

PROSPECTUS

Dated: February 10, 2014

Please read section 60 of the Companies Act, 1956

Read with section 32 of the Companies Act, 2013

100% Fixed Price Issue

SI. VI. SHIPPING CORPORATION LIMITED

Our Company was incorporated as "Si. Vi. Shipping Corporation Private Limited" under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 07, 2012 bearing Registration No. 068922, in Surat, Gujarat. Subsequently, our Company was converted into a public limited company vide fresh Certificate of Incorporation dated December 20, 2013 and consequently the name of our Company was changed to "Si. Vi. Shipping Corporation Limited". The Corporate Identification Number of our Company is U35111GJ2012PLC068922. For further details please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 115 of this Prospectus.

Registered office: Office Block, 1st Floor, Plot No. 237/2 & 3, Sub Plot No. A/25, Central Park Society, GIDC, Pandesara, Surat, Gujarat – 394221, India.

Tel. No.: +91 261 2894415/16; **Fax No.:** +91 261 2894419; **E-mail:** investors@sivishipping.com; **Website:** www.sivishipping.com

Contact Person: Ms Ankita Jain, Company Secretary and Compliance Officer

Promoter of our Company: Mr. Manoj Kumar Sarawagi

PUBLIC ISSUE OF 27,42,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. 25 PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. 15 PER EQUITY SHARE) AGGREGATING RS. 685.50 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH 11,58,000 EQUITY SHARES OF RS. 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY OUR PROMOTER (THE "PROMOTER CONTRIBUTION") AND 1,44,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE PROMOTER'S CONTRIBUTION AND THE MARKET MAKER RESERVATION PORTION I. E. ISSUE OF 14,40,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 47.67% AND 25.03%, RESPECTIVELY OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY.

THE FACE VALUE OF EQUITY SHARES IS RS. 10 EACH. THE ISSUE PRICE IS RS. 25. THE ISSUE PRICE IS 2.5 TIMES OF THE FACE VALUE

THE ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 (AS AMENDED FROM TIME TO TIME)

For further details please refer "Section VII - Issue Information" beginning on page 191 of this Prospectus.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the Bank Account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page 197 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 2.5 times of the face value. The Issue Price (as determined and justified by our Company, in consultation with the Lead Manager) as stated in chapter titled "Basis for Issue Price" beginning on page 82 of this Prospectus should not be taken to be indicative of the market price of our Equity Shares after our Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. **Specific attention of the investors is invited to the section "Risk Factors" beginning on page 23 of this Prospectus.**

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of our Company offered through this Prospectus are proposed to be listed on the SME Platform of Bombay Stock Exchange Limited (BSE). In terms of Chapter XB of the SEBI (ICDR) Regulation, 2009, as amended from time to time, we are not required to obtain an in-principle listing approval for the shares being offered in this Issue. However, our Company has received an approval letter dated February 5, 2014 from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE. For the purpose of this Issue, BSE will be the Designated Stock Exchange.

LEAD MANAGER



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

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
E/2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai 400 072
Tel: +91-22-40430200
Fax: +91-22-28475207
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Babu Raphael
SEBI Regn. Number: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON: FEBRUARY 18, 2014

ISSUE CLOSSES ON: FEBRUARY 21, 2014

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

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

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Company Related Terms

Term	Description
Articles or Articles of Association or AOA	The articles of association of our Company, as amended from time to time
Auditor or Statutory Auditor	The auditor of our Company, being R. Kejriwal & Co.
Bankers to our Company	Bank of Baroda and Union Bank of India
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof
Company secretary and Compliance Officer	Ms Ankita Jain
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each
Equity Shareholders	Persons holding equity shares of our Company
Group Companies	Includes those companies, firms and ventures promoted by our Promoter, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act and disclosed in the chapter titled “Our Group Entities” beginning on page 135 of this Prospectus
Memorandum of Association or Memorandum or MOA	The memorandum of association of our Company, as amended from time to time
“Promoter” or “our Promoter”	Promoter of our company being Mr. Manoj Kumar Sarawagi
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations and a list of which is provided in the chapter titled “Our Promoter and Promoter Group” beginning on page 130 of this Prospectus
Registered Office	The Registered Office of our Company located at Office Block, 1st Floor Plot No. 237/2 & 3, Sub Plot No, A/25, Central Park Society, GIDC, Pandesara, Surat, Gujarat – 394221, India.
RoC	Registrar of Companies, Ahmedabad

Term	Description
“Si. Vi. Shipping Corporation Limited”, “the Company” ,or “our Company” or “we”, “us”, or “our” and the “Issuer Company”	Si. Vi. Shipping Corporation Limited, a public limited company incorporated under the provisions of the Companies Act, 1956

Issue Related Terms

Term	Description
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants
Allotment/ Allot/ Allotted	Issue an allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Applicants
Allottee(s)	Successful Applicants to whom Equity Shares of our Company shall have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Prospectus
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Prospectus
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat.
ASBA Investor/ASBA applicant	Any prospective investor(s)/applicants(s) in this Issue who apply(ies) through the ASBA process
Banker(s) to the Issue/ Escrow Collection Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Escrow Account will be opened and in this case being [ICICI Bank Ltd]
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Issue Procedure” beginning on page 197 of this Prospectus
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time

