Adjustments :					
Permanent differences(B)					
Professional Tax	1.90	4.40	3.71	1.23	0.00
Income Tax Expense	-	-	0.05	0.05	0.00
Total permanent differences(B)	**1.90**	**4.40**	**3.77**	**1.28**	**0.00**
Income considered separately (C)	0.00	0.00	0.00	0.00	0.00
Timing differences(D)					
Difference between tax depreciation and book depreciation	(119.31)	(362.41)	(473.52)	(257.85)	0.00
Difference due to expenses (Gratuity) allowable/ disallowable u/s 40	0.35	2.45	3.33	1.08	0.00
Total timing differences (D)	**(118.96)**	**(359.96)**	**(470.19)**	**(256.77)**	**0.00**

Particulars	As at Sept 30,	As at March 31,			
	2017	2017	2016	2015	2014
Net adjustments E = (B+C+D)	(117.06)	(355.56)	(466.42)	(255.49)	0.00
Tax expense / (saving) thereon F = (E * Tax Rate)	**(40.51)**	**(117.55)**	**(154.20)**	**(78.95)**	**0.00**
Income from other sources					
Taxable income/(loss) (A+E+F)	**408.98**	**262.64**	**(119.21)**	**(227.40)**	**0.00**
Less : Set off of Brought Forward Losses	**0.00**	**(262.64)**	**0.00**	**0.00**	**0.00**
Taxable income/(loss)	**408.98**	**0.00**	**(119.21)**	**(227.40)**	**0.00**
Carried Forward of Losses	**0.00**	**(83.97)**	**(346.61)**	**(227.40)**	**0.00**
Taxable income/(loss) as per MAT	526.04	618.20	347.26	28.14	0.00
Income tax as returned/computed	141.54	126.04	70.79	5.35	0.00
Tax paid as per “normal” or “MAT”	NORMAL	MAT	MAT	MAT	-

DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED ***ANNEXURE – XXV***

(Rs. in Lacs)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited up to30-09-2017	Amount of Transaction Credited up to 30-09-17	Amount Outstanding as on September 30, 2017 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on March 31, 2017 (Payable)/ Receivable
Rekhaben Chauhan	Director	Deposit Interest	-	3.84	(3.84)	8.85	8.85	-
		Rent	-	0.90	(0.90)	3.60	1.80	
		Deposit	-	26.00	(107.89)	7.88	8.85	(81.89)
		Director Remuneration	7.65	7.35	(0.60)	6.06	2.40	(0.90)
SonalbenSorathia	Director's Brother's Wife	Deposit Interest		0.38	(0.38)	0.92	0.92	
		Rent		2.70	(2.70)	3.60	1.80	
		Deposit			(8.53)	0.09	0.92	(8.53)
PareshbhaiJethva	Director's Brother-in-law	Deposit Interest		0.08	(0.08)	0.10	0.10	
		Deposit		15.00	(15.90)	5.01	0.10	(0.90)
		Office/Supervisor Salary	1.96	2.01	(0.05)	2.01	2.01	
PareshbhaiBhalala	Director	Deposit Interest	-	1.05	(1.05)	2.51	2.51	-
		Deposit	-	-	(23.24)	0.25	2.51	(23.24)
		Diretor Remuneration	4.58	5.25	(0.67)	1.50	1.50	-
PareshbhaiBhalalaHUF	Director's HUF	Deposit Interest	-	0.53	(0.53)	1.09	1.09	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited up to30-09-2017	Amount of Transaction Credited up to 30-09-17	Amount Outstanding as on September 30, 2017 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on March 31, 2017 (Payable)/ Receivable
		Deposit	-	-	(11.82)	0.11	11.09	(11.82)
PoojabenGadhiya	Director's Wife	Deposit Interest	-	0.81	(0.81)	1.94	1.94	-
		Deposit	-	-	(17.94)	0.19	1.94	(17.94)
		Office Salary	0.75	1.50	(0.75)	-	-	-
Prakash Sorathia	Director's Brother (Resigned from directorship w.e.f. 12.03.2016)	Deposit Interest	-	0.65	(0.65)	2.59	2.59	-
		Deposit	-	-	(14.44)	18.26	2.59	(14.44)
		Director Remuneration	-	-	-	4.56	-	-
PravinabenGohil	Director's Sister	Deposit Interest	-	0.04	(0.04)	0.09	0.09	-
		Deposit	-	1.00	(1.83)	5.01	0.09	(0.83)
		Office Salary	1.96	2.01	(0.05)	2.01	2.01	-
PravinbhaiBhalala	Director	Deposit Interest	-	0.47	(0.47)	1.12	1.12	-
		Deposit	-	-	(10.37)	0.11	1.12	(10.37)
		Director Remuneration	4.58	5.25	(0.67)	1.50	1.50	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited up to30-09-2017	Amount of Transaction Credited up to 30-09-17	Amount Outstanding as on September 30, 2017 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on March 31, 2017 (Payable)/ Receivable
PravinbhaiBhalala HUF	Director's HUF	Deposit Interest	-	0.62	(0.62)	1.31	1.31	-
		Deposit	-	-	(13.78)	0.13	10.81	(13.78)
Rajdeepbhai Tala	Director	Deposit Interest	-	3.40	(3.40)	8.15	8.15	-
		Deposit	-	-	(75.40)	0.81	8.15	(75.40)
		Director Remuneration	5.30	5.10	(0.70)	6.06	2.40	(0.90)
SarojbenBhalala	Director's Wife	Deposit Interest	-	0.54	(0.54)	1.07	1.07	-
		Deposit	-	-	(12.06)	0.11	11.07	(12.06)
		Supervisor Salary	2.20	2.20	-	-	-	-
ShukanbhaiBhalala HUF	Director's Father's HUF	Deposit Interest		0.59	(0.59)	2.07	2.07	-
		Deposit	7.00	-	(12.19)	0.21	2.07	(19.19)
Tricot ImpexPvt Ltd	Sister Concern	Deposit Interest	-	-	-	-	-	-
		Deposit	-	-	-	-	-	-
		Sales	-		-	0.35	-	-
ShukanbhaiBhalala	Director's Father	Deposit Interest	-	0.46	(0.46)	0.21	0.21	-
		Deposit	-	7.00	(11.19)	0.02	4.21	(4.19)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited up to30-09-2017	Amount of Transaction Credited up to 30-09-17	Amount Outstanding as on September 30, 2017 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on March 31, 2017 (Payable)/ Receivable
		Supervisor Salary	2.20	2.20	-	-	-	-
Abhishek Tala (Patel)	Director's Brother	Deposit Interest	-	0.08	(0.08)	0.19	0.19	-
		Deposit	-	-	(1.77)	0.02	0.19	(1.77)
		Office Salary	1.13	1.50	(0.37)	-	-	-
AmitbhaiGadhiya	Director	Deposit Interest	-	4.22	(4.22)	10.27	10.27	-
		Deposit	3.00	-	(92.09)	4.04	13.29	(95.09)
		Director Remuneration	6.15	5.85	(0.60)	6.06	2.40	(0.90)
AshokbhaiBhalala	Director	Deposit Interest	-	2.96	(2.96)	8.08	8.08	-
		Deposit	-	-	(65.63)	43.81	8.08	(65.63)
		Director Remuneration	4.54	4.35	(0.71)	3.90	2.40	(0.90)
Ashokbhai Bhalala (A. Patel Alloys)	Sister Concern	Sales	-	3.60	35.40	-	-	39.00
AshokbhaiBhalala HUF	Director's HUF	Deposit Interest	-	0.92	(0.92)	3.14	3.14	-
		Deposit	10.00	-	(19.04)	0.31	3.14	(29.04)
ChetnabenBhalala	Director's wife	Deposit Interest	-	1.02	(1.02)	1.44	1.44	-
		Deposit	-	10.00	(24.13)	0.14	5.94	(14.13)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited up to30-09-2017	Amount of Transaction Credited up to 30-09-17	Amount Outstanding as on September 30, 2017 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on March 31, 2017 (Payable)/ Receivable
		Supervisor Salary	2.20	2.20	-	-	-	-
Harikrishna Chauhan	Director	Deposit Interest	-	0.23	(0.23)	0.02	0.02	-
		Deposit	-	42.10	(42.32)	3.00	0.02	(0.22)
		Director Remuneration	7.65	8.25	(0.60)	1.50	1.50	-
Harikrishna Chauhan HUF	Director's HUF	Deposit Interest	-	0.16	(0.16)	0.02	0.02	-
		Deposit	-	36.00	(36.22)	-	0.02	(0.22)
IlabenPaghdar	Director	Deposit Interest	-	-	-	-	-	-
		Deposit	-	10.00	(10.00)	-	-	-
		Director Remuneration	5.79	6.50	(0.72)	1.50	1.51	(0.01)
		Office Salary	-	-	-	2.00	2.00	-
JalpabenBhalala	Director's Brother's wife	Deposit Interest	-	0.63	(0.63)	1.52	1.52	-
		Deposit	-	-	(14.07)	0.15	1.52	(14.07)
		Supervisor Salary	2.20	2.20	-	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited up to30-09-2017	Amount of Transaction Credited up to 30-09-17	Amount Outstanding as on September 30, 2017 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on March 31, 2017 (Payable)/ Receivable
KantabenGadhiya	Director's Mother	Deposit Interest	-	0.97	(0.97)	2.32	2.32	-
		Deposit	-	-	(21.47)	0.23	2.32	(21.47)
ManojbhaiBaldha	Director	Deposit Interest	-	0.85	(0.85)	1.02	1.02	-
		Deposit	-	-	(18.91)	0.10	19.02	(18.91)
		Director Remuneration	5.40	6.00	(0.60)	1.50	1.50	-
Narmadaben Chauhan	Director's Mother	Deposit Interest	-	0.02	(0.02)	0.04	0.04	-
		Deposit	-	-	(0.39)	5.00	0.04	(0.39)
NayanbhaiGadhiya	Director's Brother	Deposit Interest	-	0.54	(0.54)	1.35	1.35	-
		Deposit	-	-	(11.95)	1.04	1.35	(11.95)
NipabenSorathiya	Director's Sister	Deposit Interest	-	1.19	(1.19)	2.85	2.85	-
		Deposit	-	-	(26.35)	0.28	2.85	(26.35)
GordhanbhaiGadhiya	Father-in-law of Director	Salary Expenses						
			-	-	-	0.15	0.15	-
Sanjaybhai Chauhan	Director's Brother	Job-work Expenses	-	-	-	-	-	-
			-	-	-	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited up to30-09-2017	Amount of Transaction Credited up to 30-09-17	Amount Outstanding as on September 30, 2017 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on March 31, 2017 (Payable)/ Receivable

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on March 31, 2016 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on March 31, 2015 (Payable)/ Receivable
Rekhaben Chauhan	Director	Deposit Interest	12.12	12.12	-	4.02	4.02	-
		Rent	-	1.80	(1.80)	1.80	1.80	-
		Deposit	80.51	79.12	(80.93)	60.40	127.72	(82.32)
		Director Remuneration	0.24	4.80	(4.56)	-	-	-
SonalbenSorathia	Director's Brother's Wife	Deposit Interest	3.15	3.15	-	4.60	4.60	-
		Rent	-	1.80	(1.80)	1.80	1.80	-
		Deposit	79.09	53.15	(7.70)	160.96	59.60	(33.64)
PareshbhaiJethva	Director's Brother-in-law	Deposit Interest	0.13	0.13	-	0.77	0.77	-
		Deposit	0.01	5.13	(5.81)	40.08	40.77	(0.69)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on March 31, 2016 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on March 31, 2015 (Payable)/ Receivable
		Office/Supervisor Salary	-	-	-	-	-	-
PareshbhaiBhalala	Director	Deposit Interest	3.45	3.45	-	2.35	2.35	-
		Deposit	35.85	20.95	(20.98)	103.74	86.10	(35.87)
		Director Remuneration	-	-	-	-	-	-
PareshbhaiBhalalaHUF	Director's HUF	Deposit Interest	0.13	0.13	-	0.80	0.80	-
		Deposit	0.01	0.13	(0.84)	27.08	21.80	(0.72)
PoojabenGadhiya	Director's Wife	Deposit Interest	2.51	2.51	-	1.09	1.09	-
		Deposit	0.25	2.51	(16.19)	28.61	26.04	(13.93)
		Office Salary	-	-	-	-	-	-
Prakash Sorathia	Director's Brother (Resigned from	Interest Deposit	3.64	3.64	-	2.03	2.03	-
		Deposit	10.86	28.64	(30.11)	52.70	27.53	(12.33)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on March 31, 2016 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on March 31, 2015 (Payable)/ Receivable
	directorship w.e.f. 12.03.2016)	Director Remuneration	0.24	4.80	(4.56)	-	-	-
PravinabenGohil	Director's Sister	Deposit Interest	0.12	0.12	-	0.71	0.71	-
		Deposit	0.01	5.12	(5.75)	40.07	40.71	(0.64)
		Office Salary	-	-	-	-	-	-
PravinbhaiBhalala	Director	Deposit Interest	1.85	1.85	-	2.44	2.44	-
		Deposit	31.19	18.85	(9.36)	107.24	102.94	(21.69)
		Director Remuneration	2.40	2.40	-	-	-	-
PravinbhaiBhalala HUF	Director's HUF	Deposit Interest	0.48	0.48	-	0.74	0.74	-
		Deposit	0.05	0.48	(3.10)	25.57	18.74	(2.67)
Rajdeepbhai Tala	Director	Deposit Interest	7.98	7.98	-	2.54	2.54	-
		Deposit	24.20	62.98	(68.07)	70.25	40.04	(29.29)
		Director Remuneration	0.24	4.80	(4.56)	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on March 31, 2016 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on March 31, 2015 (Payable)/ Receivable
SarojbenBhalala	Director's Wife	Deposit Interest	0.79	0.79	-	0.99	0.99	-
		Deposit	12.08	0.79	(1.10)	17.10	24.99	(12.39)
		Supervisor Salary	-	-	-	-	-	-
ShukanbhaiBhalala HUF	Director's Father's HUF	Deposit Interest	2.74	2.74	-	0.96	0.96	-
		Deposit	1.27	2.74	(17.33)	26.10	34.96	(15.86)
Tricot ImpexPvt Ltd	Sister Concern	Deposit Interest	-	-	-	-	-	-
		Deposit	146.00	146.00	-	-	-	-
		Sales	70.02	87.29	(0.35)	499.06	482.15	16.91
ShukanbhaiBhalala	Director's Father	Deposit Interest	-	-	-	-	-	-
		Deposit	-	-	-	-	-	-
		Supervisor Salary	-	-	-	-	-	-
Abhishek Tala (Patel)	Director's Brother	Deposit Interest	1.09	1.09	-	2.34	2.34	-
		Deposit	16.61	1.09	(1.59)	70.23	87.34	(17.11)
		Office Salary	-	-	-	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on March 31, 2016 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on March 31, 2015 (Payable)/ Receivable
AmitbhaiGadhiya	Director	Deposit Interest	12.24	12.24	-	4.05	4.05	-
		Deposit	1.97	54.24	(85.84)	88.42	56.05	(33.57)
		Director Remuneration	0.24	4.80	(4.56)	-	-	-
AshokbhaiBhalala	Director	Deposit Interest	15.07	15.07	-	3.45	3.45	-
		Deposit	32.01	113.07	(101.36)	67.34	3.45	(20.29)
		Director Remuneration	-	2.40	(2.40)	-	-	-
AshokbhaiBhalala HUF	Director's HUF	Deposit Interest	4.07	4.07	-	1.72	1.72	-
		Deposit	0.41	4.07	(26.22)	23.17	40.72	(22.55)
ChetnabenBhalala	Director's wife	Deposit Interest	1.29	1.29	-	0.74	0.74	-
		Deposit	0.13	1.29	(8.33)	27.07	31.24	(7.16)
		Supervisor Salary	-	-	-	-	-	-
Harikrishna Chauhan	Director	Deposit Interest	0.03	0.03	-	0.19	0.19	-
		Deposit	-	3.03	(3.20)	60.02	50.19	(0.17)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on March 31, 2016 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on March 31, 2015 (Payable)/ Receivable
		Director Remuneration	-	-	-	-	-	-
Harikrishna Chauhan HUF	Director's HUF	Deposit Interest	0.03	0.03		0.19	0.19	
		Deposit	-	0.03	(0.20)	60.02	45.19	(0.17)
IlabenPaghdar	Director	Deposit Interest	-	-	-	-	-	-
		Deposit	-	-	-	-	-	-
		Director Remuneration	-	-	-	-	-	-
		Office Salary	-	-	-	-	-	-
JalpabenBhalala	Director's Brother's wife	Deposit Interest	2.56	2.56	-	1.27	1.27	-
		Deposit	11.76	2.56	(12.70)	21.63	36.52	(21.89)
		Supervisor Salary	-	-	-	-	-	-
KantabenGadhiya	Director's Mother	Deposit Interest	3.01	3.01	-	2.21	2.21	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on March 31, 2016 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on March 31, 2015 (Payable)/ Receivable
		Deposit	0.30	3.01	(19.39)	52.77	69.45	(16.68)
ManojbhaiBaldha	Director	Deposit Interest	-	-	-	-	-	-
		Deposit	-	-	-	-	-	-
		Director Remuneration	-	-	-	-	-	-
Narmadaben Chauhan	Director's Mother	Deposit Interest	0.06	0.06	-	0.33	0.33	-
		Deposit	0.01	5.06	(5.35)	40.03	15.33	(0.30)
NayanbhaiGadhiya	Director's Brother	Deposit Interest	1.81	1.81	-	1.45	1.45	-
		Deposit	0.18	1.81	(11.63)	109.39	72.20	(10.01)
NipabenSorathiya	Director's Sister	Deposit Interest	4.21	4.21	-	6.14	6.14	-
		Deposit	70.95	49.21	(23.79)	168.11	69.64	(45.53)
GordhanbhaiGadhiya	Father-in-law of Director	Salary Expenses	-	-	-	-	-	-
			-	-	-	-	-	-
Sanjaybhai Chauhan	Director's Brother	Job-work	-	-	-	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on March 31, 2016 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on March 31, 2015 (Payable)/ Receivable
		Expenses	-	-	-	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on March 31, 2014 (Payable)/ Receivable
Rekhaben Chauhan	Director	Deposit Interest	-	-	-
		Rent	-	-	-
		Deposit	100.00	115.00	(15.00)
		Director Remuneration	-	-	-
SonalbenSorathia	Director's Brother's Wife	Deposit Interest	-	-	-
		Rent	-	-	-
		Deposit	50.00	185.00	(135.00)
PareshbhaiJethva	Director's Brother-in-law	Deposit Interest	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on March 31, 2014 (Payable)/ Receivable
		Deposit	-	-	-
		Office/Supervisor Salary	-	-	-
PareshbhaiBhalala	Director	Deposit Interest	-	-	-
		Deposit	20.00	73.50	(53.50)
		Director Remuneration	-	-	-
PareshbhaiBhalalaHUF	Director's HUF	Deposit Interest	-	-	-
		Deposit	-	6.00	(6.00)
PoojabenGadhiya	Director's Wife	Deposit Interest	-	-	-
		Deposit	5.00	21.50	(16.50)
		Office Salary	-	-	-
Prakash Sorathia	Director's Brother (Resigned from directorship w.e.f. 12.03.2016)	Deposit Interest	-	-	-
		Deposit	-	37.50	(37.50)
		Director Remuneration	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on March 31, 2014 (Payable)/ Receivable
PravinabenGohil	Director's Sister	Deposit Interest	-	-	-
		Deposit	-	-	-
		Office Salary	-	-	-
PravinbhaiBhalala	Director	Deposit Interest	-	-	-
		Deposit	25.00	51.00	(26.00)
		Director Remuneration	-	-	-
PravinbhaiBhalala HUF	Director's HUF	Deposit Interest	-	-	-
		Deposit	-	9.50	(9.50)
Rajdeepbhai Tala	Director	Deposit Interest	-	-	-
		Deposit	50.00	109.50	(59.50)
		Director Remuneration	-	-	-
SarojbenBhalala	Director's Wife	Deposit Interest	-	-	-
		Deposit	-	4.50	(4.50)
		Supervisor Salary	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on March 31, 2014 (Payable)/ Receivable
ShukanbhaiBhalala HUF	Director's Father's HUF	Deposit Interest	-	-	-
		Deposit	-	7.00	(7.00)
Tricot ImpexPvt Ltd	Sister Concern	Deposit Interest	-	-	-
		Deposit	-	-	-
		Sales	-	-	-
ShukanbhaiBhalala	Director's Father	Deposit Interest	-	-	-
		Deposit	-	-	-
		Supervisor Salary	-	-	-
Abhishek Tala (Patel)	Director's Brother	Deposit Interest	-	-	-
		Deposit	-	-	-
		Office Salary	-	-	-
AmitbhaiGadhiya	Director	Deposit Interest	-	-	- -
		Deposit	100.20	166.15	(65.95)
		Director Remuneration	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on March 31, 2014 (Payable)/ Receivable
AshokbhaiBhalala	Director	Deposit Interest	-	-	-
		Deposit	80.00	164.19	(84.19)
		Director Remuneration	-	-	-
Ashokbhai Bhalala (A. Patel Alloys)	Sister Concern	Sales	-	-	-
AshokbhaiBhalala HUF	Director's HUF	Deposit Interest	-	-	-
		Deposit	-	5.00	(5.00)
ChetnabenBhalala	Director's wife	Deposit Interest	-	-	-
		Deposit	-	3.00	(3.00)
		Supervisor Salary	-	-	-
Harikrishna Chauhan	Director	Deposit	-	-	-
		Interest			
		Deposit	-	10.00	
			-	-	(10.00)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on March 31, 2014 (Payable)/ Receivable
		Director Remuneration			-
Harikrishna Chauhan HUF	Director's HUF	Deposit Interest			
		Deposit	-	15.00	(15.00)
IlabenPaghdar	Director	Deposit Interest	-	-	-
		Deposit	-	-	-
		Director Remuneration	-	-	-
		Office Salary	-	-	-
					-
		Deposit Interest	-	-	-
JalpabenBhalala	Director's Brother's wife	Deposit	-	7.00	(7.00)
		Supervisor Salary	-	-	-
KantabenGadhiya	Director's Mother	Deposit Interest	-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on March 31, 2014 (Payable)/ Receivable
		Deposit	-	-	-
ManojbhaiBaldha	Director	Deposit Interest	-	-	-
		Deposit	-	-	-
		Director Remuneration	-	-	-
Narmadaben Chauhan	Director's Mother	Deposit Interest	-	-	-
		Deposit	-	25.00	(25.00)
NayanbhaiGadhiya	Director's Brother	Deposit Interest	-	-	-
		Deposit	10.00	57.19	(47.19)
NipabenSorathiya	Director's Sister	Deposit Interest	-	-	-
		Deposit	50.00	194.00	(144.00)
Gordhanbhai Gadhiya	Father-in-law of Director	Salary Expenses	-	-	-
			-	-	-

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on March 31, 2014 (Payable)/ Receivable
Sanjaybhai Chauhan	Director's Brother	Job-work Expenses	9.07	9.07	-

SUMMARY OF ACCOUNTING RATIOS ***Annexure – XXVI***

(Rs. in Lacs)

Ration	**As at Sept 30,**	**As at March 31,**			
	2017	**2017**	**2016**	**2015**	**2014**
Restated PAT as per statement of profit and loss	252.44	538.61	266.94	(51.25)	0.00
Number of equity shares at the end of the year/period(in lacs)	240.00	240.00	240.00	200.10	25.10
Weighted average number of equity shares at the end of the year/ period(in lacs)	240.00	240.00	226.92	122.43	4.21
Net worth	3406.73	3154.30	2615.69	1949.75	251.00
Earnings Per Share					
Basic & Diluted (Rs)*	1.05	2.24	1.18	(0.42)	0.00
Basic & Diluted excluding Exceptional items (Rs.)	1.05	2.24	1.18	(0.44)	0.00
Return on net worth (%)	7.41%	17.08%	10.21%	(2.63%)	0.00%
Net asset value per share (Rs.)**	14.19	13.14	10.90	9.74	10.00
Nominal value per equity share (Rs.)	10.00	10.00	10.00	10.00	10.00

Note:

1. The ratios have been computed as per following formulas

   (i) *Basic EPS = Restated Profit after tax available to equity holders / Weighted average shares outstanding at the year/period end

   (ii) **Net Asset Value per share = Restated Net worth of equity holders / Nos of equity shares outstanding at the year/period end

   (iii) Return on net Worth (%) = Restated profit after tax available to equity holders / Restated Networth of equity shareholders

2. Net profit as restated, as appearing in the statement of the profit and loss, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial information of the Company.

3. Earnings per share calculations are done in accordance with Accounting Standard-20 "Earning per Share", issued by The Institute of Chartered Accountants of India.

Notes of Reconciliation of Profits:-

- As per audited financial statement, the company had wrongly given effect of and Interest Subsidy under the head "Operating Income" for F.Y. 2014-15 of Rs. 188.62 lacs, F.Y. 2015-16 of Rs. 396.32 lacs and F.Y. 2016-17 of Rs. 286.94 lacs by showing its as income., which are required to be shown as a deduction from "Interest paid to Banks" respectively, while preparing restated financial statement it has been rectified from F.Y. 2014-15 to 2016-17.

Reconciliation of Restated profit **Annexure-XXV**

Particulars	As at Sept 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Net Profit/(Loss) after tax as per Audited Profit & Loss Account	814.10	257.80	22.78	(84.84)	0.00
Adjustment for:					
Revenue from Operation	0.00	(432.40)	(553.25)	(259.89)	0.00
Other Income	521.15	350.97	132.72	34.33	0.00
Cost of material consumed	(15.86)	(27.70)	(16.74)	(2.91)	0.00
Employee Benefit Expense	(0.35)	(2.45)	(2.22)	(1.19)	0.00
Finance cost	0.00	286.94	396.32	188.62	0.00
Other Expenses	15.86	173.16	175.69	74.31	0.00
Change in Provision for Income Tax	82.02	(66.47)	(25.20)	(5.35)	0.00
MAT entitlements	0.00	126.04	70.79	5.35	0.00
Deferred Tax Asset / (Liability) Adjustment	(122.18)	(127.29)	66.05	0.33	0.00
Net Profit/(Loss) after tax as Restated	252.44	538.61	266.94	(51.25)	0.00

- As per audited financial statement, the company had wrongly given effect of Power Tariff Subsidy under the head "Operating Income" for F.Y. 2014-15 of Rs. 71.28 lacs, F.Y. 2015-16 of Rs. 158.18lacs and 2016-17 of Rs. 144.76 lacs by showing its as income., which are required to be shown as a deduction from power consumption, while preparing restated financial statement it has been rectified from F.Y. 2014-15 to 2016-17.
- As per audited financial statement, the company had wrongly shown of Inward Transportation of Rs. 2.91 lacs for F.Y. 2014-15, Rs. 16.74lacs for F.Y. 2015-16, Rs. 27.70 lacs for F.Y. 2016-17 and Rs. 15.86 lacs for H. F.Y. 2017-18 under head "other expenses", which is required to be shown under head "Cost of material consumed", While preparing restated financial statement it has been reclassified.
- As per audited financial statement, the company had wrongly given effect of Machinery insurance claim of Rs. 0.77 lacs Labour Insurance claim of Rs. 0.11 lacs and Guarantee fee refund Rs. 1.43 lacs under the head "Other Income" for F.Y. 2015-16 by showing its as income, which are required to be shown as a deduction from "Other Expenses" for Rs. 0.77 lacs, "Employee benefit expenses" for Rs. 1.11 lacs and "Finance Cost" for Rs. 1.43 lacs, while preparing restated financial statement it has been rectified for F.Y. 2015-16.
- As per audited financial statement, the company has provided VAT refund subsidy in half year 2017-18 for Rs. 521.15 lacs under the head "Other Income" which relating to earlier years, while preparing restated financial statement, provisions of Rs. 521.15 lacs deducted from "Other Income" in HY 2017-

18 and provision has been made in respective years under the head "Other Income" in F.Y. 2014-15 for Rs. 34.33 lacs, F.Y. 2015-16 for Rs. 132.72 lacs and F.Y. 2016-17 for Rs. 350.97 lacs.

- As per audited financial statement, the company had wrongly shown of Medical Expenses of Rs. 0.12 lacs for F.Y. 2014-15 under head "Other Expenses", which is required to be shown "Employee Expenses", while preparing restated financial statement it has been reclassified.
- As per audited financial statement, the company had wrongly shown of commodity loss under head "Other Expenses" for Rs. 0.70 lacs for F.Y. 2016-17, which is required to be deduct from commodity income under head "Operating Income", while preparing restated financial statement it has been rectified.
- As per audited financial statement, the company had wrongly shown kasar income under head "Other Income" for Rs. 0.00 lacs (Rs. 262) for F.Y. 2016-17, which is required to be deduct from Roundup expenses under head "Other Expenses", while preparing restated financial statement it has been rectified.
- The company did not provide Provision for Gratuity in books of accounts. Hence, while preparing restated audited financial statement, Provision for Gratuity based on Actuarial valuation given by M/s Kapadia Actuarial and Valuer, Mumbai has been considered and provided for.
- The company has provided for Provision for Income Tax in the books of accounts which is insufficient or excessive considering above points. Hence, while preparing restated audited financial statement, Provision for Income Tax, is re-calculated and provided.
- The company has not provided for MAT entitlement provision in the books of accounts. Hence, while preparing restated audited financial statement, Provision for MAT entitlement, is calculated and provided.
- The company has provided deferred tax as per AS-22 issued by ICAI which in sufficient or excessive considering above points. Hence, while preparing restated audited financial statement, Deferred Tax Liability/(Asset), after considering effect of above mentioned changes, is recalculated.

Material Regrouping

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profits and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per audited financial of the company , prepared in accordance with Revised Schedule VI, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (As Amended).

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 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 and 2015, and period ended September 30, 2017 including the related notes and reports, included in this Draft Prospectus have been prepared in accordance with requirements of the rules and provisions of Companies Act, 2013 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 September 30, 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 19 and 18, respectively, and elsewhere in this Draft Prospectus.

Our FY ends on March 31 of each year. Accordingly, all references to a particular FY are to the 12 months ended March 31 of that year.

OVERVIEW

Our Company was originally incorporated as "Akshar Spintex Private Limited" at Jamnagar, Gujarat as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 19, 2013 bearing Corporate Identification Number U17291GJ2013PTC075677 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders' resolution passed in the Extra-ordinary General Meeting held on December 26, 2017 and the name of our Company was changed to "Akshar Spintex Limited", vide a fresh Certificate of Incorporation dated January 5, 2018, bearing Corporate Identification Number U17291GJ2013PLC075677, issued by Registrar of Companies, Gujarat.

Incorporated in 2013, we are engaged in manufacturing of cotton yarn. We manufacture 100% cotton yarn which include combed, semi combed and carded yarn. Our registered office is situated at Survey No. 102 Kalavad Ranuja Road, Kalavad District Rajkot, Gujarat. The manufacturing facility of our Company is situated at Kalavad of Rajkot District in Gujarat state in 1,83,437 sq. ft. area which is in the vicinity of the rich cotton growing areas of Gujarat. The company has installed a capacity of total 24,480 spindle. Technology is a crucial aspect of the cotton yarn industry. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn.

Our Company is promoted by Ashok Bhalala, Amit Gadhiya, Harikrishna Chauhan and Rekhaben Chauhan. They have sound knowledge and experience in the industry in which we operate. Our Promoters have sound knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the cotton textile industry including but not limited to manufacturing and marketing of raw cotton, Cotton bales, Cotton seeds, yarn and by-products.

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 cotton industry has maintained close relations with its suppliers and tries to strengthen the same.

From FY 2014-15 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has grown from Rs. 1519.87 lakhs to Rs. 8678.78 lakhs, representing a CAGR of 138.96% ii) our EBITDA has grown from Rs. 255.39 lakhs to Rs. 1257.42 lakhs, representing a CAGR of 121.89% iii) our profit after tax has grown from a loss of Rs. 51.25 lakhs in the FY 2014-15 to a profit of Rs. 538.61 lakhs in the FY 2016-17 for which CAGR cannot be computed. Our restated total revenue, EBITDA and profit after tax for the six months ended September 30, 2017 was Rs. 4660.59 lakhs, Rs. 828.41 lakhs and Rs. 252.44 lakhs respectively, with an EBITDA margin of 17.77% and PAT margin of 5.42%.

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 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 December 04, 2017 to increase the authorised share capital to Rs. 25,00,00,000 consisting of 2,50,00,000 equity shares of Rs. 10 each from Rs. 24,00,00,000 consisting of 2,40,00,000 equity shares of Rs. 10 each;
2. The Board approved and passed resolution on February 05, 2018 to raise funds by making Initial Public Offering;
3. The shareholders approved and passed resolution on February 28, 2018 to authorize the Board of Directors to raise funds by making Initial Public Offering.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled *"Risk Factors"* beginning on page 19 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Competition from existing and new entrants;
- General economic and business conditions;
- Changes in laws and regulations that apply to the industry in which operate.

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The restated summary statement of assets and liabilities of the Company as at September 30, 2017, March 31, 2017, 2016, 2015 and 2014 and the related restated summary statement of profits and loss and cash flows for the period / years ended September 30, 2017, March 31, 2017, 2016, 2015 and 2014 (herein collectively referred to as ('Restated Summary Statements') have been complied by the management from the audited financial statements of the Company for the period/years ended on September 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013, approved by the board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with provisions of Part - I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the EMERGE Platform of National Stock Exchange of India Limited in connection with its proposed Initial Public offering of equity shares.

The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

B. Use of Estimates

The Preparation of restated financial statements in conformity with the Generally Accounting Principles (GAAP) requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

C. AS - 2 Valuation of Inventory

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing them to their respective present condition and location. Cost of Raw Material including components, Testing Materials, Scrap and consumable stores are determined on Weighted Average Method basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

D. AS - 4 Contingencies and Events Occurring After the Balance Sheet Date

Effects of, events occurred after Balance Sheet date and having material effect on financial statements are reflected in the accounts at appropriate places.

E. AS - 5 Net Profit or loss for the period, prior period items and changes in accounting policies

Material items of prior period, non-recurring and extra ordinary items are shown separately, If any.

F. AS – 6 Depreciation accounting

Depreciation on tangible assets and intangible assets is provided on the Straight Line Method Value over the useful lives of assets prescribed under Part C of Schedule II of the Companies Act, 2013.

G. AS - 9 Revenue Recognition

In appropriate circumstances, Revenue income is recognized when no significant uncertainty as to determination or realization exists. Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

H. AS - 10 Accounting for Fixed Assets

Tangible fixed assets are stated at cost net of recoverable taxes less accumulated depreciation.

I. AS - 11 Accounting for effects of changes in foreign exchange rates

a. Transactions dominated in foreign currencies are recorded at the exchange rate prevailing on date of transaction or that approximates the actual rate at the date of the transaction.

b. Monetary items denominated in foreign currencies at the year-end are restated at year end rates.

c. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the profit or loss account.

J. AS – 12 Accounting for Government Grants

Capital subsidy receivable specific to fixed assets is treated as per accounting standard 12 and other revenue grants are recorded as revenue items.

K. AS – 13 Accounting for Investments

During the years there were no investments.

L. AS – 14 Accounting for Amalgamations

During the years there was no amalgamation.

M. AS – 15 Employees Retirement Benefit Plan

a. Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

b. Gratuity Plan

The cost of providing benefit under the scheme are determined on the basis of actuarial valuation at each year end and contribution for the year is charged to the statement of profit and loss for the year.

c. Leave Encashment

The company measures the expected cost that it expects to pay as a result of unused entitlement that has accumulated at the reporting date and the earned leave amount for the current reporting period is charged to the statement of profit and loss for the year. The company presents the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

N. AS – 16 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

O. AS – 18 Related Party Disclosure

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given in notes of accounts.

P. AS – 19 Accounting for Leases

The Company has not entered into any lease agreements during the year.

Q. AS – 20 Earnings Per Share

Disclosure is made in the Notes of accounts as per the requirements of the standard.

R. AS – 22 Accounting for Taxes on Income

Provision for Current tax is based on the assessable income under the provisions of the Income-tax Act, 1961.

Deferred tax is recognized on timing difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods. Deferred tax resulting from "timing differences" is accounted for using tax rates and laws that have been enacted or substantively

enacted as on the balance sheet date. The deferred tax assets are recognized and carried forward only to the extent that there is a reasonable / virtual certainty that the asset will be realized in future.

S. AS – 24 Discontinuing Operations

During the year the company has not discontinued any of its operations.

T. AS – 28 Impairment of Assets

At the date of each Balance Sheet, the company evaluates indications of the impairment internally, if any, to the carrying amounts of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated realizable value is less than the carrying amount, an impairment loss is recorded.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (Net of Depreciation) had no impairment loss been recognized for the assets in prior years.

U. **AS – 29 Provisions Contingent liabilities and contingent assets**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized but are disclosed in the notes to the financial statements.

Contingent assets are neither recognized nor disclosed in the Financial Statements.

OVERVIEW OF REVENUE AND EXPENSES

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 sale of combed yarn, semi combed yarn and carded yarn and income from hedging of commodities.

Other Income: Our other income comprises of income from interest on term deposits & VAT refund claims.

Expenses

Our expenses comprise of cost of materials consumed, changes in inventories of finished goods and work-in-progress, employee benefit expenses, finance costs, depreciation expense and other expenses.

Cost of materials consumed: Our cost of materials consumed comprises of consumption of raw ginned cotton and packing materials such as Paper tube, HDPE bag, HM bag, etc. Our Company procures Shankar-6 quality of cotton which is predominantly grown in the state of Gujarat and is used in the production process of cotton fibres and cotton yarns.

Changes in inventories of work-in-progress and finished goods: It includes changes in inventories level of work-in-progress and finished goods during the year which is the difference of closing balance of finished goods and WIP inventory and opening balance of finished goods and WIP inventory.

Employee benefit expenses: Our employee benefit expenses include salary, wages & bonus, labour welfare expenses, contribution to provident funds, directors' remuneration and gratuity expenses.

Finance costs: Our finance costs comprises of interest on secured long term and vehicle loans from banks, interest on unsecured long term loans from banks, financial institutions and related parties, interest on short term borrowings from banks, interest on income tax and other borrowing costs and bank charges. Our finance costs are net of TUFS and GTP subsidy receivable by our Company towards interest on term loans.

Depreciation expense: Depreciation expense comprises of depreciation on tangible fixed assets.

Other expenses: Our Other expenses comprises of direct expenses and selling and administrative expenses. Our direct expenses mainly include dies and tool expenses, power and fuel expense (net of power tariff subsidy), factory rent, rates and taxes and machinery repairs and factory expenses. Our selling and administrative expenses include advertisement expenses, stock, labour and machinery insurance expenses, auditor's remuneration, lab testing expenses, discount on sales, books and periodicals, legal fees, membership and subscription, office expenses, bad debt write off, postage & courier, printing & stationery, professional fees, rate, rent & taxes of building, building repairs expenses, electrification & computer repairs expenses, security charges, selling commission & brokerage, telephone expenses, travelling expenses, vehicle repairs & maintenance, water charges, website & internet expenses, quality premium expenses, freight outward charges.

Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit and loss for the financial years 2017, 2016 and 2015 and for the period ended September 30, 2017, the components of which are also expressed as a percentage of total revenue for such periods:

(Rs. in Lakhs)

Particulars	**For the period ended September 30, 2017**	**For the Year ended March 31,**		
		2017	**2016**	**2015**
Total Revenue:				
Revenue from operations	4544.22	8678.88	5841.03	1519.87
As a % of Total Revenue	97.50%	96.02%	97.60%	97.32%
Other income	116.37	360.16	143.36	41.87
As a % of Total Revenue	2.50%	3.98%	2.40%	2.68%
Total Revenue	**4660.59**	**9038.94**	**5984.38**	**1561.73**
Expenses:				
Cost of materials consumed	3439.53	6671.59	3980.62	1078.28
As a % of Total Revenue	73.80%	73.81%	66.52%	69.04%
Changes in inventories of work-in-progress & finished goods	(404.45)	(228.47)	(143.37)	(129.73)
As a % of Total Revenue	(8.68%)	(2.53%)	(2.40%)	(8.31%)
Employee benefit expenses	334.21	478.24	393.69	108.53
As a % of Total Revenue	7.17%	5.29%	6.58%	6.95%
Finance costs	109.14	258.55	236.65	99.00
As a % of Total Revenue	2.34%	2.86%	3.95%	6.34%
Depreciation expense	193.23	380.67	359.95	128.30
As a % of Total Revenue	4.15%	4.21%	6.01%	8.22%

Particulars	For the period ended September 30, 2017	For the Year ended March 31,		
		2017	2016	2015
Other Expenses	462.89	860.16	809.62	252.41
As a % of Total Revenue	9.93%	9.52%	13.53%	16.16%
Total Expenses	**4134.55**	**8420.74**	**5637.17**	**1536.81**
As a % of Total Revenue	88.71%	93.16%	94.20%	98.40%
Profit before exceptional, extraordinary items and tax	**526.04**	**618.20**	**347.21**	**24.92**
As a % of Total Revenue	11.29%	6.84%	5.80%	1.60%
Exceptional items	-	-	-	3.17
As a % of Total Revenue	-	-	-	0.20%
Profit before extraordinary items and tax	**526.04**	**618.20**	**347.21**	**28.09**
As a % of Total Revenue	11.29%	6.84%	5.80%	1.80%
Extraordinary items	-	-	-	-
Profit before tax	**526.04**	**618.20**	**347.21**	**28.09**
PBT Margin	11.29%	6.84%	5.80%	1.80%
Tax expense :				
(i) Current tax	141.54	126.04	70.79	5.35
(ii) Deferred tax	132.06	79.59	80.27	79.34
(iii) MAT Credit	-	(126.04)	(70.79)	(5.35)
Total Tax Expense	273.60	79.59	80.27	79.34
% of total income	5.87%	0.88%	1.34%	5.08%
Profit for the year/ period	**252.44**	**538.61**	**266.94**	**(51.25)**
PAT Margin	**5.42%**	**5.96%**	**4.46%**	**(3.28%)**

Review of Operation for the Period Ended September 30, 2017

Total Revenue

Revenue from operations

Our Revenue from operations for the period ended September 30, 2017 amounted to Rs. 4544.22 lakhs which was primarily on account of revenue from domestic sale of manufactured combed yarn, semi combed yarn and carded yarn. It also included income from hedging of commodities of Rs. 0.86 lakhs.

Other income

Our Other income was Rs. 116.37 lakhs for the period ended September 30, 2017 which was on account of interest on term deposits of Rs. 4.83 lakhs & claim for VAT Refund of Rs. 111.54 lakhs.

Total Expenses

Our Total expenses, excluding tax amounted to Rs. 4134.55 lakhs for the period ended September 30, 2017, which consisted of the following components:

Cost of materials consumed

Our cost of materials consumed for the period ended September 30, 2017 was Rs. 3439.53 lakhs which was on account of consumption of ginned cotton and packing materials such as Paper tube, HDPE bag, HM bag, etc. used for production and packing of finished goods. Our cost of materials consumed accounted for 73.80% of our total revenue.

Changes in inventories of work-in-progress and finished goods

Our changes in inventories of WIP & Finished goods for the period ended September 30, 2017 were Rs. (404.45) lakhs accounting for (8.68%) of our total revenue.

Employee Benefit Expenses

Our employee benefit expenses for the period ended September 30, 2017 were Rs. 334.21 lakhs which primarily comprised of salary wages & bonus of Rs. 259.86 lakhs, directors' remuneration of Rs. 55.07 lakhs, contribution to PF of Rs. 3.66 lakhs, labour welfare expenses of Rs. 15.26 lakhs and gratuity expenses of Rs. 0.35 lakhs. Our employee benefit expenses were 7.17% of our total revenue.

Finance Costs

Our Gross Finance costs for the period ended September 30, 2017 were Rs. 234.20 lakhs which were adjusted by receipt of interest subsidy of Rs. 125.06 lakhs (GTP and TUFS Subsidy) and therefore our net finance costs stood at Rs. 109.14 lakhs. Our net finance costs primarily consisted of bank charges of Rs. 5.74 lakhs, interest on term loan of Rs. 42.78 lakhs (net of subsidy), interest on vehicle loans of Rs. 0.51 lakhs, interest on working capital facility of Rs. 32.01 lakhs and interest on loans from related parties of Rs. 28.10 lakhs. Our net finance costs were 2.34% of our total revenue for the period ended September 30, 2017.

Depreciation Expense

Our Depreciation expense was Rs. 193.23 lakhs for the period ended September 30, 2017 which was 4.15% of our total revenue.

Other expenses

Our other expenses for the period ended September 30, 2017 were Rs. 462.89 lakhs comprising of direct and selling & administrative expenses. Our direct expenses included dies and tools expenses of Rs. 19.01 lakhs, power & fuel expenses of Rs. 407.61 lakhs, repairs to machinery of Rs. 0.23 lakhs and factory expenses of Rs. 0.31 lakhs for the period ended September 30, 2017. Our major selling and administrative expenses included vehicle repairs expenses of Rs. 7.19 lakhs, security charges of Rs. 4.83 lakhs, sales discount of Rs. 4.18 lakhs, selling commission and brokerage of Rs. 3.31 lakhs, insurance expenses of Rs. 2.98 lakhs, building repairs expenses of Rs. 2.29 lakhs, professional fees of Rs. 2.10 lakhs, rent, rates and taxes of Rs. 1.82 lakhs, website and internet expenses of Rs. 1.54 lakhs, etc. among others. Our total other expenses for the period ended September 30, 2017 were 9.93% of our total revenue.

Profit before Tax

Our Profit before tax for the period ended September 30, 2017 was Rs. 526.04 lakhs which was 11.29% of our total revenue.

Tax Expenses

Our tax expenses for the period ended September 30, 2017 were Rs. 273.60 lakhs. Tax expenses comprised of current tax of Rs. 141.54 lakhs and deferred tax of Rs. 132.06 lakhs. Our tax expenses were 5.87% of our total revenue.

Profit after Tax

Due to above mentioned factors, our profit after tax for the period ended September 30, 2017 was Rs. 252.44 lakhs forming 5.42 % of our total revenue.

FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16

Total Revenue

Our total revenue increased by 51.04% to Rs. 9038.94 lakhs for the financial year 2016-17 from Rs.

5984.38 lakhs for the financial year 2015-16 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 48.58% to Rs. 8678.88 lakhs for the financial year 2016-17 from Rs. 5841.03 lakhs for the financial year 2015-16. The increase was primarily due to increase in our business operations in the financial year 2016-17.

Other income: Our other income increased significantly by 151.23% to Rs. 360.16 lakhs for the financial year 2016-17 from Rs. 143.36 lakhs for the financial year 2015-16 mainly due to increase in our interest income on term deposits by 18.37% to Rs. 8.88 lakhs, increase in VAT refund claim income by 158.35% to Rs. 350.97 lakhs and write back of sundry balances of Rs. 0.30 lakhs the financial year 2016-17.

Total Expenses

Our total expenses increased by 49.38% to Rs. 8420.74 lakhs for the financial year 2016-17 from Rs. 5637.17 lakhs for the financial year 2015-16, due to the factors described below:

Cost of materials consumed: Our cost of materials consumed increased by 67.60% to Rs. 6671.59 lakhs for the financial year 2016-17 from Rs. 3980.62 lakhs for the financial year 2015-16 due to increase in our business operations in the financial year 2016-17.

Changes in inventory of work-in-progress and finished goods: Our inventory of WIP and finished goods changed by 59.36% to Rs. 228.47 lakhs for the financial year 2016-17 from Rs. 143.37 lakhs for the financial year 2015-16.

Employee benefits expenses: Our employee benefit expenses increased by 21.48% to Rs. 478.24 lakhs for the financial year 2016-17 from Rs. 393.69 lakhs for the financial year 2015-16. The increase was mainly due to increase in salary wages & bonus incentives by Rs. 76.52 lakhs, labour welfare expenses by Rs. 11.85 lakhs, directors' remuneration by Rs. 4.50 lakhs, contribution to provident fund by Rs. 1.56 lakhs and gratuity expense by Rs. 0.88 lakhs.

Finance costs: Our net finance costs increased by 9.25% to Rs. 258.55 lakhs for the financial year 2016-17 from Rs. 236.65 lakhs for the financial year 2015-16. Our gross finance costs for the financial year 2016-17 were Rs. 545.49 lakhs as against Rs. 631.72 lakhs for the financial year 2015-16. Interest on unsecured loan decreased to Rs. 64.80 lakhs for the financial year 2016-17 from Rs. 85.64 lakhs for the financial year 2015-16. However, interest on working capital loan increased to Rs. 63.54 lakhs for the financial year 2016-17 from Rs. 61.04 lakhs for the financial year 2015-16. Our net interest on term loan increased to Rs. 123.80 lakhs for the financial year 2016-17 from Rs. 84.70 lakhs despite of decrease in gross term loan interest cost due to decrease in subsidy to Rs. 286.94 lakhs from Rs. 395.07 lakhs. Our vehicle loan interest cost increased to Rs. 1.13 lakhs for the financial year 2016-17 from Rs. 0.79 lakhs for the financial year 2015-16.

Depreciation expense: Our depreciation expense increased by 5.76% to Rs. 380.67 lakhs for the financial year 2016-17 from Rs. 359.95 lakhs for the financial year 2015-16. The increase in depreciation was in line with the increase in our gross block of fixed assets by Rs. 124.43 lakhs in the financial year 2016-17 to Rs. 6443.88 as compared to Rs. 6319.45 lakhs for the financial year 2015-16.

Other expenses: Our other expenses increased by 6.24% to Rs. 860.16 lakhs for the financial year 2016-17 from Rs. 809.62 lakhs for the financial year 2015-16. Our direct expenses increased by Rs. 34.60 lakhs in the financial year 2016-17. Major increase in direct expenses was due to increase in power and fuel expenses by Rs. 29.17 lakhs and dies and tools expenses by Rs. 4.85 lakhs among others. Our selling and administrative expenses increased by Rs. 15.93 lakhs in the financial year 2016-17. Major increase in selling and administrative expenses was due to increase in sales discount by Rs. 22.31 lakhs, vehicle repairs and maintenance expenses by Rs. 4.60 lakhs, travelling expenses by Rs. 3.67 lakhs, selling commission and brokerage by Rs. 2.40 lakhs and insurance expenses by Rs.

1.65 lakhs among others, which was partially offset by decrease in bad debt write off expense by Rs. 9.20 lakhs, security charges by Rs. 4.89 lakhs and building repairs expenses by Rs. 1.86 lakhs among others.

Profit before tax: Our profit before tax increased by 78.05% to Rs. 618.20 lakhs for the financial year 2016-17 from Rs. 347.21 lakhs for the financial year 2015-16. The increase was mainly due to increase in our business operations.

Tax expenses: Our tax expenses decreased slightly by 0.84% to Rs. 79.59 lakhs for the financial year 2016-17 from Rs. 80.27 lakhs for the financial year 2015-16. However our current tax liability increased by Rs. 55.25 lakhs in the financial year to Rs. 126.04 lakhs in financial year 2016-17 which was entirely set off by our MAT credit entitlement of Rs. 126.04 lakh and therefore, our tax expenses for the financial year comprised of only deferred tax expense of Rs. 79.59 lakhs.

Profit after tax: Our profit after tax increased significantly by 101.77% to Rs. 538.61 lakhs for the financial year 2016-17 from Rs. 266.94 lakhs for the financial year 2015-16 due to factors mentioned above.

FINANCIAL YEAR 2015-16 COMPARED WITH FINANCIAL YEAR 2014-15

Total Revenue

Our total revenue increased significantly by 283.19% to Rs. 5984.38 lakhs for the financial year 2015-16 from Rs. 1561.73 lakhs for the financial year 2014-15 due to the factors described below:

Revenue from operations: Our revenue from operations increased significantly by 284.31% to Rs. 5841.03 lakhs for the financial year 2015-16 from Rs. 1519.87 lakhs for the financial year 2014-15. The increase was primarily due to increase in our business operations in the financial year 2015-16.

Other income: Our other income increased significantly by 242.39% to Rs. 143.36 lakhs for the financial year 2015-16 from Rs. 41.87 lakhs for the financial year 2014-15 mainly due to increase in VAT refund claim by Rs. 101.52 lakhs or 295.72% in the financial year 2015-16.

Total Expenses

Our total expenses increased by 266.81% to Rs. 5637.17 lakhs for the financial year 2015-16 from Rs. 1536.81 lakhs for the financial year 2014-15, due to the factors described below:

Cost of materials consumed: Our cost of materials consumed increased significantly by 269.19% to Rs. 3980.62 lakhs for the financial year 2015-16 from Rs. 1078.28 lakhs for the financial year 2014-15 mainly due to increase in our business operations.

Changes in inventories of work-in-progress and finished goods: Our inventory of WIP & finished goods changed by 10.51% to Rs. 143.37 lakhs for the financial year 2015-16 from Rs. 129.73 lakhs for the financial year 2014-15.

Employee benefits expenses: Our employee benefit expenses increased significantly by 262.75% to Rs. 393.69 lakhs for the financial year 2015-16 from Rs. 108.53 lakhs for the financial year 2014-15. The increase was mainly due to increase in salary wages & bonus incentives by Rs. 258.62 lakhs, directors' remuneration by Rs. 21.60 lakhs, gratuity expense by Rs. 2.25 lakhs, contribution to provident fund expense by Rs. 1.94 lakhs, labour welfare expense by Rs. 0.87 lakhs and medical expenses by Rs. 0.12 lakhs.

Finance costs: Our net finance costs increased by 139.03% to Rs. 236.65 lakhs for the financial year 2015-16 from Rs. 99.00 lakhs for the financial year 2014-15. Our gross finance costs for the financial year 2015-16 were Rs. 631.72 lakhs as against Rs. 287.62 lakhs for the financial year 2014-15. Interest on unsecured loan increased to Rs. 85.64 lakhs for the financial year 2015-16 from Rs. 49.53 lakhs for the financial year 2014-15. Similarly, interest on working capital loan increased to Rs. 61.04 lakhs for

the financial year 2015-16 from Rs. 18.00 lakhs for the financial year 2014-15. Also, our net interest on term loan increased to Rs. 84.70 lakhs for the financial year 2015-16 from Rs. 24.72 lakhs despite of increase in interest subsidy as our gross term loan interest cost increased by Rs. 266.42 lakhs while our interest subsidy increased by Rs. 206.45 lakhs in the financial year 2015-16. Our vehicle loan interest cost increased to Rs. 0.79 lakhs for the financial year 2016-17 from Rs. 0.56 lakhs for the financial year 2015-16. Our bank charges also decreased to Rs. 4.43 lakhs for the financial year 2015-16 from Rs. 6.14 lakhs for the financial year 2014-15.

Depreciation expense: Our depreciation expense increased by 180.55% to Rs. 359.95 lakhs for the financial year 2015-16 from Rs. 128.30 lakhs for the financial year 2014-15. Depreciation expense increased in the financial year 2015-16 mainly on account of addition of fixed assets by our Company amounting to Rs. 829.35 lakhs during the financial year 2015-16. Our Gross Block as on March 31, 2016 stood at Rs. 6319.45 lakhs as against Rs. 5490.10 lakhs as on March 31, 2015.

Other expenses: Our other expenses increased significantly by 220.76% to Rs. 809.62 lakhs for the financial year 2015-16 from Rs. 252.41 lakhs for the financial year 2015-16. Our direct expenses increased by Rs. 505.92 lakhs in the financial year 2015-16. Major increase in direct expenses was due to increase in power and fuel expenses by Rs. 510.46 lakhs and machinery repairs expenses by Rs. 1.05 lakhs among others which was partially offset by decrease in packing expenses (special packing) by Rs. 6.18 lakhs and dies and tools expenses by Rs. 0.15 lakhs. Our selling and administrative expenses increased by Rs. 51.30 lakhs in the financial year 2016-17. Major increase in selling and administrative expenses was due to increase in sales discount by Rs. 16.45 lakhs, bad debts write off expense by Rs. 9.20 lakhs, security charges by Rs. 8.57 lakhs, selling commission and brokerage by Rs. 7.70 lakhs, vehicle repairs and maintenance expenses by Rs. 2.41 lakhs and rates, rent and tax expenses by Rs. 2.36 lakhs among others which was partially offset by decrease in insurance expenses by Rs. 2.08 lakhs and professional fees expenses by Rs. 1.33 lakhs among others.

Profit before tax: Our profit before tax increased significantly by 1136.02% to Rs. 347.21 lakhs for the financial year 2015-16 from Rs. 28.09 lakhs for the financial year 2014-15. The increase was in line with increase in our total revenue.

Tax expenses: Our tax expenses increased by 1.17% to Rs. 80.27 lakhs for the financial year 2015-16 from Rs. 79.34 lakhs for the financial year 2014-15 which was due to increase in deferred tax expenses. However with increase in revenue, our current tax liability also increased by Rs. 64.44 lakhs to Rs. 70.79 lakhs in financial year 2015-16 which was entirely set off by our MAT credit of Rs. 70.79 lakhs.

Profit after tax: Due to factors mentioned above, our profit after tax increased significantly by 620.85% to Rs. 266.94 lakhs for the financial year 2015-16 from loss of Rs. 51.25 lakhs in the financial year 2014-15.

Other Key Ratios

The table below summarises key ratios from our Restated Financial Statements for the financial years ended March 31, 2017, 2016 and 2015 and for the period ended September 30, 2017:

Particulars	**For the period ended September 30, 2017***	**For the year ended March 31,**		
		2017	**2016**	**2015**
Fixed Asset Turnover Ratio	0.84	1.56	1.00	0.28
Debt Equity Ratio	1.25	1.33	1.69	2.30
Current Ratio	1.50	1.50	1.51	1.13

** Not Annualized*

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total net fixed assets, based on Restated Financial Statements. Capital work-in-progress has not been considered as part of the fixed assets for calculation of total net fixed assets.

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 maturities 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 September 30, 2017:

(Rs. in lakhs)

Particulars	**For the period ended September 30, 2017**	**For the year ended March 31,**		
		2017	**2016**	**2015**
Net cash (used in)/ generated from operating activities	174.76	578.18	766.27	580.13
Net cash (used in)/ generated from investing activities	(13.11)	(124.43)	(829.34)	(4152.22)
Net cash (used in)/ generated from financing activities	(157.64)	(465.91)	(134.94)	3656.92
Net increase/ (decrease) in cash and cash equivalents	4.01	(12.16)	(198.02)	84.83
Cash and Cash Equivalents at the beginning of the period	123.63	135.78	333.80	248.98
Cash and Cash Equivalents at the end of the period	127.63	123.63	135.78	333.80

Operating Activities

Period Ended September 30, 2017

Our net cash generated from operating activities was Rs. 174.76 lakhs for period ended September 30, 2017. Our operating profit before working capital changes was Rs. 823.94 lakhs for the period ended September 30, 2017 which was primarily adjusted by increase in short term loans and advances by Rs. 745.21 lakhs, increase in inventory by Rs 528.25 lakhs, increase in trade receivables by Rs 97.70 lakhs, increase in other current assets by Rs. 2.35 lakhs, increase in trade payables by Rs. 361.17 lakhs, increase in other current liabilities by Rs. 342.10 lakhs and increase in short term provisions by Rs. 21.07 lakhs.

Financial year 2016-17

Our net cash generated from operating activities was Rs. 578.18 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 1250.99 lakhs for the financial year 2016-17, which was primarily adjusted by increase in short term loans and advances by Rs. 464.89 lakhs, increase in trade receivables by Rs. 361.36 lakhs, increase in inventories by Rs. 172.80 lakhs, increase in trade payables by Rs. 237.08 lakhs, increase in short term provisions by Rs. 60.29 lakhs and increase in other current liabilities by Rs. 29.28 lakhs.

Financial year 2015-16

Our net generated from operating activities was Rs. 766.27 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 939.63 lakhs for the financial year 2015-16, which was primarily adjusted increase in inventory by Rs. 423.22 lakhs, decrease in short term loans and advances by Rs. 217.19 lakhs, increase in long term loans and advances by Rs. 15.33 lakhs, increase in trade receivables by Rs. 6.64 lakhs, increase in other current assets by Rs. 2.67 lakhs, decrease in trade payables by Rs. 161.15 lakhs, increase in other current liabilities by Rs. 62.61 lakhs and increase in short term provisions by Rs. 111.89 lakhs.

Financial year 2014-15

Our net cash generated from operating activities was Rs. 580.13 lakhs for the financial year 2014-15. Our operating profit before working capital changes was Rs. 248.95 lakhs for the financial year 2014-15, which was primarily adjusted by increase in inventory by Rs. 397.21 lakhs, increase in trade receivables by Rs. 207.67 lakhs, decrease in short term loans by Rs. 178.80 lakhs, increase in long term loans and advances by Rs. 15.33 lakhs, increase in trade payables by Rs. 275.90 lakhs, increase in other current liabilities by Rs. 501.44 lakhs and decrease in short term provisions by Rs. 4.74 lakhs.