Term	Description
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSBs is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants
Designated Stock Exchange	SME Platform of BSE Limited
Draft Prospectus	The Draft Prospectus dated January 16, 2014 issued in accordance with section 32 of the Companies Act, 1932 and filed with the BSE under SEBI (ICDR) Regulations
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Applicants (excluding ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting any Application(s) pursuant to this Issue
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager, and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of the amounts collected to the Applicants (excluding ASBA Applicants) on the terms and conditions thereof
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form
Issue/ Issue Size/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of 27,42,000 Equity Shares of face value of Rs. 10 each fully paid of Sl. Vi. Shipping Corporation Limited for cash at a price of Rs. 25/- per Equity Share (including a premium of Rs. 15/- per Equity Share) aggregating Rs. 685.50 lakhs
Issue Agreement	The agreement dated January 16, 2014 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing date	The date on which Issue closes for subscription

Term	Description
Issue Opening Date	The date on which Issue opens for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 25/- per Equity Share of face value of Rs. 10 each fully paid
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company, being Rs. 685.50 Lakhs
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited
Lead Manager/ LM	Lead Manager to the Issue in this case being Pantomath Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker
Market Making Agreement	Market Making Agreement dated January 16, 2014 between our Company, Lead Manager and Market Maker
Market Maker	Market Maker appointed by our Company from time to time, in this case being Choice Equity Broking Private Limited, who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of 1,44,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 25/- per Equity Share aggregating Rs. 36.00 lakhs for the Market Maker in this Issue
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Net Issue	The Issue excluding the Promoter Contribution of 11,58,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 25/- per Equity Share aggregating Rs. 289.50 lakhs and Market Maker Reservation Portion of 1,44,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 25/- per Equity Share aggregating Rs. 36.00 lakhs by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled "Objects of the Issue" beginning on page 77 of this Prospectus

Term	Description
Non Institutional Investors	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than Rs. 2,00,000
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus, filed with RoC containing, <i>inter-alia</i> , issue size, the issue opening and closing dates and other information
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Ltd by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date
Qualified Institutional Buyers or QIBs	QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FPI other than Category III FPI registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs, NIF, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India
Refund Account (s)	Account(s) to which Application monies to be refunded to the Applicants (excluding the ASBA Applicants) shall be transferred from the Public Issue Account.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened, in this case being ICICI Bank Ltd

Term	Description
Refund through electronic transfer of funds	Refund through ECS, Direct Credit, RTGS or the ASBA process, as applicable
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited having registered office at E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri I, Mumbai – 400072
Retail Individual Investor	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i>) and ASBA Applicants, who apply for an amount less than or equal to Rs 2,00,000
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
SCSB/ Self Certified Syndicate Banker.	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time
SME Platform of BSE	The SME Platform of BSE for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011
Underwriters	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated January 16, 2014 entered into between the Underwriters and our Company
Working Day	(i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All days other than a Sunday or a public holiday, and on which commercial banks in Gujarat and / or Mumbai are open for business in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Technical and Industry Terms

Term	Description
AHTS	Anchor Handling Tug Supply
AHTSV	Anchor Handling Tug Supply Vessel
ASSOCHAM	Associated Chambers of Commerce and Industry of India
BG	British Gas
CDL	Cork Dockyards Limited
CNC	Computer numerical control (CNC), a computer controller" that reads G-code and M-code commands and drives a machine tool, a powered mechanical device typically used to fabricate components by the selective removal of material.
CSL	Cochin Shipyard Limited
DG Shipping	Directorate General of Shipping
DSV	Diving Support Vehicle
dwt	Deadweight ton
E&P	Exploration and Production
EOT	Electric Overhead Transport
FDI	Foreign Direct Investment
FPV	Floating Production Vessel
GACL	Gujarat Ambuja Cement Limited
GDP	Gross Domestic Product
GRT	Gross Registered Tonnage
GT	Gross Tonnage
HSL	Hindustan Shipyard Limited
IMF	International Monetary Fund
IMO	International Maritime Organization
IRS	Indian Register of Shipping

Term	Description
ISF	International Shipping Federation
ISO	International Organization for Standardization
ISPS	International Ship and Port Facilities Security Code
ITF	International Transport Forum
ITS	Intelligent Transport Systems
LDC	Least Developed Country
L & T	Larsen & Toubro Ltd
MSP	Marine Shipbuilding Park
NOPV	Naval offshore Patrol Vehicle
OECD	Organization for Economic Cooperation and Development
ONGC	Oil & Natural Gas Corporation Limited
OSV	Offshores Supply/Support Vessels
PSV	Platform Supply Vessel
R&D	Research and Development
RIL	Reliance Industries Limited
RMT	Review of Maritime Transport, 2012 published by UNCTAD
RSV	Research and Supply Vessel
SBM	Single Buoy Mooring
SOLAS	Safety of Life at Sea Convention
SME	Small and Medium-sized Enterprise
SRU(s)	Ship Repair Unit(s)
TEU	20-foot Equivalent Unit
ULCC	Ultra-large Crude Carrier
VLCC	Very Large Crude Carrier