Investing Activities

Period Ended September 30, 2017

Net cash used in investing activities was Rs. 13.11 lakhs for the period ended September 30, 2017. This was on account of purchase of fixed assets amounting to Rs. 13.11 lakhs.

Financial year 2016-17

Net cash used in investing activities was Rs. 124.43 lakhs for the financial year 2016-17. This was on account of purchase of fixed assets amounting to Rs.124.43 lakhs.

Financial year 2015-16

Net cash used in investing activities was Rs. 829.34 lakhs for the financial year 2015-16.This was on account of purchase of fixed assets amounting to Rs. 829.34 lakhs.

Financial year 2014-15

Net cash used in investing activities was Rs. 4152.22 lakhs for the financial year 2014-15. This was on account of purchase of fixed assets amounting to Rs. 4242.28 lakhs and decrease in non-current assets by Rs. 90.06 lakhs.

Financing Activities

Period Ended September 30, 2017

Net cash used in financing activities for period ended September 30, 2017 was Rs. 157.64 lakhs primarily on account of payment of interest of Rs. 104.31 lakhs and repayment of long term borrowings amounting to Rs. 101.55 lakhs which was partially offset by proceeds from short term borrowings amounting to Rs. 48.22 lakhs.

Financial year 2016-17

Net cash used in financing activities for the financial year 2016-17 was Rs. 465.91 lakhs primarily on account of payment of interest of Rs. 249.67 lakhs and repayment of long term borrowings amounting to Rs. 556.37 lakhs which was partially offset by proceeds from short term borrowings amounting to Rs. 340.13 lakhs.

Financial year 2015-16

Net cash used in financing activities for the financial year 2015-16 was Rs. 134.94 lakhs primarily on account of payment of interest of Rs. 229.15 lakhs and repayment of short term borrowings of Rs. 374.38 lakhs which was partially offset by proceeds from long term borrowings amounting to Rs. 374.38 lakhs and issuance of equity shares amounting to Rs. 399.00 lakhs.

Financial year 2014-15

Net cash generated from financing activities for the financial year 2014-15 was Rs. 3656.92 lakhs which was primarily on account of proceeds from issuance of equity shares amounting to Rs. 1750.00 lakhs, proceeds from long term borrowings amounting to Rs. 1658.94 lakhs and proceeds from short term borrowing amounting to Rs. 589.46 lakhs which was partially offset by payment of interest of Rs. 91.48 lakhs and decrease in share application money amounting to Rs. 250.00 lakhs.

Financial Indebtedness

As on September 30, 2017, the total outstanding borrowings of our Company aggregated to Rs. 4247.75 lakhs which included long-term borrowings of Rs. 2962.02 lakhs, short-term borrowings of Rs. 603.43 lakhs and current maturities of long term debt of Rs. 682.30 lakhs. For further details, refer chapter titled *"Financial Indebtedness"* beginning on page 246 of this Draft Prospectus.

(Rs. in lakhs)

Particulars	**As at September 30, 2017**
Long Term Borrowings	
Secured loan	
Term Loan From Banks	2166.36
Vehicle Loan	4.27
Unsecured loan	
From Bank	20.63
From Financial Institutions	46.49
From directors	438.80
From relatives of directors	289.74
Total Long Term Borrowings (A)	**2962.02**
Short Term Borrowings	
Secured loan	
Cash Credit facility from bank	603.43
Total Short-Term Borrowings (B)	**603.43**
Current maturities of long term loan (C)	**682.30**
Total (A+B+C)	**4247.75**

In the event, any of our lenders declare an event of default, this 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 AS-18, refer chapter titled *"Financial Statements"* beginning on page 181 of this Draft Prospectus.

Contingent Liabilities

As on September 30, 2017 and March 31, 2017, our Company had following contingent liabilities:

(Rs. In lakhs)

Particulars	**As on September 30, 2017**	**As on March 31, 2017**
Guarantees to Bank and Financial Institution against Credit Facilities extended to third parties and other Guarantees	135.00	135.00
Other Commitment – EPCG Duty Saved against Export Obligation	876.58	876.58
Total	**1011.58**	**1011.58**

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 181 of this Draft 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 181 of this Draft 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 September 30, 2017.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals and for the period ended September 30, 2017.

Unusual or Infrequent Events or Transactions

In the financial year 2014-15, certain of our machineries were damaged during the course of transit for which our Company received claim of Rs. 3.17 lakhs from the supplier of those machineries. The claim income has been shown under the head "Exception Items" in the Restated Statement of Profit and Loss. Except this, 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 19 of this Draft 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 19 of this Draft 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 Costs that will Cause a Material Change are known

Other than as described in chapter titled *"Risk Factors"* beginning on page 19 of this Draft 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 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

Our Company is operating only in one segment, thus segment reporting is not applicable.

Competitive Conditions

We have competition with other Indian and International textile industry manufacturers 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 19 of this Draft Prospectus.

Increase in income

Increases in our income are due to the factors described above in in this chapter.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in the Draft 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 March 31, 2017 & September 2017 is as follows:

Particulars	**Customers**		**Suppliers**	
	March 31, 2017	**September 30, 2017**	**March 31, 2017**	**September 30, 2017**
Top 5 (%)	99.96	100.00	57.17	63.88
Top 10 (%)	100.00	100.00	87.22	90.60

Seasonality of Business

The major raw material used by our Company is Cotton. Due to the seasonal availability of the Cotton, our industry is seasonal in nature. The period during which our business may experience higher revenues varies from season to season. During the crop season we are able to procure the cotton at reasonable terms and in large quantities. Whereas during the off season the availability of the cotton is less and also there are price variations.

Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the whole Financial Year. The seasonality and cyclist of our industry may cause fluctuations in our results of operations and financial condition.

FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings together with a brief description of certain significant terms of such financing arrangements.

SECURED BORROWINGS

1. **Loan of Rs. 3600.00 Lakhs from State bank of India as per latest Sanction letter dated June 23, 2017.**

(Rs. in Lakhs)

Nature of facility	Sanctioned Amount	Rate Of Interest / Commission	Repayment (Valid up to)	Outstanding as on September 30, 2017
A] Fund Based Limit				
Cash credit	600.00	Marginal cost of fund based lending rate(MCLR)plus margin of 3.75% Present effective rate is 11.75% (8%+3.75%)	Valid for 12 month i.e. upto July 27, 2018	603.43
Term Loan	2,865.00		84 Months	2744.94
Sub Total (a)	**3,465.00**			**3348.37**
B] Non-Fund Based Limit				
Bank Guarantee (NFBWC)	135.00	-	-	135.00
Sub Total (b)	**135.00**			
TOTAL (a+b)	**3600.00**			**3483.37**

SECURITIES:

a) Primary Security	
Facility	**Details of Security**

FBWC &NFBWC including LC/LOC	Hypothecation over raw material, stock in process, finished goods, book debt, other receivables and all other current assets of the company
Term Loan	Hypothecation plant & machinery and equipment of the company

b) Collateral Security

i. Land and under construction factory building on non-agricultural land situated at R.S. No.102/2 paiki, Plot No.2,Akshar spintex private limited, Ranjua road, vill haripar, Tal.kalawad, dist. jamnagar ad measuring 20371.46 sq. yards.

ii. Commercial office situated at imperial heights, tower-A, office no.A/307-308,opp.Big Bazar,150ft Ring road, nana mava, Rajkot ad measuring 1349.43 sq.ft.

iii. Residential plot situated at R.S. No. 42 paiki plot no.59 opp.TGB hotel, avadh road, vill munjaka, tal & Dist. Rajkot ad measuring 563.35 sq.yd.

iv. Residential bldg. Khodiyar Krupa, Shree bhojlram Co-op housing Soc. limited St. No.2, opp.Triveni Gate, Off sant kabir road, Rajkot area as measuring 133.30 sq.yd.

v. Commercial office situated at imperial heights, Tower-c,office No.c/704,opp.big bazar,150 ft ring road, nana mava, Rajkot area ad measuring 630.87sq.ft.

vi. Residential plot situated at R.S. No. 106 paiki 2,plot no.1 to 8, Maliya nagar glory land, opp.ramkrushna gin,off kalawad road vill chhapara, Tal.lodhika dost.rajkot, total land area ad measuring 1011.88 sq.yd.

vii. Residential building situated at R.S. No.23 paiki, plot no.20, shree punitpark, off 150ft ring road, vill mavdi, tal & dist. Rajkot area ad measuring 59.19 sq,yd.

viii. Residential open plot situated at R.S. No.115 Paiki, plot no.78&79,Royal park, off ishwariya-amreil road, vill.ishwariya, Tal.padahari, dist. Rajkot total land area 416.58 sq.yd.

ix. Residential plot situated at R.S. No.86,87,88, pooja park-2,near Theba chowkdi,opp.shriji park, Jamnagar-dwarka road,Jamnagar, total plot area ad measuring 397.53 sq.yd.

x. Residential plot situated at R.S. No.106 Paiki 2 plot No.9 to 12, maliya nagar glory land, opp. Ramkrushna gin, off kalawad road, vill,chhpara, Tal.Lodhika Dist. Rajkot.

c) Personal Guarantee

Facilities	**Name of Guarantors**
RFBWC, BG, TL & CEL	Amit Gadhiya
	Rajdeep Patel
	Ashokbhai Bhalala
	Rekhaben Chauhan
	Ilaben Paghdhar
	Paresh Bhalala
	Pravin Bhalala
	Manoj Baldha
	Harikrushna Chauhan
	Chimanbhia Bera

	Jayshreeben Dudhatra
	Sonal Sorathia
	Prakashkumar Sorathia
	Jalpa Bhalal
	Narmadaben Vhauhan
	Shivlal Patel
	Dineshbhai Bhut
	Vikasbhai Sorathiya

Key Restrictive Covenants:-

During the currency of bank credit facilities, the unit will not without the bank prior permission on writing do the certain act-

1. Effect any change in unit's capital structure.
2. Implement any scheme of expansion, modernization, diversification or renovation.
3. Formulate any scheme of amalgamation or reconstruction.
4. Enter into borrowing arrangements either secured or unsecured with any other concern, including sister concern, associate, family, subsidiary or group concerns.
5. Undertake guarantee obligations on behalf of any other company, firm or person.
6. Effect any drastic change in management setup.
7. Create any further charge, lien or encumbrance over the assets and properties of the unit
8. Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank.
9. Open any account with any other bank. If already opened the details thereof is to be given immediately and a confirmation to this effect given to bank.
10. Repay monies brought in by the promoters, directors, principal shareholders and their friends and relatives by the way of deposits, loan or advances.

2. Loan of Rs. 13.92 Lakhs from HDFC Limited.

Nature of Facility	Car Finance
Loan Amount	Rs. 13.92 Lakhs
Rate of Interest	9.50%
EMI Amount	Rs. 44,590
Security	Secured by hypothecation of Vehicle under Loan
Tenor	36 Installments
Amount Outstanding as on September 30, 2017	Rs. 8.97 Lakhs

UNSECURED BORROWING FROM NBFC/ FINANCIAL INSTITUTIONS

1. Loan of Rs. 30.30 Lakhs from Bajaj Finance Limited as per sanction letter dated September 20, 2017.

Nature of Facility	Business Loan
Loan Amount	Rs. 30.30 Lakhs
Rate of Interest	18.00%
EMI Amount	Rs. 2,77,791
Tenor	12 Months
Amount Outstanding as on September 30, 2017	Rs. 30.26 Lakhs

2. Loan of Rs. 75.48 Lakhs from Capital First Limited as per sanction letter dated October 23, 2017.

Nature of Facility	Business Loan

Loan Amount	Rs. 75.48 Lakhs
Rate of Interest	18.80%
EMI Amount	Rs. 3,79,752
Tenor	24 Months
Amount Outstanding as on September 30, 2017	Rs. 75.41 Lakhs

UNSECURED LOAN FROM OTHERS

The details of unsecured loan are as follows:

a) Unsecured Loans from Others:

Sr. No.	Name of Lender	Loan Amount (Rs. in Lakhs)
1.	Abhishekbhai Mansukhlal Patel	1.77
2.	Amitbhai Vallabhbhai Gadhiya	92.09
3.	Ashokbhai Sukanbhai Bhalala	65.63
4.	Ashokbhai Sukanbhai Bhalala HUF	19.04
5.	Chetnaben Ashokbhai Bhalala	24.13
6.	Harikrishna Shamjibhai Chauhan	42.32
7.	Harikrishna Shamjibhai Chauhan Huf	36.22
8.	Ilaben D.Paghdar	10.00
9.	Jalpaben Pareshbhai Bhalala	14.07
10.	Kantaben Vallabhbhai Gadhiya	21.47
11.	Manojbhai Laljibhai Baldha	18.91
12.	Manubhai Jivrajbhai Gajera	4.67
13.	Narmadaben Shamjibhai Chauhan	0.39
14.	Nayanbhai Vallabhbhai Gadhiya	11.95
15.	Nipaben Vikashbhai Sorathiya	26.35
16.	Pareshbhai Babulal Jethava	15.90
17.	Pareshbhai Sukanbhai Bhalala	23.24
18.	Pareshbhai Sukanbhai Bhalala Huf	11.82
19.	Poojaben Amitbhai Gadhiya	17.94
20.	Prakashkumar Rambhai Sorathia	14.44
21.	Pravinaben Girdharlal Gohil	1.83
22.	Pravinbhai Sukanbhai Bhalala	10.37
23.	Pravinbhai Sukanbhai Bhalala Huf	13.78
24.	Rajdeepbhai Mansukhlal Patel	75.40
25.	Rekhaben Harikrishna Chauhan	107.89
26.	Sarojben Pravinbhai Bhalala	12.06
27.	Sonalben Prakashkumar Sorathia	8.53
28.	Sukanbhai V.Bhalala	11.19
29.	Sukanbhai V.Bhalala HUF	12.19
	Total	**725.59**

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except, as stated in this section and mentioned elsewhere in this Draft Prospectus/ 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 outcomes 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 have been awarded and 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 companies 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 March 14, 2018 determined that outstanding dues to creditors in excess of Rs. 2.00 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. 5.00 lakhs as determined by our Board, in its meeting held on March 14, 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 Prospectus.

LITIGATIONS INVOLVING OUR COMPANY

LITIGATIONS AGAINST OUR COMPANY

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

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

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

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

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

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

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 PROMOTER/S OF OUR COMPANY

LITIGATIONS AGAINST OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Income Tax Proceedings

REKHABEN CHAUHAN

AY 2016-17

The income tax department (hereinafter referred as "Authority") initiated the assessment proceeding under section 142(1) of the Income Tax Act, 1961 bearing reference no. ITO Wd3 (1) (1)/Assessment/20/2017-18 dated December 19, 2017. The matter is currently pending.

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

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 GROUP COMPANIES

AS ON THE DATE OF DRAFT PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY GROUP COMPANY.

LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES

AS ON DATE OF THIS DRAFT PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY SUBSIDIARY COMPANY.

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 229 of this 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 September 30, 2017, our Company had 89 creditors, to whom a total amount of Rs. 719.73 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated March 14, 2018, considered creditors to whom the amount due exceeds Rs. 2.00 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.

Creditors	Amount (Rs. in Lakhs)
Shree Siddhnath Cotex Private Limited	207.92
Shree Gurukrupa Tradelink Private Limited	79.85
Shekhada Cot Gin Pvt Ltd	64.99
Avadh Cotton Industries.	57.49
Madhav Ginning & Processing Industries	49.53
Bharat Industries	45.97
Jaychandra Chatrabhuj Meghani	40.16
Sarjan Cottex	39.85
Ansh Exports	39.66
M/s. Sarthi Cotton	26.67
Perfect Paper Cones	8.96
Patel Cotton Industries	7.75
Anjani Industries	7.64
Amrut Cotton Industries	4.87
Yadunandan Cotton Private Limited	3.94

Creditors	Amount (Rs. in Lakhs)
Gita Packaging	3.69
United Packaging Industries	3.01
Jayesh N. Shah	2.94
Sonalben P. Sorathia (Rent)	2.70
Jay Somnath Paper Products	2.49

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.aksharspintex.in

Information provided on the website of our Company is not a part of this 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.aksharspintex.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 Draft 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 manufacturing of cotton fibre and cotton yarn. 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 138 of this Draft Prospectus.

The Company has its business located at:

Registered Office/Manufacturing Unit and Warehouse: Revenue Survey No. 102/2 Paiki, Plot No-2, Village: Haripar, Ranuja Road, Tal: Kalavad, Jamnagar, Gujarat - 361013, India

Sales and Corporate Office: C-704, Imperial Heights, 150 Feet Ring Road, Rajkot, Gujarat, India.

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 OFFER

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 5, 2018, authorized the Offer, 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 February 28, 2018 authorized the Offer.

Approval from Selling Shareholders:

The Offer for Sale has been authorized by the Selling Shareholders by their consent letters as follows:

Sr. No.	Name of the Selling Shareholder	Consent Letter dated	No. of Equity Shares held	No. of Equity Shares Offered
1)	Ashokbhai Bhalala	March 17, 2018	16,80,000	1,50,000
2)	Charmi Gadhiya	March 17, 2018	5,25,000	2,50,000
3)	Nayan Gadhiya	March 17, 2018	13,69,900	5,00,000
4)	Pooja Gadhiya	March 17, 2018	5,35,000	2,50,000
5)	Pareshbhai Bhalala	March 17, 2018	15,90,000	3,50,000
6)	Pravinbhai Bhalala	March 17, 2018	16,30,000	3,00,000
7)	Nipaben Sorathiya	March 17, 2018	27,05,273	7,68,773
8)	Sonal Sorathiya	March 17, 2018	24,12,727	4,76,227
9)	Rekhaben Chauhan	March 17, 2018	24,00,000	2,40,000
10)	Ashok Bhalala – HUF	March 17, 2018	2,00,000	1,50,000
11)	Chetana Bhalala	March 17, 2018	2,70,000	1,70,000
12)	Pareshbhai Bhalala – HUF	March 17, 2018	2,30,000	1,20,000
13)	Sukanbhai Bhalala – HUF	March 17, 2018	2,70,000	2,00,000

14)	Pravinbhai Bhalala – HUF	March 17, 2018	2,30,000	1,70,000
15)	Kantaben Gadhiya	March 17, 2018	5,50,000	1,50,000
16)	Narmadaben Chauhan	March 17, 2018	4,00,000	1,10,000
17)	Pareshbhai Jethva	March 17, 2018	4,00,000	4,00,000
18)	Pravinaben Gohil	March 17, 2018	4,00,000	4,00,000
19)	Prakashkumar Sorathia	March 17, 2018	4,80,000	4,80,000
20)	Manubhai Gareja	March 17, 2018	4,80,000	1,15,000
	Total		**1,87,57,900**	**57,50,000**

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. The Company has entered into an agreement dated January 17, 2018 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.
2. Similarly, the Company has also entered into an agreement dated January 29, 2018 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.

The Company's International Securities Identification Number ("ISIN") is INE256Z01017

INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated June 19, 2013 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli, in the name of "AKSHAR SPINTEX PRIVATE LIMITED".
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on January 5, 2018 by the Registrar of Companies, Ahmedabad in the name of "AKSHAR SPINTEX LIMITED".
3. The Corporate Identification Number (CIN) of the Company is U17291GJ2013PLC075677.