Term	Description
UNCTAD	United Nations Conference on Trade and Development
WEO	World Economic Outlook
WTO	World Trade Organization
VAT	Value Added Tax

Conventional and General Terms/ Abbreviations

Term	Description
A/C	Account
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.Com	Bachelors Degree in Commerce
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
Companies Act	Companies Act, 1956 or such other replaced provisions under the Companies Act, 2013 as may be applicable.
CSO	Central Statistical Organization
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items.

Term	Description
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FEMA Regulations	FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FPI(s)	Foreign Portfolio Investor
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
F.Y./FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
Gol/ Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family

Term	Description
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Indian GAAP	Generally accepted accounting principles in India
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IPC	Indian Penal Code
IPO	Initial Public Offering
IPR	Intellectual Property Right
IT Act	The Income-tax Act, 1961 as amended from time to time except as stated otherwise
IT Rules	The Income-tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
JV	Joint venture
Key Managerial Personnel / KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “Our Management” beginning on page 118 of this Prospectus
Km(s)	Kilometer(s)
LOA	Letter of Acceptance
Ltd.	Limited
Mantrana Maritime Advisory	Mantrana Maritime Advisory Private Limited
MBA	Master in Business Administration
M.Com	Master Degree in Commerce
MD	Managing Director
MoU	Memorandum of Understanding
MNC	Multinational Corporation

Term	Description
Mtr	Meters
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NHAI	National Highways Authority of India
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio

Term	Description
POA	Power of Attorney
PIO	Persons of Indian Origin
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
Ron	Return on Net Worth.
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations /Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	SME Platform of BSE Limited
Sq.	Square

Term	Description
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year over year

Notwithstanding the following: -

- (i) In the section titled ‘*Main Provisions of the Articles of Association*’ beginning on page 220 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled ‘*Financial Statements*’ beginning on page 141 of the Prospectus, defined terms shall have the meaning given to such terms in that section; and
- (iii) In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 85 of the Prospectus, defined terms shall have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and 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’ beginning on page 141 this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

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

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and 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’ beginning on page 141 of this Prospectus.

CURRENCY OF PRESENTATION

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

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

INDUSTRY & MARKET DATA

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

verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

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

FORWARD LOOKING STATEMENTS

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

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in Shipping Industry;
- Factors affecting Shipping Industry
- Our ability to successfully implement our shipyard project;
- 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 23 and 166 respectively of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

SECTION II – RISK FACTORS

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

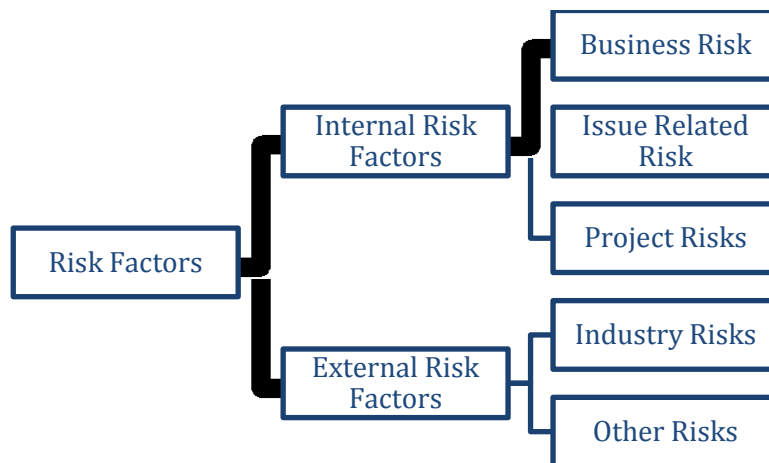
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 101, “Our Industry” beginning on page 94 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 166 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 the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 4 of this Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

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



INTERNAL RISK FACTORS

A. Business Risks/ Company specific Risk

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

Our Company was incorporated on February 07, 2012 and commenced operations immediately thereafter. Thus we have a very limited operating history from which you can evaluate our business, future prospects and viability. As a result, our future revenue and profitability are difficult to estimate and could fluctuate significantly and, as a result, the price of our Equity Shares may be volatile. While we are in process of obtaining approvals necessary to complete the construction of the Shipyard at Dahej, our prospects must be considered in light of the risks and uncertainties related to completion of our shipyard facilities and our ability to successfully expand or commence, as the case may be, and maintain our shipbuilding and repair business. Non-completion of construction of shipyard due to unforeseen events or delays may significantly and adversely affect our business and results of operations, which may vary significantly from the expectations of shareholders, market analysts and the investing public.

- 2. Neither we nor our Promoter have any track record or prior experience in shipbuilding or repair activities. Our ability to bid for and win projects may be limited due to lack our Promoter and Directors experience in the industry in which our Company operates***

Neither we nor our Promoter has any prior experience in shipbuilding or repair activities. We may face managerial, technical and logistical challenges while implementing our construction projects, and in the absence of prior experience, we may not be able to efficiently handle such challenges. Further, in selecting contractors for major projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria including experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts in similar projects, although the price competitiveness of the bid is the most important selection criterion. We may face difficulties qualifying as an approved supplier which could require us to discount in order to win business, thereby adversely affecting our results of operations. Any of the foregoing may have a material adverse effect on our business, prospects, results of operations and financial condition. To mitigate this, we are in the process of internal capacity building and also in the look out for technically expert and experienced talent and/or partners.

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

For the year ended March 31, 2013, our only client M/s L & T, Hazira accounted for our entire gross sales. Currently, all the orders in our order book are from M/s L & T, Hazira. The loss of business for them would have a material adverse effect on our financial results. Going forward we expect to be dependent on a small number of customers which could subject us, *inter-alia*, to pricing pressures. Our business and operations may be adversely affected if we are unable to establish or maintain relationships with customers. We cannot assure you that we will be able to re-establish a customer base or replace customers we may lose. There are a number of factors, other than our performance, that could cause the loss of a customer and that may not be predictable. Any of those events or any delay or default in payment by our clients for services rendered, may adversely impact our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

Today, almost 60% of the total fabrication work allotted by L&T's Hazira Shipyard is done by us. We have in short span also taken over operation of modern CNC machine for preparation of fabrication material for L&T's Hazira Shipyard. Recently we have also been awarded piping work for high speed interceptor boats by L&T's Hazira Shipyard. Thus even though we are currently fully dependent on single customer, the work has enabled us to develop a team and capability through which we can undertake new shipbuilding activities in future.

- 4. Our ability to bid for and win projects may be limited due to a number of factors, including our lack of experience.***

We intend to submit bids for various shipbuilding projects. Such contracts are ordinarily awarded on a competitive bid basis as well as by direct negotiations with customers. There may be delays in the bid selection process owing to a variety of reasons, including those outside our control. Our bids, may not be selected or, if selected, may not be finalized within the expected time frame or on expected terms or at all.

Pre-qualification is key to our winning major projects. In the initial stages, we may only be qualified to bid for projects up to a certain value and therefore may not be able to compete for larger projects. In order to bid for such larger projects, we may need to enter into memorandum of understanding and joint venture agreements with partner companies to meet capital adequacy, technical and other requirements that may be required to qualify, to bid for projects up to a certain value. We may also be forced to lower prices and we could incur losses in order to establish a track record to enable us to qualify for future projects. There is no assurance that we will be successful in forging an alliance with partner companies to meet such requirements or otherwise gaining the relevant track record. Our ability to bid for and win such projects is dependent on our ability to demonstrate experience working on such projects.

We shall, however, demonstrate our locational advantage, initial success with fabrication work for L & T and our dedicated team work to win bids advantageously.

5. Our Group Entities are involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render them liable to liabilities/penalties.

Our Group Entities are involved in certain legal proceedings and claims in relation to certain civil matters incidental to their business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render them liable to liabilities/penalties. A classification of these legal and other proceedings are given in the following table:

Entity Involved in the litigation	Civil Cases	Consumer Cases	Tax Cases	Financial Implications (Rs. in Lakhs)
Our Group Entities				
Litigation against our Group Entities	Nil	Nil	3	5.78
Litigation by our Group Entities	1	1	Nil	64.64

6. Our Company has negative cash flow in the past 2 years details of which are given below: Sustained negative cash flow could impact our growth and business.

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

(Rs. In Lakhs)

Particulars	For the year or period ended on		
	September 13	March 13	March 12
Net Cash Flow from/(used in) Operating Activities	31.44	3.12	Nil
Net Cash flow from /(Used in) Investing Activities	(45.07)	(1292.56)	(0.73)
Net Cash Flow from/(used in) Financing Activities	13.66	1289.34	6.06

Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. Our Company is a new company and is in initial phases of its life cycle where the cash flows are generally negative as lot of investments are required to be made initially in setting up business.

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

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

8. *We may face claims and incur additional rectification costs for defects and warranties in respect of our vessels.*

We may face claims by our customers in respect of defects, poor workmanship or non-conformity to our customers' specifications in respect of fabrication done by us /vessels built by us and such claims could be substantial. Such claims could also adversely affect our reputation and ability to grow our business. We are also generally required to give warranties for the time period between the completion of fabrication and sea trials. Due to the length of the warranty period extended by us, we may be subject to claims from our customers and we may incur additional costs if rectification work is required in order for us to satisfy our obligations during the warranty period. We cannot assure that our warranty provisions will be sufficient to cover the costs incurred for defects. If the costs of any rectification works exceed the warranty provisions we have made, our business, financial condition, results of operations and prospects may be adversely affected. We have established comprehensive quality control processes to ensure quality of our workmanship.