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)	Office of Jt. Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	2413009477	September 30, 2013	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	Udyog Aadhar Memorandum / Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit	Ministry of Commerce and Industry	1613/SIA/IMO/ 2013	August 21, 2013	NA
3	License to work a factory (under Factories Act, 1948 and Rules made thereunder)	Joint Director, Industrial Safety and Health, Rajkot Region	Registration No. 55318/13111/2014 License No. 22662	February 20, 2016	December 31, 2018
4	Import/ Export Licence (Zero Duty EPCG Scheme)	Directorate General of Foreign Trade, Government of India	2430002210/3/12/00 2A 358691	December 30, 2013	Export Obligation Period – 6 years
5	Import/ Export Licence (Zero Duty EPCG Scheme)	Directorate General of Foreign Trade, Government of India	2430002292/3/12/00 2A 359195	March 11, 2014	Export Obligation Period 6 years
6	Import/ Export Licence (Zero Duty EPCG Scheme)	Directorate General of Foreign Trade, Government of India	2430002302/3/12/00 2A 359241	March 13, 2014	Export Obligation Period 6 years
7	Import/ Export Licence (Zero	Directorate General of Foreign Trade,	2430002391/3/12/00	June 10, 2014	Export Obligation Period 6 years

	Duty EPCG Scheme)	Government of India	2A 359819		
8	Import/ Export Licence (Zero Duty EPCG Scheme)	Directorate General of Foreign Trade, Government of India	2430002424/3/12/00 2A 359974	July 02, 2014	Export Obligation Period 6 years
9	Import/ Export Licence (Zero Duty EPCG Scheme)	Directorate General of Foreign Trade, Government of India			Export Obligation Period 6 years
10	Import/ Export Licence (Zero Duty EPCG Scheme)	Directorate General of Foreign Trade, Government of India	2430002696/3/12/00 2A 637188	November 25, 2014	Export Obligation Period 6 years
11	Import/ Export Licence (Zero Duty EPCG Scheme)	Directorate General of Foreign Trade, Government of India	2430002908/3/12/00 2A 638346	April 09, 2015	Export Obligation Period 6 years
12	Import/ Export Licence (Zero Duty EPCG Scheme)	Directorate General of Foreign Trade, Government of India	2430002916/3/12/00 2A 638388	April 17, 2015	Export Obligation Period 6 years
13	Import/ Export Licence (Zero Duty EPCG Scheme)	Directorate General of Foreign Trade, Government of India	2430003011/3/12/00 2A 638997	June 18, 2015	Export Obligation Period 6 years

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	AALCA7373E	June 19, 2013	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department through National	RKTA03923D	July 4, 2013	Perpetual

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
		Securities Depository Limited (NSDL), Ministry of Finance, Government of India			
3	Goods and Service Tax Identification Number (GSTIN) **(**Certificate of Provisional Registration)	Government of Gujarat and Government of India	24AALCA7373E1ZN	June 25, 2017	NA
3	Certificate of Registration (under Gujarat Value Added Tax Act, 2003 read with Rule 6 of the Gujrat Value Added Tax Rules, 2003)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Gujrat.	24101100690	July 18, 2013	NA
5	Certificate of Registration Central Sales Tax (under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Gujrat.	24601100690	July 18, 2013	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	GJRAJ1061895	January 14, 2015

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,	CTE Order -58926	Date of Issue: December 30, 2013 Date of Amendment: June 30, 2014	October 29, 2018
2	Consent to Establish the Unit for a product at a particular production capacity issued by State Pollution Control Board	Gujarat Pollution Control Board	CTE AMENDMENT NO-77755	May 13, 2016	April 05, 2023
3	Consent to Operate issued by State Pollution Control Board under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008	Gujrat Pollution Control Board	CCA Order No. W-65913	Date of Issue: November 09, 2014 Date of Amendment: May 15, 2016	October 14, 2019

OTHER BUSINESS RELATED APPROVALS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry

1	Eligibility Certificate for Power Tariff Subsidy	Additional Industries Commissioner (Ext.)	No.IC/Salt-Tex/701044/147/1124042	October 28, 2015	October 27, 2019
2	Eligibility Certificate for VAT Concession	Additional Industries Commissioner (Ext.)	No.IC/Salt-Tex/701044/147/1124048	October 28, 2015	October 27, 2022
3	Sanction Order (Amendment)	Additional Industries Commissioner (Ext.)	No.IC/Salt-Tex/701044/147/T.R.No.430	September 14, 2016	NA
4	Sanction Order (Amendment)	Additional Industries Commissioner (Ext.)	No.IC/Salt-Tex/701044/147/1234287	September 29, 2016	NA
5	Fire No Objection Certificate	Rajkot Municipal Corporation	RMC.F.B.NOC.E.NO.560	February 23, 2018	February 22, 2019
6	Paschim Gujarat Vij Company Limited	Executive engineer, PGVCL, Rural division, Jamnagar	CE/PGVCL/HT/RO	August 26,2015	NA

INTELLECTUAL PROPERTY RIGHTS:

Our Company markets its products under the following trademarks as set out below:

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Status
1	AKSHAR SPINTEX LIMITED	Device	23	Akshar Spintex Limited	3771191	March 06, 2018	Accepted

Company has confirmed that no other applications have been made by the Company nor has it registered any other type of intellectual property including Trademark/Copyrights/patents etc.

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. Professional Tax Enrollment Certificate
2. Professional Tax Registration Certificate
3. Application for change of name of all the above-mentioned approvals except Trademark is yet to be made by the Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE OFFER

The Offer has been authorized by a resolution passed by our Board of Directors at its meeting held on February 05, 2018 and by the shareholders of our Company by a Special Resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the Extraordinary General Meeting of our Company held on February 28, 2018 at registered office of the Company.

The Selling Shareholders have consented to participate in the Offer for Sale in the following manner:

Sr. No.	Name of the Selling Shareholder	Consent Letter dated	No. of Equity Shares held	No. of Equity Shares Offered
1)	Ashokbhai Bhalala	March 17, 2018	16,80,000	1,50,000
2)	Charmi Gadhiya	March 17, 2018	5,25,000	2,50,000
3)	Nayan Gadhiya	March 17, 2018	13,69,900	5,00,000
4)	Pooja Gadhiya	March 17, 2018	5,35,000	2,50,000
5)	Pareshbhai Bhalala	March 17, 2018	15,90,000	3,50,000
6)	Pravinbhai Bhalala	March 17, 2018	16,30,000	3,00,000
7)	Nipaben Sorathiya	March 17, 2018	27,05,273	7,68,773
8)	Sonal Sorathiya	March 17, 2018	24,12,727	4,76,227
9)	Rekhaben Chauhan	March 17, 2018	24,00,000	2,40,000
10)	Ashok Bhalala – HUF	March 17, 2018	2,00,000	1,50,000
11)	Chetana Bhalala	March 17, 2018	2,70,000	1,70,000
12)	Pareshbhai Bhalala – HUF	March 17, 2018	2,30,000	1,20,000
13)	Sukanbhai Bhalala – HUF	March 17, 2018	2,70,000	2,00,000
14)	Pravinbhai Bhalala – HUF	March 17, 2018	2,30,000	1,70,000
15)	Kantaben Gadhiya	March 17, 2018	5,50,000	1,50,000
16)	Narmadaben Chauhan	March 17, 2018	4,00,000	1,10,000
17)	Pareshbhai Jethva	March 17, 2018	4,00,000	4,00,000
18)	Pravinaben Gohil	March 17, 2018	4,00,000	4,00,000
19)	Prakashkumar Sorathia	March 17, 2018	4,80,000	4,80,000
20)	Manubhai Gareja	March 17, 2018	4,80,000	1,15,000
	Total		**1,87,57,900**	**57,50,000**

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor our Directors, our Promoter, relatives of Promoter, 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, Promoters, 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 are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are associated with the securities market in any manner, including securities market related business.

ELIGIBITY FOR THIS OFFER

Our Company is eligible for the Offer in accordance with regulation 106M(2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post offer face value capital exceeds Rs. 1,000 lakhs but does not exceed Rs. 2,500 Lakhs. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Offer will be hundred percent underwritten and that the Lead Manager will underwrite at least 15% of the total offer size. For further details pertaining to underwriting please refer to chapter titled "*General Information*" beginning on page 68 of this Draft 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 Offer 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) 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 Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Offer. For further details of the market making arrangement see chapter titled "*General Information*" beginning on page 68 of this Draft Prospectus.
5. The Company has Net Tangible assets of at least Rs. 3 crore as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 3 crore as per the latest audited financial results.
7. The Company has track record of distributable profits in terms of section 123 of Companies Act for at least two years out of immediately preceding three financial years and each financial year has a period of at least 12 months.
8. The Distributable Profit of the Company as per the restated financial statements for the period ended September 30, 2017 and year ended March 31, 2017, 2016, 2015, 2014, and 2013 is as set forth below:

(Amount Rs. In Lakhs)

Particulars	**March 31, 2014**	**March 31, 2015**	**March 31, 2016**	**March 31, 2017**	**September 30, 2017**
Distributable Profits*	-	(51.25)	266.94	538.61	252.44
Net Tangible Assets**	2379.58	7021.80	7481.87	8214.92	9413.31
Net Worth***	151.03	1941.81	2609.74	3150.33	3403.76

** "Distributable profits" have been computed in terms section 123 of the Companies Act, 2013.*

*** 'Net tangible assets' are defined as the sum of all net assets of our Company, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India and miscellaneous expenditure not written off, if any.*

**** "Net Worth" has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure not written off, if any*

9. The Post-issue paid up capital of the Company shall be at least Rs. 3 crore. The post issue capital of our Company is Rs. 25 Crores.
10. The Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories.
11. The Company has not been referred to Board for Industrial and Financial Reconstruction.
12. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
13. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
14. There has been no change in the promoter(s) of the Company in the one year preceding the date of
    filing application to BSE for listing on SME segment.
15. The Company has a website www.aksharspintex.in

We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 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 Offer.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE 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 OFFER.

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 PROSPECTUS,

THE 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 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 PROSPECTUS WITH ROC AND BEFORE OPENING OF THE OFFER

"WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID OFFER;**
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 OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
   A. **THE DRAFT 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 OFFER 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 PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE**

PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT 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 PROSPECTUS.**
7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. 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 OFFER.**
8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE**
10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT 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 OFFER 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 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 OFFER. – 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 PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – 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 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 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 PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE OFFER UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS OFFER SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-OFFER ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE OFFER HAVE BEEN GIVEN.

(3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE

(4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.

(5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS. – NOT APPLICABLE

(6) WE CONFIRM THAT UNDERWRITING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

(7) WE CONFIRM THAT 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: NOTED FOR COMPLIANCE

Note:

The filing of this Draft 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 Offer. SEBI further reserves the right to take up at any point of time, with the Lead Manager any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad, in terms of Section 26 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website www.aksharspintex.in would be doing so at his or her own risk.

Caution

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Offer Management entered into among the Lead Manager and our Company dated March 01, 2018, the Underwriting Agreement dated March 01, 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated March 01, 2018 entered into among the Market Maker, Lead Manager and our Company.

Our Company and the 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 Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to Lead Manage this Offer, under the SEBI (Merchant Bankers) Regulations, 1992.

Investors who apply in this Offer 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 Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

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" of this Draft Prospectus and the website of the Lead Manager at www.pantomathgroup.com.

DISCLAIMER IN RESPECT OF JURISDICTION

This Offer 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 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 Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with NSE for its observations and NSE 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 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 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 Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED

BSE Limited ("BSE") has given vide its letter dated [●] permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Ltd does not in any manner:-

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

ii. warrant that this Company's securities will be listed or will continue to be listed on BSE; or

iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

FILING

The Draft Prospectus has not been filed with SEBI, nor SEBI has issued any observation on the Offer Document in terms of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the SEBI Regional Office, Western Regional Office, Unit No: 002, Ground Floor SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge Ashram Road, Ahmedabad - 380009, Gujarat, India. A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC situated at Registrar Of Companies, ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013.

LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from SME Platform of BSE Limited. However application will be made to the SME Platform of BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE Limited has given its in-principle approval for using its name in our Draft Prospectus *vide* its letter dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the 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 Offer 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 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within six Working Days from the Offer Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Chief Executive Officer, the Statutory Auditors, the Peer Reviewed Auditors, the Banker to the Company; and (b) Lead Manager, Underwriter, Market Maker, Registrar to the Offer, Public Offer Bank / Banker to the Offer and Refund Banker to the Offer, Legal Advisor to the Offer to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of this Prospectus for registration with the RoC. 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 Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC.

EXPERT TO THE OFFER

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 the Restated Financial Statements for the year ended on March 2013, 2014, 2015, 2016, 2017 and period ended as on September 30, 2017.

EXPENSES OF THE OFFER

The expenses of this Offer 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 Offer, refer to chapter "*Objects of the Offer*" beginning on page 97 of this Draft Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Mandate Letter issued by our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer will be as per the Agreement signed by our Company and the Registrar to the Offer dated March 01, 2018, a copy of which is available for inspection at our Registered Office. The Registrar to the Offer 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 Offer 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, 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 Offer is as set out in the Underwriting Agreement entered into between our Company and the 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 Offer 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 76 of this Draft 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 recognized 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 Offer 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 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 Offer 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 Offer for redressal of their grievances. All grievances relating to this Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, 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.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicant 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 re-constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on March 14, 2018. For further details, please refer to the chapter titled "*Our Management*" beginning on page 156 of this Draft Prospectus.

Our Company has appointed Ankita Popat as Compliance Officer and she may be contacted at the following address:

Ankita Popat
Akshar Spintex Limited
Revenue Survey No. 102/2 paiki,
Plot no. 2, Village - Haripar, Ranuja Road,
Tal - Kalavad, Jamnagar – 361013, Gujarat, India
Tel: +91 96875 66931
Fax: NA
Email: cs@aksharspintex.in
Website: www.aksharspintex.in

Investors can contact the Compliance Officer or the Registrar in case of any pre-Offer or post-Offer 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

There has been no change in Auditors of our Company in the last three financial years.

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled "*Capital Structure*" beginning on page 76 of this Draft Prospectus, our Company has not capitalized its reserves or profits during the last five years.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

PURCHASE OF PROPERTY

Other than as disclosed in this Draft 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 Offer or the purchase or acquisition of which has not been completed on the date of this Draft Prospectus.

Except as stated elsewhere in this Draft 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 – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, *the* terms of the Draft Prospectus, , the Abridged Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the Allotment Advices and other documents / certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the Government of India, the FIPB, the Stock Exchange, the RBI, RoC and / or other authorities, as in force on the date of the Offer 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 Offer. 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 offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Offer 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 Offer and DPs as and when the same is made available.

OFFER FOR SALE

The Offer comprises of a fresh issue and offer for Sale by the Selling Shareholders. The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses.

RANKING OF EQUITY SHARES

The Equity Shares being offered in the Offer shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Offer 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 334 of this Draft 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 and our Articles of Association. For further details, please refer to the chapter titled *"Dividend Policy"* on page 180 of this Draft Prospectus.

FACE VALUE AND OFFER PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Offer Price is Rs. [●] per Equity Share. The Offer Price is determined by our Company and Selling Shareholders in consultation with the Lead Manager and is justified under the section titled "*Basis for Offer Price*" beginning on page 103 of this Draft Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares.

COMPLIANCE WITH SEBI ICDR REGULATIONS

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for 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, 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 334 of this Draft Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar of the Offer:

- Agreement dated January 29, 2018 amongst NSDL, our Company and the Registrar to the Offer; and

- Agreement dated January 17, 2018 amongst CDSL, our Company and the Registrar to the Offer.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] 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 Offer 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 Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies blocked by SCSBs shall be unblocked within 4 days of closure of offer.

JURISDICTION

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Mumbai, Maharashtra, India.

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

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

JOINT HOLDER

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013 the sole applicant, or the first applicant along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicant, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act,

2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer 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 OFFER

Our Company reserves the right to not proceed with the Offer after the Bid/Offer Opening Date but before the Allotment, in consultation with the LM. In such an event, our Company would Offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Lead Manager through, the Registrar to the Offer, 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 Offer 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 Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an Offer/Offer for sale of the Equity Shares, our Company shall file a fresh Draft Prospectus with Stock Exchange.

PERIOD OF OPERATION OF SUBSCRIPTION LIST OF PUBLIC OFFER

Offer Opens On	[●]
Offer Closes On	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Intimation of Refunds	[●]
Credit of Entry Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

MINIMUM SUBSCRIPTION

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money,

with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

The minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of Offer.

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 Only) 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 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.

MIGRATION TO MAIN BOARD

Our company may migrate to the Main Board of BSE from the SME Platform at a later date subject to the following condition and/or such other conditions as applicable from time to time:

If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further Offer 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 BSE 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 Lacs and upto Rs. 2,500 Lacs, our Company may still apply for migration to the Main Board if the Company fulfils the eligible criteria for listing laid down 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 offered through this Offer are proposed to be listed on the SME Platform of BSE (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing of shares offered through the Prospectus. For further details of the market making arrangement please refer to chapter titled *"General Information"* beginning on page 68 of this Draft Prospectus

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS OFFER

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

OPTION TO RECEIVE SECURITIES IN DEMATERIALISED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Offer.

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-Offer Equity Shares and Promoter's minimum contribution in the Offer as detailed in the chapter "*Capital Structure*" beginning on page 76 of this Draft 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 334 of this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft 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.

OFFER STRUCTURE

This Offer is being made in terms of Regulation 106 (M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer, whose post Offer face value capital exceeds ten crore rupees, shall Offer 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 SME Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an Offer please refer chapter titled "*Terms of the Offer*" and "*Offer Procedure*" on page 276 and 285 of this Draft Prospectus.

Following is the Offer structure:

Initial Public Offer of up to 67,50,000 Equity Shares of face value of Rs.10 each ("Equity Shares") for cash at price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share) (The "Offer Price") aggregating to Rs. [●] Lakhs comprising of a Fresh Offer of 10,00,000 Equity Shares aggregating to Rs. [●] Lakhs by our Company and Offer for Sale of up to 57,50,000 Equity Shares aggregating up to Rs. [●] Lakhs, comprising of offer for sale by selling shareholders of the Company. The Offer will constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

The offer comprises a reservation of [●] Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and a Net Offer to Public of Upto [●] Equity Shares of Rs. 10 each ("the Net Offer"). The Offer and the Net Offer will constitute [●] and [●], respectively of the post Offer paid up equity share capital of the company.

Particulars	Market Maker Reservation Portion	Net Offer to Public*
Number of Equity Shares	[●] Equity Shares	[●] Equity Shares
Percentage of Offer Size available for allocation	[●] % of Offer Size	[●] % of the Offer Size
Basis of Allotment/Allocation if respective category is oversubscribed	Firm allotment	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled "*Offer Procedure–Basis of Allotment*" on page 285 of the Draft Prospectus.
Mode of Application	Through ASBA Process only	All the applicants shall make the application (Online or Physical) through the ASBA Process only
Minimum Application	[●] Equity Shares of Face Value of Rs. 10.00 each	**For QIB and NII:** Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000 **For Retail Individuals:** [●] Equity Shares
Maximum Application Size	[●] Equity Shares of Face Value of Rs. 10.00 each	***For Other than Retail Individual Investors:*** For all other investors the maximum

Particulars	Market Maker Reservation Portion	Net Offer to Public*
		application size is the Net Offer to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable. ***For Retail Individuals:*** [●] Equity Shares
Mode of Allotment	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
Trading Lot	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares
Terms of payment	The Applicant shall have sufficient balance in the ASBA account at the time of submitting application and the amount will be blocked anytime within two day of the closure of the offer.	

** As per Regulation 43(4) of the SEBI (ICDR) Regulations, in an issue made other than through the book building process, allocation in the net offer to public category shall be made as follows:*
a. Minimum fifty percent to retail individual investors; and
b. Remaining to:

a. *Individual applicants other than retail individual investors; and*
b. *Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*
c. *The unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.*

Explanation: for the purpose of sub-regulation (4), if 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.

In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

WITHDRAWAL OF THE OFFER

In accordance with the SEBI ICDR Regulations, our Company and selling shareholder, in consultation with Lead Manager severally and not jointly, reserves the right not to proceed with this Offer at any time after the Offer Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company/Selling Shareholders withdraws the Offer after the Offer Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Offer advertisements were published.

Further, the Stock Exchange shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Offer after the Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail applicants shall not be

allowed to withdraw their Application after the Offer Closing Date.

OFFER PROGRAMME

OFFER OPENS ON	[●]
OFFER CLOSES ON	[●]

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 Offer 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 Offer 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.

OFFER PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document"), 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 Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Our Company, the Selling Shareholders and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus

Please note that all the Applicants can participate in the Offer only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form.

FIXED PRICE OFFER PROCEDURE

The Offer is being made under Regulation 106 (M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Application Collecting Intermediaries. In case of QIB Applicants, the Company and Selling Shareholders in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful ApplicantsApplicant only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form.

Further the Equity shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries at Applying Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Application/Offer Opening Date. All Applicants shall mandatorily participate in the

Offer only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	**Colour of Application Form***
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals applying under the QIB Portion), applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Draft Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

i) an SCSB, with whom the bank account to be blocked, is maintained

ii) a syndicate member (or sub-syndicate member)

iii) a stock broker registered with a 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 Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic applying system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic applying system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic applying system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms

	to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.

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 Prospectus, without prior or subsequent notice of such changes to the Applicants.

Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Offer, Registrar to the Offer as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. www.bseindia.com.

**excluding electronic Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Forms to respective SCSBs where the Applicant has a bank account and shall not submit it to any non-SCSB Bank

WHO CAN APPLY?

In addition to the category of Applicants set forth under "***General Information Document for Investing in Public Offer – Category of Investors Eligible to participate in an Offer***", 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.