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

Our Key Managerial Personal possesses the requisite domain knowledge to provide efficient services to our clients. Accordingly, our Company's performance is dependent upon the services of our Key Managerial Personnel. Our future performance will, therefore, depend upon the continued services of these persons. It is possible that we may lose our skilled and trained staff to our competitors and high attrition rates in particular, could result in a loss of domain and process knowledge. Demand for key managerial personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company. We have appropriate incentive system in place in order to attract and retain our employees

10. *Price of many of our raw materials which include metals like aluminium, steel etc. and equipment's which will be used in construction on ships may fluctuate as they are linked to global commodity prices, which are outside our control may adversely affect the profitability of our Company.*

Raw material costs are linked to global commodity prices, which is beyond our control. Price of principal raw material i.e. metals are linked to global metal prices. As global metal prices increase, our metal costs increase. Further adverse movements in global metal prices or equipment prices would increase our direct costs, which may have a material adverse effect on our profitability. As we expect most of our contracts to be fixed price contracts, we could be exposed to changes in the price of steel during the construction period after the fixed price has been agreed. In addition, any decrease in the availability of raw materials which we require, including steel and other metals, or increase in the price at which these raw materials are available to us, may significantly and adversely affect our business, financial condition and results of our operations if we are unable to proportionately increase the sale price of our product. In order to mitigate risk arising out of fluctuation in prices of raw materials we shall ensure that we complete the order in the agreed timeframes so that escalation in costs due to delay in completion of orders is minimized.

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

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

In addition, our Promoter will continue to have the ability to cause us to take actions that may not in, or may conflict with, our interests or the interests of some or all of our creditors or other 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.

12. We are subject to restrictive covenants in certain fund based and non fund based debt facilities provided to us by our lenders

Our Company has entered into agreements with UBI, New City Light Branch, Surat, and availed Cash Credit Limit of Rs. 30.00 lakhs and Term Loan Facilities of Rs. 70.00 lakhs. These agreements contain certain restrictive covenants which require us to take the prior written consent of UBI before undertaking the following activities throughout the currency of the agreement including but not limited to:

- (i) Intra Group transfers unless and until it is a genuine trade transaction in which we deal;
- (ii) Banking with other banks;
- (iii) Borrowing above sanctioned limits;
- (iv) Changes in accounting system;
- (v) Closing down or ceasing to do business;
- (vi) Withdrawal of unsecured loans;
- (vii) Formulate any Scheme of Amalgamation or Reconstruction

There can be no assurance that our Company will be able to comply with these financial or other covenants or that our Company will be able to obtain the consents necessary to take the actions our Company believes are necessary to operate and grow our Company's business. Further, if we default on the repayment of the aforesaid loans, Union Bank of India could enforce their security interests on our assets limiting our ability to carry out operations.

13. Our business is prone to accidents. Mishaps or accidents could result in a loss or slowdown in operations and could also cause damage to life and property.

The services provided by our Company are subject to operating risks, including but not limited to, breakdown or accidents and mishaps. Improper handling, during ship building or ship repair processes like lifting of heavy materials by cranes, launching of ships, etc. may result in accidents which could cause injury to our employees, other persons on the site and could also damage our properties thereby affecting our operations. While, till date, there have not been any notable incidents involving mishaps or major accidents, we cannot assure that these may not occur in future. Any consequential losses arising due to such events will affect our operations and financial condition.

14. We face growing and new competition along with other business dynamics that may adversely affect our competitive position and our profitability

We operate in a highly competitive environment. In addition to Public Sector shipyards, we will have to compete with other shipbuilding yards in the region, particularly Alcock Ashdown, Modest Infrastructure, ABG Shipyard, Pipavav Defence & Offshore Engineering and Shoft Shipyard etc. These companies already have experience in shipbuilding and ship repairs.

The ship owner invites quotes from several technically suited shipyards for repair of vessels. However, the final contract is not awarded to the lowest bidder for the project. The ship owners consider several other factors before finalizing the commercially most suited shipyard. These parameters are the Quote received from ship repair yard, mobilization cost to the ship repair yard, demobilization cost from the ship repair yard to the location of deployment, overhead cost associated; opportunity lost for the time ships is not employed in service. This is one of the primary reasons why a ship repair yard located closer to the region of deployment of vessels, generally wins the contract compared to the repair yard located in far-off location. Hence, from future perspective, we would have to keep a lookout of the infrastructure that is getting developed in the region, because on the west coast of India, for repair yards of targeting ships of less than 110 or 100 meter long, Mumbai Offshore is the biggest and only market for repair of high-value ships. Now, if in future a new repair yard comes somewhere in and around Mumbai Offshore, the likelihood of it winning a repair contract is far higher compared to us.

15. *Delays in the completion of fabrication work/manufacturing and delivery of vessels to clients may result in us being liable to pay our clients damages or otherwise adversely affect our reputation, business, financial condition and prospects.*

Factors beyond our control or any unforeseen events may cause a project to be delayed, including delays or failures to obtain necessary authorizations, permissions or permits in a timely manner, and other types of difficulties or obstructions. Any delay in completion and delivery of the vessels that we are constructing under our shipbuilding contracts will result in we being liable to pay our customers damages, liquidated or otherwise hamper our reputation. Moreover, any significant delay in completion of fabrication /manufacture and delivery of vessels to clients could result in a delayed payment from clients, additional funding requirements, cost overruns. This may have an adverse impact on our reputation and could have a material adverse effect on our business, financial condition and prospects. In order to mitigate risk from delays we always endeavor to stick to the implementation schedule and keep adequate buffer to avoid unnecessary delays in execution of orders.

16. *Unforeseen costs and costs not within our control due to happening of some unforeseen event, which may not be recoverable and could adversely affect our results of operations and financial condition.*

Due to the nature of the ship building industry, most of our commercial contracts are executed on a fixed-price basis. Under fixed-price contracts, we agree to perform the contract for a fixed price however we attempt to cover anticipated increase cost of labour, raw material etc. through estimation but still we could incur cost overruns above the approved contract price, which may not be recoverable. Fixed-price contract prices are established based largely upon estimates and assumptions relating to project scope and specifications, personnel and material needs. These estimates and assumptions may be inaccurate or conditions may change due to factors out of our control, resulting in cost overruns, which we may be required to absorb and that could have a material adverse effect on our business, financial condition and results of our operations. Depending on the factors like contract size, time within which the project is completed etc., the cost overruns will fluctuate which could significantly affect our financial conditions and profitability.

Moreover, such unforeseen event may cause our clients to postpone or cancel purchases from us or even divert them to our competitors. We cannot predict with certainty when, if or to what extent a project will be performed. Even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any reduction in scope, cancellation, payment postponement or payment default in regard to order book projects or disputes with clients in respect of any of the foregoing could materially harm our financial condition, results of operations and cash flows.

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

Our Company uses third party transportation providers for delivery of our raw materials. 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 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.

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

18. Our construction costs may exceed our budgeted amounts.

The anticipated costs of construction of our facilities are based on budgets, estimates and numerous assumptions. The cost of construction of Shipyard was initially appraised and valued at approx. Rs. 15,600 Lakhs by Mantrana Maritime Advisory. Till date the Company has incurred cost of approx. Rs. 1159.83 Lakhs for construction of the shipyard. The actual costs of construction of our shipyard may exceed such budgeted amounts due to a variety of factors such as construction delays, adverse changes in raw material costs, interest rates, labor costs, foreign exchange rates, regulatory and environmental factors, weather conditions and our financing needs etc. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts.

19. Our quality control assurance and monitoring procedures may not identify all defects, poor workmanship or non-conformities to client specifications, which could adversely affect our reputation, business, prospects, financial condition and results of operations.

Our Company has established quality control assurance and monitoring procedures (QCAMP) to identify all defects, poor workmanship or non-conformities to client specifications. However, there can be no assurances that our QCAMP will identify all defects, poor workmanship or non-conformities to our customer's specifications in respect of vessels. If our QCAMP do not to identify any such defects, poor workmanship or non-conformity to our customer's specifications, claims arising from such defects, poor workmanship or non-conformities could be substantial. Such claims could also adversely affect our reputation, business, prospects, financial condition and results of operations.

20. Draw downs under performance or refund guarantees by our customers could impact our results of operation and we may face potential liabilities from lawsuits or claims by customers in the future.

As is customary in the industry, our Company generally gives performance guarantees to our clients and rectify any defects that may arise in the fabrication work done by us/operation of a vessel constructed by us, during the period of the performance guarantee. If we fail to rectify any defects in a particular vessel within the time period of the performance guarantee, a client can invoke the performance guarantee and recover its losses. If a performance guarantee is invoked, our financial condition will be negatively affected.

In addition, we face the risk of legal proceedings and claims being brought against us by our clients for any defects in the fabrication done by us/vessels sold to them for which performance or refund guarantees are issued by us. This may result in liabilities and/or financial claims against our Company as well as loss of business and reputation.

21. Results of operations of our Company could be adversely affected by strikes, lock outs, work stoppages or increased wage demands by contract laborers employed by our third party contractors, or by our employees.

Skilled, semi-skilled or unskilled labours directly or indirectly involved for construction of our shipyard, may either be sub-contracted or employed on Company's payroll. The number of contract laborers vary from time to time based on the nature and extent of work contracted to independent contractors. We may enter into contracts with independent contractors to complete specified assignments. All contract

laborers, if any engaged at our facilities are assured minimum wages that are fixed by the State Government. Any upward revisions may cause us to experience an increase in construction costs if our agreements with our sub contractors provide for such increases to be fully or partially passed on to us. There can be also no assurance that disruptions such as strikes and other work stoppages will not occur, which may adversely affect our business and results of operations.