OPTION TO SUBSCRIBE IN THE OFFER

As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law

AVAILABILITY OF PROSPECTUS AND APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries at Application Collecting Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE (www.bseindia.com) at least one day prior to the Application/Offer Opening Date.

PARTICIPATION BY ASSOCIATED/AFFILIATES OF LEAD MANAGER

The Lead Manager shall not be allowed to subscribe in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and

such subscription may be on their own account or on behalf of their clients.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRI'S APPLYING ON NON REPATRIATION

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

APPLICATIONS BY ELIGIBLE NRI'S/ RFPI's ON REPATRIATION BASIS

Application Forms have been made available for eligible NRIs at our Registered Office and at the Registered Office of the Lead manager. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of Offer of shares for allotment to NRIs on repatriation basis. Allotment of equity shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

APPLICATIONS BY FPI INCLUDING FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, 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 Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations,

the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions application which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue in colour).

APPLICATIONS BY SEBI REGISTERED VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public 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 Selling Shareholders or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATIONS BY MUTUAL FUNDS

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Applications has been made.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

APPLICATIONS BY INSURANCE COMPANIES

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Application 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 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% 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 (a), (b) and (c) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

APPLICATIONS UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, 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 Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.

b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.

c) With respect to Applications made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.

d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form

e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders, the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Prospectus.

APPLICATIONS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Applications made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders, the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Prospectus.

INFORMATION FOR THE APPLICANTS

1. Our Company and the Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Prospectus to be Application registered with the RoC and also publish the same in two

national newspapers (one each in English and Hindi) and in one regional newspaper with wide circulation. This advertisement shall be in the prescribed format.

2. Our Company will file the Prospectus with the RoC at least three days before the Offer Opening Date.
3. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.
4. Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorised agent(s).
5. Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application Forms submitted by Applicants whose beneficiary account is inactive shall be rejected.
6. The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
7. Except for applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Applicants.
8. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Offer or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

METHOD AND PROCESS OF APPLICATIONS

1. Applicants are required to submit their applications during the Offer Period only through the following Application Collecting intermediary
   - ***i)*** an SCSB, with whom the bank account to be blocked, is maintained
   - ***ii)*** 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')
   - ***iii)*** a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
   - ***iv)*** a registrar to an Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Offer Period may be extended, if required, by an additional three Working Days, subject to the total Offer Period not exceeding 10 Working Days.

The Intermediaries shall accept applications from all Applicants and they shall have the right to vet the applications during the Offer Period in accordance with the terms of the Prospectus Application.

The Applicant cannot apply on another Application Form after one Application Form has been submitted to Application Collecting intermediaries Submission of a second Application Form to either the same or to another Application Collecting Intermediary will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer.

2. The intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.
3. The upload of the details in the electronic applying system of stock exchange and post that blocking of funds will be done by as given below

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic applying system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic applying system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.

4. Upon receipt of the Application Form directly or through other intermediary, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, and If sufficient funds are not available in the ASBA Account the application will be rejected.
5. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.
6. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable

to the successful Applicants to the Public Offer Account. In case of withdrawal / failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

APPLICATIONS BY BANKING COMPANIES

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

APPLICATIONS BY SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Offer shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

TERMS OF PAYMENT

Terms of Payment

The entire Offer price of Rs [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the offer 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 Offer Bank Account, post finalisation of Basis of Allotment. The balance amount after transfer to the Public Offer Account shall be unblocked by the SCSBs.

The Applicants should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from the Applicants.

Payment mechanism for Applicants

The Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock

the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Offer 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 Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Offer shall mandatorily make use of ASBA facility.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
2. The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Offer Closing Date.
3. The Application collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be re will be responsible for blocking the necessary amounts in the ASBA Accounts (v) Application accepted and uploaded but not sent to SCSBs for blocking of funds.
4. Neither the Lead Manager nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorized agents during the Offer Period. The Designated Branches or the Agents of the Application Collecting Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
    - Name of the Applicant;
    - IPO Name;
    - Application Form number;

- Investor Category;
- PAN (of First Applicant, if more than one Applicant);
- DP ID of the demat account of the Applicant;
- Client Identification Number of the demat account of the Applicant;
- Numbers of Equity Shares Applied for;
- Bank account number.

7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Application Collecting Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
12. The Application Collecting Intermediaries will be given time till 1.00 P.M on the next working day after the Offer Closing Date to verify the PAN No, DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
13. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications.

ALLOCATION OF EQUITY SHARES

(a) The Offer is being made through the Fixed Price Process wherein [●] Equity Shares shall be reserved for Market Maker. [●] Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Offer Price. The balance of the Net Offer will be available for allocation on a proportionate basis to Non Retail Applicants.

(b) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.

(c) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) In terms of the SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.

(e) Allotment status details shall be available on the website of the Registrar to the Offer.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

- Our Company has entered into an Underwriting agreement dated March 01, 2018;
- A copy of the Prospectus will be filed with the RoC in terms of Section 26 of the Companies Act.

PRE- OFFER ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Offer 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. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

ISSUANCE OF ALLOTMENT ADVICE

i) Upon approval of the Basis of Allotment by the Designated Stock Exchange.

ii) The Lead Managers or the Registrar to the Offer will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Offer.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply as per the terms of the Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications,

the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;

- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Application options;
- Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Dont's:

(a) Do not apply for lower than the minimum Application size;
(b) Do not apply/revise Application Amount to less than the Floor Price or higher than the Cap Price;
(c) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
(d) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
(e) Do not submit the Application Forms to any non-SCSB bank or our Company;
(f) Do not make an application on a Application Form that does not have the stamp of the relevant Designated Intermediary;
(g) Do not make an Application at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
(h) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
(i) Do not make an Application Amount exceeding Rs. 200,000 (for Applications by Retail Individual Applicants);
(j) Do not fill up the Application Form such that the Equity Shares Application for exceeds the Offer 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 Draft Prospectus;
(k) Do not submit the General Index Register number instead of the PAN;
(l) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
(m) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
(n) Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
(o) Do not Application if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
(p) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Instructions For Completing The Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Application Collecting Intermediaries. Application Forms, which do not bear the stamp of the Application Collecting Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker ('broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com . With a view to broad base the reach of investor by substantially enhancing the points for submission of applicants, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer

Agent and Depository Participants registered with SEBI to accept the Application forms in Public Offer with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN Nos, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Application Collecting Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

COMMUNICATIONS

All future communications in connection with Applications made in this Offer should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Applicants can contact the Compliance Officer or the Registrar in case of any pre-offer or post-offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE Limited where the Equity Shares are proposed to be listed are taken within 6 working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

(a) Allotment and Listing of Equity Shares shall be made within 4 (four) and 6 (Six) days of the Offer Closing Date;

(b) The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Offer.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

- That the complaints received in respect of the Offer shall be attended expeditiously and satisfactorily;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE Limited where the Equity Shares are proposed to be listed within six working days from Offer Closure date.
- 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 Offer by our Company;
- That our Promoter's contribution in full has already been brought in;
- That no further offer of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
- If our Company does not proceed with the Offer after the Application/Offer Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Application/Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- If our Company withdraw the Offer after the Application/Offer Closing Date, our Company shall be required to file a fresh Draft Prospectus with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;
- 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

UNDERTAKING BY THE SELLING SHAREHOLDER

Each Selling Shareholder severally undertakes that:

1) it shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least one Working Day prior to the Offer Opening Date;
2) it shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchange;
3) it shall take all steps and provide all assistance to our Company and the Lead Manager, as may be required for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Offer Closing Date of the Offer, failing which it shall forthwith repay without interest all monies received from Applicants to the extent of the Offered Shares. In case of delay, interest as per applicable law shall be paid by the Selling Shareholder;
4) it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Equity Shares held by it except the Equity Shares being offered in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;
5) it shall ensure that the Equity Shares being offered by it in the Offer, shall be transferred to the successful Applicants within the time specified under applicable law; and
6) it shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Applicants within the time specified under applicable law.
7) it is the legal and beneficial owner of, and has full title to their respective portion of the Offered Shares in the Offer

UTILIZATION OF THE OFFER PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Fresh issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Fresh issue referred above shall be disclosed and continue to be disclosed till the time any part of the Offer 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 Fresh issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Offer.

Further the Selling Shareholders along with our Company declare that all monies received out of the Offer for Sale shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

EQUITY SHARES IN DEMATERIALSED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

i) Agreement dated September January 29, 2018 among NSDL, the Company and the Registrar to the Offer;

ii) Agreement dated August January 17, 2018 among CDSL, the Company and the Registrar to the Offer;

The Company's shares bear ISIN No INE256Z01017.

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public Offers in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Draft Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Offer" is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **("SEBI ICDR Regulations, 2009").**

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Offer 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 Offer and the relevant information about the Issuer undertaking the Offer; are set out in the Prospectus filed by the Issuer with the Registrar of Companies **("RoC")**. Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue/Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **LM(s)** to the Offer and on the website of Securities and Exchange Board of India **("SEBI")** at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-Offer face value capital does not exceed ten crore rupees shall Offer its specified securities in accordance with provisions of this Chapter.

- Regulation 106M (2): An issuer, whose post Offer face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also Offer specified securities in accordance with provisions of this Chapter.

The present Offer being made under Regulation 106M(2) of Chapter XB of SEBI (ICDR) Regulation.

2.2 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 (the "Companies Act"), The Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M(2) of Chapter XB of SEBI (ICDR) Regulation:

(a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Offer has to be 100% underwritten and the LM has to underwrite at least 15% of the total Offer size.

(b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Offer 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 73 of the Companies Act, 1956

(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 issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

(d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Offer.

(e) The Company has track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. The net worth of the Company is positive.

(f) The Post-Offer paid up capital of the Company shall not be more than Rs. 25 Crore.

(g) The Issuer shall mandatorily facilitate trading in demat securities

(h) The Issuer should not been referred to Board for Industrial and Financial Reconstruction.

(i) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.

(j) 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.

(k) The Company should have a website.

(l) Issuer shall also comply with all the other requirements as laid down for such an Offer 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 this Offer.

Thus Company is eligible for the Offer in accordance with regulation 106M(2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post Offer face value capital exceed Rs. 1,000 lakhs. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

2.3 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process **("Book Built Offer")** or undertake a Fixed Price Offer **("Fixed Price Offer")**. An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Offer) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Offer) 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-Offer advertisement was given at least five Working Days before the Offer Opening Date, in case of an IPO and at least one Working Day before the Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Applicants should refer to the Prospectus or Offer advertisements to check whether the Offer is a Book Built Offer or a Fixed Price Offer.

2.4 OFFER PERIOD

The Offer shall be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Offer Period. Details of Offer Period are also available on the website of Stock Exchange(s).

2.5 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of BSE Limited from the SME Exchange at a later date subject to the following:

(a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

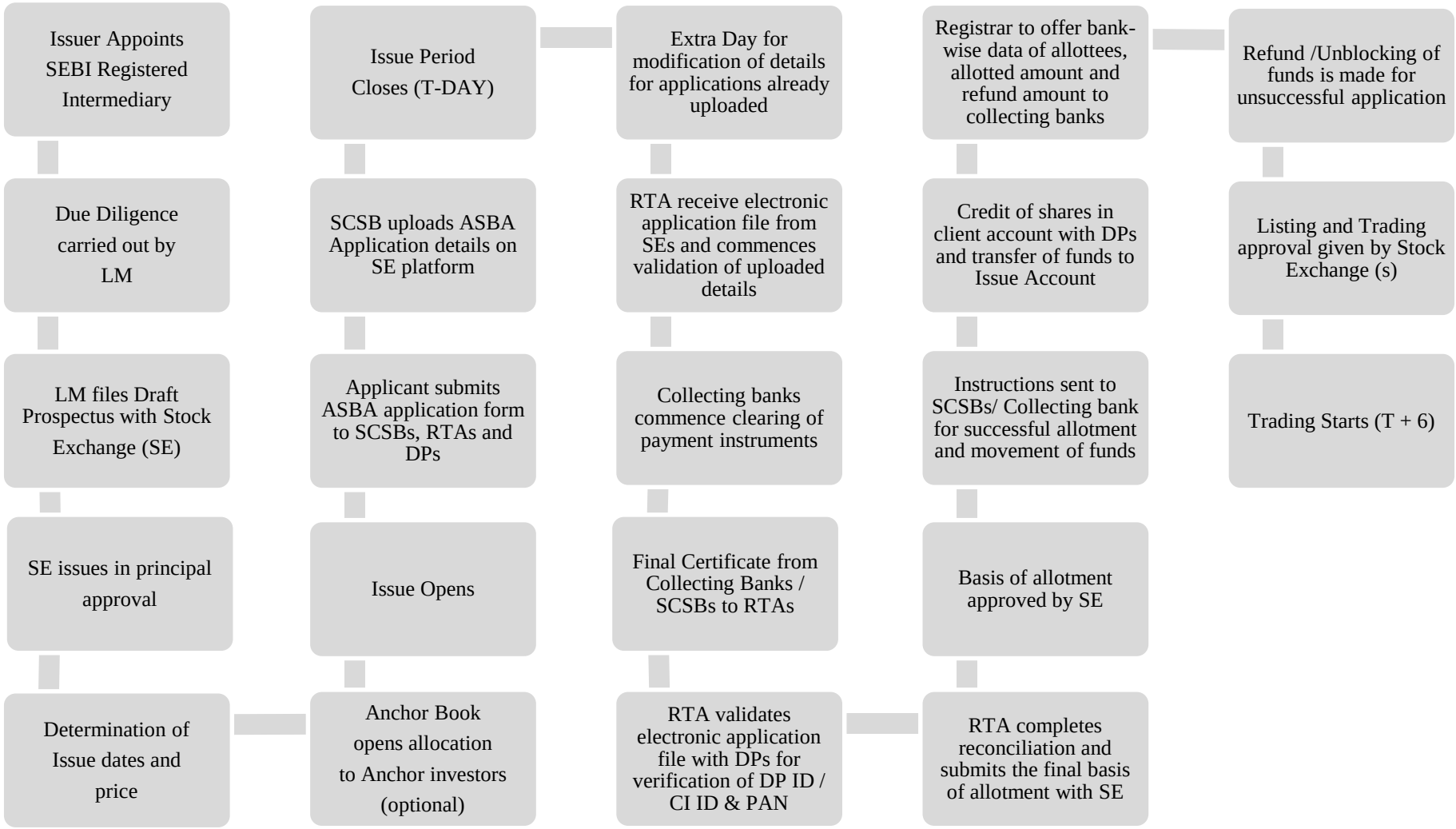
OR

(b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders

other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price Issues is as follows.


Issuer Appoints SEBI Registered Intermediary
Due Diligence carried out by LM
LM files Draft Prospectus with Stock Exchange (SE)
SE issues in principal approval
Determination of Issue dates and price
Anchor Book opens allocation to Anchor investors (optional)
Issue Opens
Applicant submits ASBA application form to SCSBs, RTAs and DPs
SCSB uploads ASBA Application details on SE platform
Issue Period Closes (T-DAY)
Extra Day for modification of details for applications already uploaded
Collecting banks commence clearing of payment instruments
RTA receive electronic application file from SEs and commences validation of uploaded details
Final Certificate from Collecting Banks / SCSBs to RTAs
RTA validates electronic application file with DPs for verification of DP ID / CI ID & PAN
Basis of allotment approved by SE
Instructions sent to SCSBs/ Collecting bank for successful allotment and movement of funds
Credit of shares in client account with DPs and transfer of funds to Issue Account
Registrar to offer bank-wise data of allottees, allotted amount and refund amount to collecting banks
RTA completes reconciliation and submits the final basis of allotment with SE
Refund /Unblocking of funds is made for unsuccessful application
Listing and Trading approval given by Stock Exchange (s)
Trading Starts (T + 6)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN OFFER

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
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 Offer, 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 Offer.

SECTION 4: APPLYING IN THE OFFER

Fixed Price Offer: Applicants should only use the specified Application Form either bearing the stamp of Application Collecting Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available Designated Branches of the SCSBs, at the registered office of the Issuer and at the corporate office of LM. For further details regarding availability of Application

Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Application Form for various categories of Applicants is as follows:

Category	Colour of the Application
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue
Anchor Investors (where applicable) & Applicants 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. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE APPLICATION FORM (FIXED PRICE OFFER)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

R Application Form

COMMON APPLICATION FORM

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - R

Registered Office: Revenue Survey no. 102/2 Paiki, Plot no. 2 Village: Haripar, Ranuja Road Tal: Kalavad, Jamnagar, Gujrat-361013, India; Tel. No.: +9198252 13622; Fax No.: NA; CIN: U17291GJ2013PLC075677; Website: www.aksharspintex.com; Email: admin@aksharspintex.in

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

AKSHAR SPINTEX LIMITED

To,
The Board of Directors
AKSHAR SPINTEX LIMITED

FIXED PRICE SME ISSUE
ISIN - INE256Z01017

Date : _____

Application Form No.

BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE
SCSB / BANK BRANCH STAMP & CODE	**SCSB / BANK BRANCH SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

4. APPLICATION DETAILS

No. of Equity Shares of ₹ [•]/- each applied at the Offer Price i.e. at ₹ [•]/- per share [1 & 2]

(In Figures) (In Words)

[1] Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly.
[2] Please note that the trading of equity shares will be only in dematerialised mode on the EMERGE Platform of the NSE Limited.

5. CATEGORY

☐ Retail Individual
☐ Non-Institutional
☐ QIB

6. INVESTOR STATUS

☐ Individual(s)	- IND
☐ Non- Resident Indians (Non- Repatriation Basis)	- NRI
☐ Hindu Undivided Family*	- HUF
☐ Bodies Corporate	- CO
☐ Banks & Financial Institutions	- FI
☐ Mutual Funds	- MF
☐ National Investment Funds	- NIF
☐ Insurance Funds	- IF
☐ Insurance Companies	- IC
☐ Venture Capital Funds	- VCF
☐ Alternative Investment Funds	- AIF
☐ Others (Please Specify)	- OTH

*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC OFFER ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
Date: ....., 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer 1) 2) 3)	

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AKSHAR SPINTEX LIMITED

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Application Form No.

DPID / CLID

PAN of Sole/First Bidder

Amount Blocked (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

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AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - R

	In Figures	In Words
No. of Equity Shares		
Amount Blocked (₹)		

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No.:

Bank & Branch:

Name of Sole / First Applicant

Acknowledgement Slip for Applicant

Application Form No.

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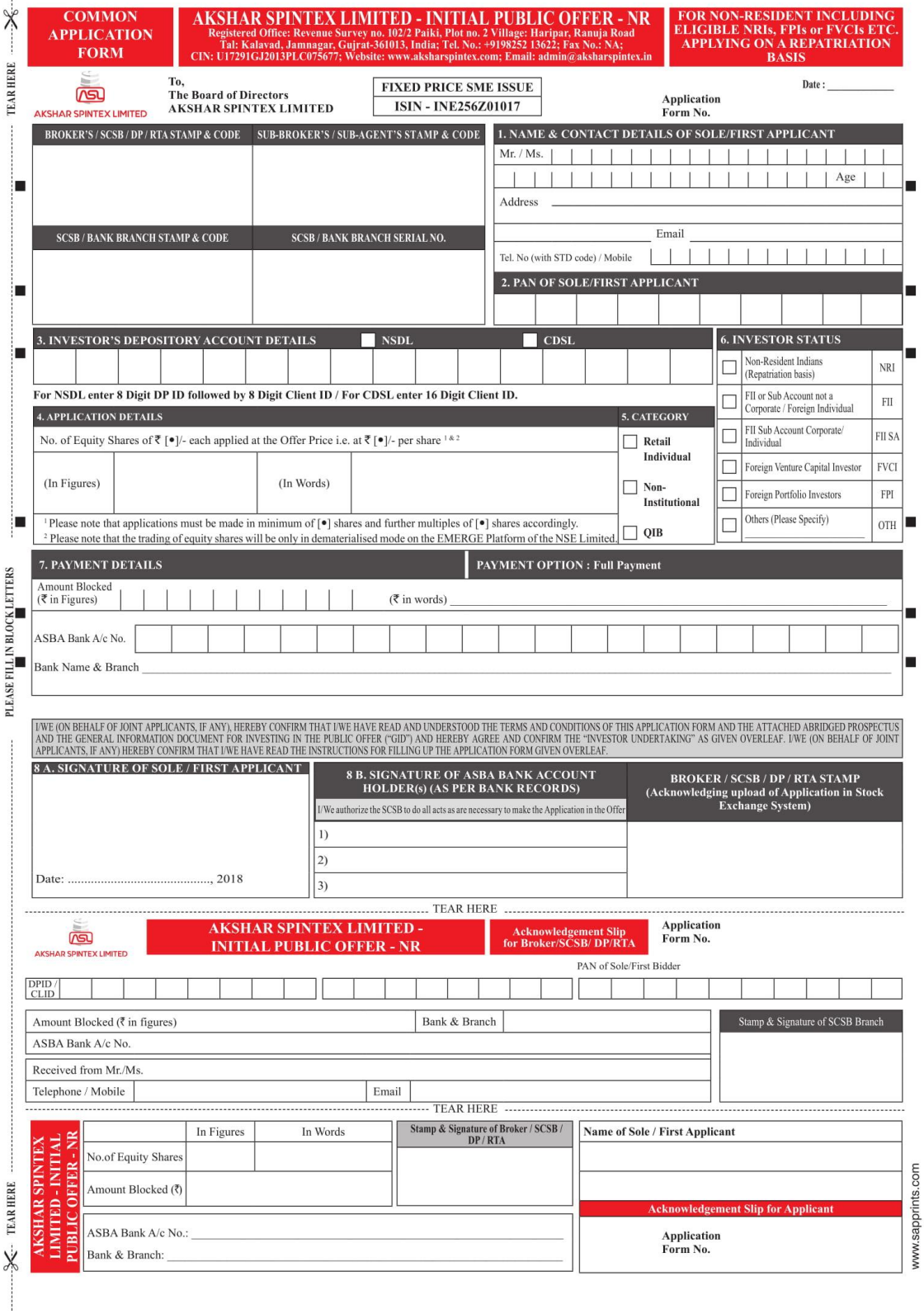
NR Application Form



COMMON APPLICATION FORM

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - NR

Registered Office: Revenue Survey no. 102/2 Paiki, Plot no. 2 Village: Haripar, Ranuja Road Tal: Kalavad, Jamnagar, Gujrat-361013, India; Tel. No.: +9198252 13622; Fax No.: NA; CIN: U17291GJ2013PLC075677; Website: www.aksharspintex.com; Email: admin@aksharspintex.in

FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCIs ETC. APPLYING ON A REPATRIATION BASIS

AKSHAR SPINTEX LIMITED

To,
The Board of Directors
AKSHAR SPINTEX LIMITED

FIXED PRICE SME ISSUE
ISIN - INE256Z01017

Application Form No.

Date : _____

BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE
SCSB / BANK BRANCH STAMP & CODE	**SCSB / BANK BRANCH SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms.

Age

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

4. APPLICATION DETAILS

No. of Equity Shares of ₹ [•]/- each applied at the Offer Price i.e. at ₹ [•]/- per share [1 & 2]

(In Figures) (In Words)

[1] Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly.
[2] Please note that the trading of equity shares will be only in dematerialised mode on the EMERGE Platform of the NSE Limited.

5. CATEGORY

- ☐ Retail Individual
- ☐ Non-Institutional
- ☐ QIB

6. INVESTOR STATUS

☐	Non-Resident Indians (Repatriation basis)	NRI
☐	FII or Sub Account not a Corporate / Foreign Individual	FII
☐	FII Sub Account Corporate/ Individual	FII SA
☐	Foreign Venture Capital Investor	FVCI
☐	Foreign Portfolio Investors	FPI
☐	Others (Please Specify)	OTH

7. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

PLEASE FILL IN BLOCK LETTERS

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC OFFER ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
Date: ....., 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer 1) 2) 3)	

TEAR HERE

AKSHAR SPINTEX LIMITED

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Application Form No.

PAN of Sole/First Bidder

DPID / CLID

Amount Blocked (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - NR

	In Figures	In Words
No.of Equity Shares		
Amount Blocked (₹)		

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No.:

Bank & Branch:

Name of Sole / First Applicant

Acknowledgement Slip for Applicant

Application Form No.

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4.1.1 : NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(b) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(c) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

'Any person who:

- makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or
- makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,

Shall be liable for action under section 447 of the said Act.'

(d) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 109A of the Companies Act. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

4.1.2 PAN NUMBER OF SOLE /FIRST APPLICANT

(a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim ("PAN Exempted Applicants"). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Applications by Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 APPLICANTS DEPOSITORY ACCOUNT DETAILS

(a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.

(b) Applicants should ensure that the beneficiary account provided in the Application Form is active.

(c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Applicant 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 an Offer.

(d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

4.1.4 APPLICATION DETAILS

(a) The Issuer may mention Price in the draft Prospectus. However a prospectus registered with RoC contains one price.

(b) Minimum And Maximum Application Size

i. For Retail Individual Applicants

The Application must be for a minimum of [●] Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for [●] Equity Shares.

ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as

specified in the Prospectus.

(c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to any other Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(d) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(e) The following applications may not be treated as multiple Applications:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.

iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.1.5 CATEGORY OF APPLICANTS

i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

iii. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

4.1.6 INVESTOR STATUS

(a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the offer or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

(c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident

Application Form.

(d) Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 PAYMENT DETAILS

(a) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.7.1 Payment instructions for Applicants

(a) Applicants may submit the Application Form in physical mode to the Application Collecting Intermediaries.

(b) Applicants should specify the Bank Account number in the Application Form.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one Bank Account, a maximum of five Application Forms can be submitted.

(f) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained. In case Applicant applying through Application Collecting Intermediary other than SCSB, after verification and upload, the Application Collecting Intermediary shall send to SCSB for blocking of fund.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and subsequent transfer of the Application Amount against the Allotted Equity Shares, if any, to the Public Offer Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.1.8 Unblocking of ASBA Account

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted

against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected/ partial/ non allotment ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Offer Closing Date.

4.1.8.1 Discount (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.1.8.2 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.9 SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.

(d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediaries, as applicable, for submission of the Application Form.

1. All communications in connection with Applications made in the Offer should be addressed as under:

   i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Applicants should contact the Registrar to the Offer.

   ii. In case of applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.

iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Offer.

2. The following details (as applicable) should be quoted while making any queries -

i. full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application And ASBA Account Number and Name.

ii. In case of ASBA applications, ASBA Account number in which the amount equivalent to the application amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Offer Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.

(b) RII may revise/withdraw their applications till closure of the Offer period.

(c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.

(d) The Applicant can make this revision any number of times during the Offer Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

Revision Form – R

COMMON APPLICATION FORM

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER- REVISION - R
Registered Office: Revenue Survey no. 102/2 Paiki, Plot no. 2 Village: Haripar, Ranuja Road Tal: Kalavad, Jamnagar, Gujrat-361013, India; Tel. No.: +9198252 13622; Fax No.: NA;
CIN: U17291GJ2013PLC075677; Website: www.aksharspintex.com; Email: admin@aksharspintex.in

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

AKSHAR SPINTEX LIMITED

To,
The Board of Directors
AKSHAR SPINTEX LIMITED

FIXED PRICE SME ISSUE
ISIN - INE256Z01017

Date : _____

Application Form No.

BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE
SCSB / BANK BRANCH STAMP & CODE	**SCSB / BANK BRANCH SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms.

Address

Tel. No (with STD code) / Mobile

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS NSDL ☐ CDSL ☐

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION ☐ PHYSICAL

4. FROM (as per last Application or Revision)

Options	No. of Equity Shares applied (Application must be in multiples of [•] equity shares) (In Figures)	Price per Equity Share (₹) [•]/- (In Figures) Offer Price	Discount, if any	Net Price
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1
Option 1				
(OR) Option 2	NOT APPLICABLE		NOT APPLICABLE	
(OR) Option 3	NOT APPLICABLE		NOT APPLICABLE	

5. TO (Revised Application)

Options	No. of Equity Shares applied (Application must be in multiples of [•] equity shares) (In Figures)	Price per Equity Share (₹) [•]/- (In Figures) Offer Price	Discount, if any	Net Price
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1
Option 1				
(OR) Option 2	NOT APPLICABLE		NOT APPLICABLE	
(OR) Option 3	NOT APPLICABLE		NOT APPLICABLE	

7. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) (₹ in words) _____

ASBA Bank A/c No.

Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC OFFER ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
Date: ....., 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer 1) 2) 3)	

TEAR HERE

AKSHAR SPINTEX LIMITED

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - REVISION - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Application Form No.

DPID / CLID | PAN

Additional Amount Blocked (₹ in figures)	Bank & Branch	SCSB Branch Stamp & Signature
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - REVISION - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Offer Price		NOT APPLICABLE	
Additional Amount Blocked (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Applicant

Acknowledgment Slip for Applicant

ASBA Bank A/c No.: _____

Bank & Branch: _____

Application Form No.

www.supprints.com

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PLEASE FILL IN BLOCK LETTERS

Revision Form – NR

COMMON APPLICATION FORM

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - REVISION - NR
Registered Office: Revenue Survey no. 102/2 Paiki, Plot no. 2 Village: Haripar, Ranuja Road Tal: Kalavad, Jamnagar, Gujrat-361013, India; Tel. No.: +9198252 13622; Fax No.: NA; CIN: U17291GJ2013PLC075677; Website: www.aksharspintex.com; Email: admin@aksharspintex.in

FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCIs ETC. APPLYING ON A REPATRIATION BASIS

AKSHAR SPINTEX LIMITED

To,
The Board of Directors
AKSHAR SPINTEX LIMITED

FIXED PRICE SME ISSUE
ISIN - INE256Z01017

Date : _____

Application Form No.

BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE
SCSB / BANK BRANCH STAMP & CODE	**SCSB / BANK BRANCH SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms.

Age

Tel. No (with STD code) / Mobile

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION

4. FROM (as per last Application or Revision)

Options	No. of Equity Shares applied (Application must be in multiples of [•] equity shares) (In Figures)	Price per Equity Share (₹) [•]/- (In Figures) ☐ PHYSICAL		
		Offer Price	Discount, if any	Net Price
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1
Option 1				
(OR) Option 2	NOT APPLICABLE		NOT APPLICABLE	
(OR) Option 3	NOT APPLICABLE		NOT APPLICABLE	

5. TO (Revised Application)

Options	No. of Equity Shares applied (Application must be in multiples of [•] equity shares) (In Figures)	Price per Equity Share (₹) [•]/- (In Figures)		
		Offer Price	Discount, if any	Net Price
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1
Option 1				
(OR) Option 2	NOT APPLICABLE		NOT APPLICABLE	
(OR) Option 3	NOT APPLICABLE		NOT APPLICABLE	

7. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) (₹ in words) _____

ASBA Bank A/c No.

Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC OFFER ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
Date: ....., 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer 1) 2) 3)	

TEAR HERE

AKSHAR SPINTEX LIMITED

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - REVISION - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Application Form No.

DPID / CLID | PAN

Additional Amount Blocked (₹ in figures)	Bank & Branch	SCSB Branch Stamp & Signature
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

	Option 1	Option 2	Option 3
No. of Equity Shares			NOT APPLICABLE
Offer Price			
Additional Amount Blocked (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Applicant

Acknowledgment Slip for Applicant

ASBA Bank A/c No.: _____

Bank & Branch: _____

Application Form No.

AKSHAR SPINTEX LIMITED - INITIAL PUBLIC OFFER - REVISION - NR

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PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.2.1. NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2. APPLICATION REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.

(b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should exceed Rs. 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

4.2.3. PAYMENT DETAILS

(a) All Applicants are required to make payment of the full application amount along with the Revision Form.

(b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

4.2.4. SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3. SUBMISSION OF REVISION FORM/ APPLICATION FORM

4.3.1. Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Investors Application	To the Application Collecting Intermediaries as mentioned in the Prospectus/ Application Form

SECTION 5: OFFER PROCEDURE IN FIXED PRICE ISSUE

APPLICANTS MAY NOTE THAT THERE IS NO BID CUM APPLICATION FORM IN A FIXED PRICE ISSUE

As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Application Collecting Intermediaries and apply only through ASBA facility.

ASBA Applicants may submit an Application Form either in physical/electronic form to the Application Collecting Intermediaries authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Offer Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

GROUNDS OF REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

(c) Amount blocked does not tally with the amount payable for the Equity Shares applied for;

(d) 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;

(e) Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

(f) PAN not mentioned in the Application Form;

(g) GIR number furnished instead of PAN;

(h) Applications for lower number of Equity Shares than specified for that category of investors;

(i) Applications at a price other than the Fixed Price of the Issue;

(j) Applications for number of Equity Shares which are not in multiples of [●];

(k) Category not ticked;

(l) Multiple Applications as defined in the Prospectus;

(m) In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;

(n) Applications accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;

(o) Signature of sole Applicant is missing;

(p) Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Offer Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;

(q) In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;

(r) Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(s) Applications by OCBs;

(t) Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;

(u) Applications not duly signed by the sole/ first Applicant;

(v) Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;

(w) Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;

(x) Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(y) Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;

(z) Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Offer Closing Date , unless the extended time is permitted by BSE.

(aa) Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section the GID.

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE APPLICATION COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

SECTION 6: OFFER PROCEDURE IN BOOK BUILT ISSUE

This being Fixed Price Issue, this section is not applicable for this Offer.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Applicants may refer to Draft Prospectus. No Retail Individual Investor will be allotted less than the minimum 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 SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).

b) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

c) For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:

   (a) Each successful Applicant shall be allotted [●]equity shares; and
   (b) The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

d) If the proportionate allotment to an Applicant works out to a number that is not a multiple of [●] equity shares, the Applicant 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 Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] 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 Draft Prospectus.

f) The above proportionate allotment of Shares in an Offer that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:

(a) As per Regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

(b) The balance net offer of shares to the public shall be made available for allotment to:

- individual applicants other than retails individual investors and
- other investors, including corporate bodies/ institutions irrespective of number of shares applied for.

(c) The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

"Retail Individual Investor" means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Offer 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 Offer Account with the Bankers to the Offer.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue**.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 4 Working Days of the Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Offer Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

a. . 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 Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Offer Closing Date.

b. . GROUNDS FOR REFUND

8.2.1. NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such

permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

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, and as disclosed in the Prospectus.

8.2.2. MINIMUM SUBSCRIPTION

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Offer through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Offer, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

8.2.3. MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

c. MODE OF REFUND

Within 6 Working Days of the Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

8.3.1. Mode of making refunds

The Registrar to the Offer may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Offer.

d. . INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not done within the 4 Working days of the Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Offer 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 an Applicant as proof of registration of the Application.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, issue / allotment of Equity Shares pursuant to the Offer to successful Applicants.
Allottee	An applicant to whom the Equity Shares are being / have been issued /allotted.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges.
Applicant	Any prospective investor who makes an application through ASBA pursuant to the terms of the Prospectus and the Application Form.
Application	An indication to make an offer during the Offer Period by an Applicant pursuant to submission of an Application Form, to subscribe for or purchase our Equity Shares at Offer Price, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations
Application Form	The form in terms of which Applicant should make an application for Allotment in case of Issues other than Book Built Issues, includes Fixed Price Issue.
Application Collecting Intermediaries	iii) an SCSB, with whom the bank account to be blocked, is maintained iv) a syndicate member (or sub-syndicate member), if any v) 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') vi) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) vii)a registrar to an offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
Application Supported by Blocked Amount/(ASBA)/ ASBA	An application, whether physical or electronic, used by all Applicants to make application authorizing a SCSB to block the application amount in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of the ASBA Applicant and as defined in the Application Form.
ASBA Application	An application made by an ASBA Applicant
ASBA Applicant	Prospective/Applicants in the Offer who apply through ASBA
Application Amount	The value indicated in Application form and payable by the Applicant upon the submission of the Applicant, less discounts (if applicable)
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled "*General Information*" on page 68 of this Draft Prospectus
Banker(s) and Refund Banker to the Issue	The bank(s), which are clearing members and are registered with SEBI as Banker(s) to the offer and Refund Banker to the offer, with whom the Public offer Account for the Offer will be opened, in this case being ICICI Bank Limited
Bankers to the Issue Agreement	The Bankers to the offer agreement dated March 01, 2018 between our Company, Selling Shareholders, Lead Manager, Banker and Refund Banker to the Offer and Registrar to the Offer
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in the section titled ***"Offer Procedure - Basis of Allotment"*** beginning on page no. 285 of this Draft Prospectus.

Term	Description
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker.
BSE	BSE Limited.
Offer Closing Date	[●]
Offer Opening Date	[●]
Offer Period	The period between the Offer Opening Date and the offer Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009
Lead Manager(s)/Lead Manager/ LM	The Lead Manager for the offer being Pantomath Capital Advisors Private Limited.
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
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
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Offer made by the Applicants with the Lead Manager, the Registrar to the Offer and the Stock Exchanges, a list of which is provided on www.sebi.gov.in
Companies Act	The Companies Act, 2013 and amendments thereto and the Companies Act, 1956, to the extent applicable
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility
Designated Date	The date on which funds are transferred from the ASBA Accounts to the Public Offer Account in terms of the Prospectus.
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band
Designated CDP Locations	Such centres of the CDPs where Applicant can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are

Term	Description
	available on the website of the Stock Exchange www.bseindia.com and updated from time to time
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchange (www.bseindia.com) and updated from time to time
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details /Applicant may refer to this Draft Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI(s)	Foreign Portfolio Investor
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Offer of Equity Shares of the Issuer including the Offer for Sale
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Offer Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Offer less Market Maker Reservation Portion
Non-Institutional Investors or NIIs	All Applicants, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 200,000 but not including NRIs other than Eligible NRIs
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which

Term	Description
	was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Offer.
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Draft Prospectus / Prospectus through Fresh Issue and an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act 1956 read with section 26 of Companies Act 2013, containing the offer Price, the size of the Offer and certain other information
Public Offer Account	An account opened with the Banker to the Offer to receive monies from the ASBA Accounts on the Designated Date
QIB Category or Qualified Institutional Buyers or QIBs	The portion of the offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI ICDR Regulations, 2009
Refunds through electronic transfer of funds	Refunds through ASBA
Registrar to the Issue/RTI	The Registrar to the offer as disclosed in the Draft Prospectus / Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Offer reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or for a value of not more than Rs. 2,00,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than Rs. 2,00,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum application lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an offer to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http: //www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
SME IPO	Initial public offering as chapter XB of SEBI (ICDR) Regulation
SME Issuer	The Company making the offer under chapter XB of SEBI (ICDR) Regulation
Stock Exchanges/SE	The stock exchanges as disclosed in the Draft Prospectus/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed

Term	Description
Self Certified Syndicate Bank(s) or SCSB(s)	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA including blocking of bank account, a list of which is available on http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility
Specified Locations	Collection centres where Application Forms will be accepted, a list of which is included in the Application Form
Underwriters	The Lead Manager
Underwriting Agreement	The agreement dated March 01, 2018 entered into between the Underwriters and our Company
Working Day	i. Till Application / Offer closing date: All days other than a Saturday, Sunday or a Public holiday; ii. Post Application / Offer 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 Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, 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 Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

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, conditionalites (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 offer, 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 offered 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 offers and sale occur.

Further, no offer to the public (as defined under Directive 20003/71/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 offer made under exemptions available under the Prospectus Directive, provided that no such offer 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 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 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 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.