22. *Our results of operations could be adversely affected if we are not able to effectively schedule our block fabrication processes for ship building.*

The success of our business depends greatly on our ability to manage our shipbuilding schedules and fabrication processes. Any failure on our part to effectively manage our shipbuilding schedules or fabrication processes could adversely affect our vessel production capacity as well as the completion of construction of vessels in a timely manner. Any substantial delay in the completion and delivery of the vessels under our shipbuilding contracts may result in our being liable to pay liquidated or other damages to our clients and hamper the reputation of our Company. This could have a material adverse effect on our business, financial condition and results of operations.

23. *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 the shipbuilding industry, we and third parties upon whom we depend expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labor, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- Environment (Protection) Act, 1986
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974
- 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 businesses.

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.

24. *Disruptions or lack of basic infrastructure such as our electricity supply from Gujarat State Electricity Board and water supply could result in an increase of manufacturing costs*

Any disruption in basic infrastructure, such as supply of electricity from Gujarat State Electricity Board or water supply etc. will cause us to resort to other substitutes and could substantially increase our manufacturing costs. Our Company has not been insured against such business interruption and may not be covered for any claims or damages if the supply of power or water is disrupted. Such disruptions may result in additional costs on us and have an adverse effect on our business, profitability and financial condition.

25. *Within the parameters as mentioned in the chapter titled 'Objects of this Issue' beginning on page 77 of this Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.*

We intend to use entire fresh Issue proceeds towards repayment of identified unsecured loans, working capital needs and to meet the issue expenses. We intend to deploy the Net Issue Proceeds in FY 2013-

2014 to FY 2014-2015 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled "Objects of the Issue" beginning on page 77 of this Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled 'Objects of this Issue' beginning on page 77 of this Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the utilization of the proceeds of this Issue.

26. *We do not own our Registered Office from which we operate.*

We do not own the premises at which our Registered Office is situated. Our group entity Siddhi Vinayak Knots and Prints Private Limited has given us the permission to use their office premises as the registered office of our Company, for the time being without payment of any lease rent and/or deposit. We cannot assure you that we will have the right to occupy, this premises in the future, or that we will be able to continue with the uninterrupted use of this premise, which may impair our operations and adversely affect our financial condition. For further details of properties please refer to the section titled "Our Business" beginning on page 101 of this Prospectus.

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

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

28. *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, results of operations, financial condition and goodwill could be adversely affected.

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

We have made an application for registration of our Logo/trademark on January 8, 2014 under the Trademarks Act, 1999 and are in the process of getting the same registered. If our Company is unable to obtain registration of trademark, it may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks. This could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

30. Some of our Group Entities have incurred losses in financial year ended March 31, 2013 and one of the Group Companies has a Negative Networth.

Some of Group Entities have incurred losses in the F.Y. 2012-13 and one of the Group Companies has a Negative Networth. For further details regarding the performance of our Group Entities, please refer to Chapter titled "Our Group Entities" on page 135 of this Prospectus.

31. Our Company has availed unsecured loans from our Promoters, members of Promoter Group and Group Companies majority of which are repayable on demand.

We have availed unsecured loans aggregating approximately Rs. 80.77 lakhs as on September 30, 2013. For further details in relation to the loans and advances, please refer section titled "Financial Statements" beginning on page 141 of this Prospectus. These loans may be called at any time by the lenders. In the event that these loans are required to be re-paid on a short notice, our Company may have to arrange for additional funds which may impact our financials. The loan amount shall, however, stands reduced to the extent of repayment out of proceeds of this Issue, as a result of which the extent of risk would be mitigated substantially.

32. 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 arms length basis, there can be no assurance that we could not have been achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

For details on the transactions entered by us, please refer to section "Related Party Transactions" in Section "Financial Information" beginning on page 141 of this Prospectus.

33. Our Promoters and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled "Our Business" and "Our Promoters and Promoter Group", beginning on page 101 and 130, respectively and the Annexure titled "Related Party Transactions" under chapter titled "Financial Statements" beginning on page 141 of this Prospectus.

B. Project Risks

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

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

- the availability of financing on acceptable terms;
- reliance on third parties to construct and complete our shipyard;
- reliance on arrangements with certain contract partners for technical assistance and other operational needs;

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

The failure to complete our Shipyard on a timely basis due to unforeseen reasons could adversely affect our ability to bid for contracts. Accordingly, any delay in the construction of the Shipyard would have an adverse impact on our reputation and could have a material adverse effect on our business, financial condition, results of operation and prospects.