The above information is given for the benefit of the Applicants. Our Company and the 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 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

Pursuant to Schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles

Sr. No	Particulars	
1.	No regulation contained in Table "F" in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	**Table F Applicable.**
	Interpretation Clause	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	**Act**
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	**Articles**
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	**Auditors**
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	**Capital**
	(e) *****"The Company" shall mean **"AKSHAR SPINTEX LIMITED"**	**Company**
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	**Executor or Administrator**

Sr. No	Particulars	
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	**Legal Representative**
	(h) Words importing the masculine gender also include the feminine gender.	**Gender**
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	**In Writing and Written**
	(j) The marginal notes hereto shall not affect the construction thereof.	**Marginal notes**
	(k) "Meeting" or "General Meeting" means a meeting of members.	**Meeting or General Meeting**
	(l) "Month" means a calendar month.	**Month**
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	**Annual General Meeting**
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	**Extra-Ordinary General Meeting**
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	**National Holiday**
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	**Non-retiring Directors**
	(q) "Office" means the registered Office for the time being of the Company.	**Office**
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	**Ordinary and Special Resolution**
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	**Person**
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	**Proxy**
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a)of the Act.	**Register of Members**
	(v) "Seal" means the common seal for the time being of the Company.	**Seal**

Sr. No	Particulars	
	(w) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.	**Special Resolution**
	(x) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	**Singular number**
	(y) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	**Statutes**
	(z) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	**These presents**
	(aa) "Variation" shall include abrogation; and "vary" shall include abrogate.	**Variation**
	(bb) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	**Year and Financial Year**
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	**Expressions in the Act to bear the same meaning in Articles**
	CAPITAL	
3.	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	**Authorized Capital.**
	b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64of the Act.	**Increase of capital by the Company how carried into effect**
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be	**New Capital same as existing capital**

Sr. No	Particulars	
	subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	**Non Voting Shares**
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	**Redeemable Preference Shares**
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	**Voting rights of preference shares**
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the	**Provisions to apply on issue of Redeemable Preference Shares**

Sr. No	Particulars	
	Company shall not be taken as reducing the amount of its Authorized Share Capital	
10.	The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.	**Reduction of capital**
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	**Debentures**
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	**Issue of Sweat Equity Shares**
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	**ESOP**
14.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	**Buy Back of shares**
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be	**Consolidation, Sub-Division And Cancellation**

Sr. No	Particulars	
	taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	**Issue of Depository Receipts**
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	**Issue of Securities**
	MODIFICATION OF CLASS RIGHTS	
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	**Modification of rights**
19.	The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	**New Issue of Shares not to affect rights attached to existing shares of that class.**
20.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which	**Shares at the disposal of the Directors.**

Sr. No	Particulars	
	may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	
21.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	**Power to issue shares on preferential basis.**
22.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	**Shares should be Numbered progressively and no share to be subdivided.**
23.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	**Acceptance of Shares.**
24.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	**Directors may allot shares as full paid-up**
25.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	**Deposit and call etc.to be a debt payable immediately.**
26.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	**Liability of Members.**

Sr. No	Particulars	
27.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	**Registration of Shares.**
	RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT	
28.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	CERTIFICATES	
29.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. (b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the	**Share Certificates.**

Sr. No	Particulars	
	certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act. (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.	
30.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	**Issue of new certificates in place of those defaced, lost or destroyed.**
31.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	**The first named joint holder deemed Sole holder.**
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	**Maximum number of joint holders.**
32.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any	**Company not bound to recognise**

Sr. No	Particulars	
	equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	**any interest in share other than that of registered holders.**
33.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	**Installment on shares to be duly paid.**
	UNDERWRITING AND BROKERAGE	
34.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	**Commission**
35.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	**Brokerage**
	CALLS	
36.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	**Directors may make calls**
37.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	**Notice of Calls**
38.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was	**Calls to date from resolution.**

Sr. No	Particulars	
	passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	
39.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	**Calls on uniform basis.**
40.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	**Directors may extend time.**
41.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	**Calls to carry interest.**
42.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	**Sums deemed to be calls.**
43.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	**Proof on trial of suit for money due on shares.**

Sr. No	Particulars	
44.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	**Judgment, decree, partial payment motto proceed for forfeiture.**
45.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.	**Payments in Anticipation of calls may carry interest**
	LIEN	
46.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	**Company to have Lien on shares.**
47.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by	**As to enforcing lien by sale.**

Sr. No	Particulars	
	transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	
48.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	**Application of proceeds of sale.**
	FORFEITURE AND SURRENDER OF SHARES	
49.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	**If call or installment not paid, notice may be given.**
50.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	**Terms of notice.**

Sr. No	Particulars	
51.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	**On default of payment, shares to be forfeited.**
52.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	**Notice of forfeiture to a Member**
53.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	**Forfeited shares to be property of the Company and may be sold etc.**
54.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	**Members still liable to pay money owing at time of forfeiture and interest.**
55.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	**Effect of forfeiture.**
56.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	**Evidence of Forfeiture.**
57.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	**Title of purchaser and allottee of Forfeited shares.**

Sr. No	Particulars	
58.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	**Cancellation of share certificate in respect of forfeited shares.**
59.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	**Forfeiture may be remitted.**
60.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	**Validity of sale**
61.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	**Surrender of shares.**
	TRANSFER AND TRANSMISSION OF SHARES	
62.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	**Execution of the instrument of shares.**
63.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.	**Transfer Form.**

Sr. No	Particulars	
	The instrument of transfer shall be in a common form approved by the Exchange;	
64.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	**Transfer not to be registered except on production of instrument of transfer.**
65.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	**Directors may refuse to register transfer.**
66.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	**Notice of refusal to be given to transferor and transferee.**
67.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	**No fee on transfer.**
68.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time,	**Closure of Register of Members or debentureholder**

Sr. No	Particulars	
	and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	**or other security holders.**
69.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	**Custody of transfer Deeds.**
70.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	**Application for transfer of partly paid shares.**
71.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	**Notice to transferee.**
72.	(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares. (b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	**Recognition of legal representative.**
73.	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	**Titles of Shares of deceased Member**

Sr. No	Particulars	
	Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72of the Companies Act.	
74.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	**Notice of application when to be given**
75.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	**Registration of persons entitled to share otherwise than by transfer. (Transmission clause).**
76.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	**Refusal to register nominee.**
77.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	**Board may require evidence of transmission.**
78.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of	**Company not liable for**

Sr. No	Particulars	
	shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	**disregard of a notice prohibiting registration of transfer.**
79.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	**Form of transfer Outside India.**
80.	No transfer shall be made to any minor, insolvent or person of unsound mind.	**No transfer to insolvent etc.**
	NOMINATION	
81.	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013shall apply in respect of such nomination. ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. iv) lf the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	**Nomination**
82.	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- (i) to be registered himself as holder of the security, as the case may be; or	**Transmission of Securities by nominee**

Sr. No	Particulars	
	(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made; (iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be; (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.	
	DEMATERIALISATION OF SHARES	
83.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	**Dematerialisation of Securities**
	JOINT HOLDER	
84.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	**Joint Holders**
85.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	**Joint and several liabilities for all payments in respect of shares.**
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	**Title of survivors.**

Sr. No	Particulars	
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	**Receipts of one sufficient.**
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	**Delivery of certificate and giving of notices to first named holders.**
	SHARE WARRANTS	
86.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	**Power to issue share warrants**
87.	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	**Deposit of share warrants**
88.	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	**Privileges and disabilities of the holders of share warrant**

Sr. No	Particulars	
89.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	**Issue of new share warrant coupons**
	CONVERSION OF SHARES INTO STOCK	
90.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	**Conversion of shares into stock or reconversion.**
91.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	**Transfer of stock.**
92.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares , have conferred that privilege or advantage.	**Rights of stock holders.**
93.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	**Regulations.**
	BORROWING POWERS	
94.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free	**Power to borrow.**

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	reserves that is to say reserves not set apart for any specified purpose.	
95.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	**Issue of discount etc. or with special privileges.**
96.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	**Securing payment or repayment of Moneys borrowed.**
97.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	**Bonds, Debentures etc. to be under the control of the Directors.**
98.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	**Mortgage of uncalled Capital.**
99.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	**Indemnity may be given.**
	MEETINGS OF MEMBERS	

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100.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	**Distinction between AGM & EGM.**
101.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	**Extra-Ordinary General Meeting by Board and by requisition**
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	**When a Director or any two** **Members may call an Extra Ordinary General Meeting**
102.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	**Meeting not to transact business not mentioned in notice.**
103.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	**Chairman of General Meeting**
104.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	**Business confined to election of Chairman whilst chair is vacant.**
105.	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	**Chairman with consent may adjourn meeting.**

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	c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	
106.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	**Chairman's casting vote.**
107.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	**In what case poll taken without adjournment.**
108.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	**Demand for poll not to prevent transaction of other business.**
	VOTES OF MEMBERS	
109.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands ,upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	**Members in arrears not to vote.**
110.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	**Number of votes each member entitled.**
111.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for	**Casting of votes by a member entitled**

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	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.	**to more than one vote.**
112.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	**Vote of member of unsound mind and of minor**
113.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	**Postal Ballot**
114.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	**E-Voting**
115.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	**Votes of joint members.**
116.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	**Votes may be given by proxy or by representative**
117.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	**Representation of a body corporate.**

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118.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	**Members paying money in advance.**
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	**Members not prohibited if share not held for any specified period.**
119.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	**Votes in respect of shares of deceased or insolvent members.**
120.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	**No votes by proxy on show of hands.**
121.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	**Appointment of a Proxy.**
122.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	**Form of proxy.**
123.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been	**Validity of votes given by proxy notwithstanding death of a member.**

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	received at the office before the meeting or adjourned meeting at which the proxy is used.	
124.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	**Time for objections to votes.**
125.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	**Chairperson of the Meeting to be the judge of validity of any vote.**
	DIRECTORS	
126.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	**Number of Directors**
127.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	**Qualification shares.**
128.	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.	**Nominee Directors.**

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129.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	**Appointment of alternate Director.**
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	**Additional Director**
131.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	**Directors power to fill casual vacancies.**
132.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	**Sitting Fees.**
133.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	**Travelling expenses Incurred by Director on Company's business.**
	PROCEEDING OF THE BOARD OF DIRECTORS	
134.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	**Meetings of Directors.**
135.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time	**Chairperson**

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	appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	
136.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	**Questions at Board meeting how decided.**
137.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	**Continuing directors may act notwithstanding any vacancy in the Board**
138.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	**Directors may appoint committee.**
139.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	**Committee Meetings how to be governed.**
140.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	**Chairperson of Committee Meetings**
141.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	**Meetings of the Committee**
142.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person	**Acts of Board or Committee shall**

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	acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	**be valid notwithstanding defect in appointment.**
	RETIREMENT AND ROTATION OF DIRECTORS	
143.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	**Power to fill casual vacancy**
	POWERS OF THE BOARD	
144.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	**Powers of the Board**
145.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	**Certain powers of the Board**
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	**To acquire any property , rights etc.**
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	**To take on Lease.**

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	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	**To erect & construct.**
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	**To pay for property.**
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	**To insure properties of the Company.**
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	**To open Bank accounts.**
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	**To secure contracts by way of mortgage.**
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	**To accept surrender of shares.**
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	**To appoint trustees for the Company.**

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	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	**To conduct legal proceedings.**
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	**Bankruptcy &Insolvency**
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	**To issue receipts & give discharge.**
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	**To invest and deal with money of the Company.**
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	**To give Security by way of indemnity.**
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	**To determine signing powers.**
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	**Commission or share in profits.**
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper,	**Bonus etc. to employees.**

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	whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	**Transfer to Reserve Funds.**
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	**To appoint and remove officers and other employees.**
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such	**To appoint Attorneys.**

Sr. No	Particulars	
	purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	**To enter into contracts.**
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	**To make rules.**
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	**To effect contracts etc.**
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	**To apply & obtain concessions licenses etc.**
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	**To pay commissions or interest.**

Sr. No	Particulars	
	(26) To redeem preference shares.	**To redeem preference shares.**
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	**To assist charitable or benevolent institutions.**
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. (32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. (33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose	

Sr. No	Particulars	
	aforesaid or any of them as they be thought necessary or expedient. (34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate. (35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. (36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit. (37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid. (38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.	
	MANAGING AND WHOLE-TIME DIRECTORS	
146.	a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute	**Powers to appoint Managing/ Wholetime Directors.**

Sr. No	Particulars	
	a break in his appointment as Managing Director or Whole-time Director.	
147.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	**Remuneration of Managing or Wholetime Director.**
148.	(1) Subject to control, direction and supervision of the Board of Directors, the day-today management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board. (2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers. (3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles. (4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit. (5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.	**Powers and duties of Managing Director or Whole-time Director.**

Sr. No	Particulars	
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
149.	a) Subject to the provisions of the Act,— i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. **b)** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.	**Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer**
	THE SEAL	
150.	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. (b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.	**The seal, its custody and use.**
151.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board 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.	**Deeds how executed.**
	Dividend and Reserves	
152.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the	**Division of profits.**

Sr. No	Particulars	
	Company, dividends may be declared and paid according to the amounts of the shares. (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	
153.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	**The company in General Meeting may declare Dividends.**
154.	a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	**Transfer to reserves**
155.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	**Interim Dividend.**
156.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	**Debts may be deducted.**
157.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	**Capital paid up in advance not to earn dividend.**
158.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for	**Dividends in proportion to amount paid-up.**

Sr. No	Particulars	
	dividends as from a particular date such share shall rank for dividend accordingly.	
159.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	**Retention of dividends until completion of transfer under Articles.**
160.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	**No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.**
161.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	**Effect of transfer of shares.**
162.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	**Dividend to joint holders.**
163.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	**Dividends how remitted.**
164.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	**Notice of dividend.**
165.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	**No interest on Dividends.**
	CAPITALIZATION	

Sr. No	Particulars	
166.	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii). (3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	**Capitalization.**
167.	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall — (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and (b) generally to do all acts and things required to give effect thereto. (2) The Board shall have full power - (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the	**Fractional Certificates.**

Sr. No	Particulars	
	application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares. (3) Any agreement made under such authority shall be effective and binding on all such members. (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.	
168.	(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges. (2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.	**Inspection of Minutes Books of General Meetings.**
169.	a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.	**Inspection of Accounts**
	FOREIGN REGISTER	
170.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	**Foreign Register.**
	DOCUMENTS AND SERVICE OF NOTICES	
171.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	**Signing of documents & notices to be served or given.**

Sr. No	Particulars	
172.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	**Authentication of documents and proceedings.**
	WINDING UP	
173.	Subject to the provisions of Chapter XX of the Act and rules made thereunder— (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	
	INDEMNITY	
174.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	**Directors' and others right to indemnity.**
175.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or	**Not responsible for acts of others**

Sr. No	Particulars	
	deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
	SECRECY	
176.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	**Secrecy**
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	**Access to property information etc.**

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 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 Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Revenue Survey No. 102/2, Paiki, Plot no. 2, Village - Haripar, Ranuja Road, Tal. - Kalavad, Jamnagar, Gujarat from date of filing the Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Offer Agreement dated March 01, 2018 between our Company, Selling Shareholders and the Lead Manager.
2. Registrar Agreement dated March 01, 2018, between our Company, Selling Shareholders and Bigshare Services Private Limited, Registrar to the offer.
3. Underwriting Agreement dated March 01, 2018, between our Company, Selling Shareholders and Underwriter viz. Lead Manager.
4. Share Escrow Agreement dated March 01, 2018, between our Company, the Selling Shareholder, the LM and the Share Escrow Agent.
5. Market Making Agreement dated March 01, 2018, between our Company, Selling Shareholders, Market Maker and the Lead Manager.
6. Bankers to the Offer Agreement dated March 01, 2018, amongst our Company, Selling Shareholders, the Lead Manager, Banker to the offer and the Registrar to the Offer.
7. Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated January 29, 2018.
8. Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated January 17, 2018.

Material Documents

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Resolution of the Board of Director dated February 05, 2018 in relation to the Offer and other related matters.
3. Shareholders' resolution dated February 28, 2018 in relation to the Offer and other related matters.
4. Authorisation letter dated March 17, 2018 issued by Selling shareholders.
5. Statement of Tax Benefits dated March 23, 2018 issued by our Peer Reviewed Auditor M/s. H. Jamnadas and Co., Chartered Accountants.
6. Report of the Peer Reviewed Auditor, M/S H. Jamnadas and Co., Chartered Accountants, dated March 23, 2018 on the Restated Financial Statements for the period ended on September 30, 2017 and for financial years ended as on March 31, 2017, 2016, 2015 & 2014 of our Company.
7. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Legal Advisor to the Offer, the Lead Manager, Registrar to the Offer, Underwriter, Market Maker, Bankers to the Company, Public Offer Bank/Bankers to the Offer and Refund Bankers to the Offer to act in their respective capacities.
8. Copy of approval from BSE Limited vide letter dated [●], to use the name of BSE in this offer

document for listing of Equity Shares on BSE SME (SME Platform) of BSE Limited

9. Due Diligence certificate dated March 27, 2018 from Lead Manager to BSE Limited.

None of the contracts or documents mentioned in this Draft 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 BY SELLING SHAREHOLDERS

I/We, the under signed Selling Shareholders hereby certifies that all the statements made by the Selling Shareholders in this Draft Prospectus about or in relation to itself in connection with the Offer for Sale, and the Equity Shares offered by me in the Offer for Sale are true and correct.

Sd/- Signed by the Selling Shareholder **Ashokbhai Bhalala**	Sd/- Signed by the Selling Shareholder **Nipaben Sorathiya**
Sd/- Signed by the Selling Shareholder **Charmee Gadhiya**	Sd/- Signed by the Selling Shareholder **Sonal Sorathiya**
Sd/- Signed by the Selling Shareholder **Nayan Gadhiya**	Sd/- Signed by the Selling Shareholder **Rekhaben Chauhan**
Sd/- Signed by the Selling Shareholder **Pooja Gadhiya**	Sd/- Signed by the Selling Shareholder **Ashok Bhalala – HUF**
Sd/- Signed by the Selling Shareholder **Pareshbhai Bhalala**	Sd/- Signed by the Selling Shareholder **Chetana Bhalala**
Sd/- Signed by the Selling Shareholder **Pravinbhai Bhalala**	Sd/- Signed by the Selling Shareholder **Pareshbhai Bhalala – HUF**

Sd/- Signed by the Selling Shareholder **Sukanbhai Bhalala – HUF**	Sd/- Signed by the Selling Shareholder **Pravinbhai Bhalala – HUF**
Sd/- Signed by the Selling Shareholder **Pareshbhai Jethva**	Sd/- Signed by the Selling Shareholder **Prakashkumar Sorathia**
Sd/- Signed by the Selling Shareholder **Pravinaben Gohil**	Sd/- Signed by the Selling Shareholder **Manubhai Gareja**
Sd/- Signed by the Selling Shareholder **Kantaben Gadhiya**	Sd/- Signed by the Selling Shareholder **Narmadaben Chauhan**

Place: Jamnagar, Gujarat

Date: March 27, 2018

DECLARATION BY THE COMPANY

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 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 Prospectus are true and correct.

Signed by all the Directors of our Company

Name and Designation	Signature
Ashokbhai Bhalala *Chairman and Managing Director*	**Sd/-**
Amit Gadhiya *Whole Time Director*	**Sd/-**
Harikrishna Chauhan *Whole Time Director*	**Sd/-**
Ilaben Paghdar *Non-Executive Director*	**Sd/-**
Vipul Patel *Independent Director*	**Sd/-**
Nirala Joshi *Independent Director*	**Sd/-**
Rohit Dobariya *Independent Director*	**Sd/-**

Signed by Chief Financial Officer and Company Secretary & Compliance Officer of the Company

Sd/-	**Sd/-**
Ankita Popat	Pratik Raiyani
Company Secretary & Compliance Officer	*Chief Financial Officer*

Place: Jamnagar, Gujarat
Date:- March 27, 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.	One Point One Solutions Limited	44.38	67.00	December 26, 2017	80.40	25.37%(5.27%)	0.35%(-3.81%)	Not Applicable
2.	Astron Paper & Board Mill Limited	69.83	50.00	December 29, 2017	115.00	180.90%(6.54%)	Not Applicable	Not Applicable
3.	Shree Ram Proteins Limited	19.90	31.00	February 05, 2018	28.95	-0.32% (-3.91%)	Not Applicable	Not Applicable
4.	Gujarat Hy – Spin Limited	4.45	10.00	February 08, 2018	10.35	-1.90% (-3.21%)	Not Applicable	Not Applicable
5.	Focus Suites Solutions & Services Limited	6.50	18.00	February 09, 2018	21.60	77.78% (-0.26%)	Not Applicable	Not Applicable
6.	A and M Jumbo Bags Limited	4.00	65.00	February 12, 2018	70.50	0.85% (-1.07%)	Not Applicable	Not Applicable
7.	Sintercom India Limited	42.55	65.00	February 15, 2018	78.00	15.00% (-3.32%)	Not Applicable	Not Applicable
8.	Mohini Health & Hygiene Limited	20.71	42.00	February 16, 2018	50.40	61.90%(-3.43%)	Not Applicable	Not Applicable
9.	South West Pinnacle Exploration Limited	35.85	78.00	February 19, 2018	93.60	3.72% (-2.45%)	Not Applicable	Not Applicable
10.	Macpower CNC Machines Limited	36.61	140.00	March 22, 2018	149.00	Not Applicable	Not Applicable	Not Applicable

Note:

Benara Bearings and Pistons Limited is in process of listing.

S.S. Infrastructure Development Consultants Limited has registered its Red Herring Prospectus with Registrar of Companies for Initial Public Offer.

Soni Soya Products Limited and Vera Synthetic Limited have registered their Prospectus with the Registrar of Companies for Initial Public Offer.

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	9	7	9	-	1	1	7	-	2

***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.

$. 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 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, Ambition Mica Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, 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, 180Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days,180 days, 180 Days, 180 Days, 180 Days, 180 Days, 180 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.*