35. *We have applied for certain licenses / approvals, which we are yet to receive and we are yet to apply for certain licenses / approvals. Further, any delay or inability in renewing our existing licenses / approvals may have an adverse effect on our business.*

There are certain licenses / approvals incidental or ancillary to our business for which we have applied and which are yet to be obtained and those for which we are yet to apply. Delay in receipt of such licenses / approvals may adversely affect our business / operations. Details of the same are as follows:

Licenses/ Approvals to be applied for as on the date of this Prospectus:

- a) Permission under Section 35(1) of the GMB Act to start construction activities for the shipyard project issued by the Gujarat Maritime Board
- b) Registration certificate for undertaking all types of refit of FPVs/IPVs/SDBs/IBs issued by Director General of India Coast Guard, Ministry of Defense, GoI (For defense related ship repairs and construction)
- c) Certificate of registration as Ship Repairing Unit for carrying on repair of sea going ships issued by Directorate General of Shipping, Mumbai
- d) The consent to be granted under section 25 of the Water (Prevention and Control of pollution) Act 1974 and under section 21 of the Air (Prevention and Control of pollution) Act 1981
- e) Consent and authorization for the use of the outlet for the discharge of the trade effluent and emission due to the operation of the industrial plant for the manufacturing of the fabrication of steel ships and the fabrication of the steel WMT (200) issued by the Gujarat Pollution Control Board
- f) Consent and authorization for the management and handling of the hazardous wastes (oil and discarded drums) issued by the Gujarat Pollution Control Board
- g) Acknowledgment of Memorandum for the manufacture of the ocean going ships issued by the Entrepreneurial Assistance Unit, Secretariat for Industrial Assistance, Ministry of Commerce and Industry, GoI.
- h) Factory Registration issued by Chief Factory Inspector, Gujarat
- i) Approval by the ISPS code clearance for the yard

Many of the government and statutory approvals which we are required to obtain in the ordinary course of our business are granted for fixed periods of time and need to be renewed from time to time. There

can be no assurance that the relevant authorities will issue any of such licenses or approvals in time or at all. Further, these licenses and approvals are subject to several conditions, and we cannot assure you that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses / approvals. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension or revocation of any licenses or approvals may result in the interruption of our Company's operations and may have a material adverse effect on our business. For details, please refer to chapter titled "Government and Other Statutory Approvals" beginning on page 176 of this Prospectus.

36. We rely heavily on third-party contractors and their sub-contractors for the timely completion of our shipyard. Any default by our contractors or suppliers could materially and adversely affect our ability to bid for shipbuilding orders and contracts.

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

Further, because Our Promoter or Promoter Group do not have any prior experience in building or repairing ships, we may in future rely heavily on our contract partners for the development of our facilities, technical assistance, market share and customer base development, human resource requirements and other operational needs. As a result, we may not be able to qualify for shipbuilding contract and/or complete our existing projects or obtain new projects, which will adversely affect our business, prospects, financial condition and results of operations.

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

C. Risk related to this Issue and our Equity Shares

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

Company has allotted 30,00,000 Equity Shares during last 12 months at a price lower than issue price as per the details given below:

Date of Allotment: March 19, 2013				
Sr. No.	Name of the person	Category	No. of Shares allotted	Consideration
1	Mr Govind Prasad Sarawagi	Individual	3,00,000	Cash
2	Mr Sanjay Kumar Sarawagi	Individual	3,00,000	Cash
3	Mr Manoj Kumar Sarawagi	Individual	3,00,000	Cash
4	Mr Rakesh Kumar Sarawagi	Individual	3,00,000	Cash

Date of Allotment: September 16, 2013				
Sr. No.	Name of the person	Category	No. of Shares allotted	Consideration
1	Mr Manoj Kumar Sarawagi	Individual	18,00,000	Cash

These Equity Shares were issued at face value and to that extent there is discrimination between the prices paid by the Promoter & Promoter Group and proposed investors. However as part of this Issue, our Promoter shall be bringing in 20% of the post issue capital at the Issue Price, i.e. Rs.25/- per Equity Share.

38. We intend to utilize 86.14% of the net proceeds of the Issue to repay certain loans we borrowed from members of our Promoter Group and Group Companies.

We intend to utilize 86.14 % of the Issue Proceeds towards repaying certain loans taken from members of our Promoter Group and Group Companies details of which are given below:

Name of Lender	Amount outstanding as on September 30, 013	Rate of Interest	Security	Tenure	Repayment from the Net Proceeds of the Issue
Anmol Tradelink Pvt. Ltd.	415.78	Nil	Unsecured	Repayable on Demand	415.78
Georgette Tradecom Pvt. Ltd.	39.00	Nil	Unsecured	Repayable on Demand	39.00
Hi-choice Trading Pvt. Ltd	67.00	Nil	Unsecured	Repayable on Demand	67.00
Govindprasad Sarawagi	143.00	Nil	Unsecured	Repayable on Demand	68.72
Manoj Kumar Sarawagi	12.44	Nil	Unsecured	Repayable on Demand	Nil
Sanjay Sarawagi	108.00	Nil	Unsecured	Repayable on Demand	Nil
Rakesh Sarawagi	35.55	Nil	Unsecured	Repayable on Demand	Nil

We believe our repayment of this debt will help us to improve our ability to leverage equity for our future needs towards any of our existing operations and towards further expansion.

We cannot assure that we will not continue to undertake financial obligations from members of our Promoter Group and Group Companies in the future or that they will not impose restrictive conditions in relation to the amounts that has already been borrowed or is to be borrowed in the future. For further details please refer to chapter titled "Objects of the Issue" beginning on page 77 of this Prospectus.

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

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

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

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to

time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

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

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

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

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

The Issue Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page 82 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

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

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

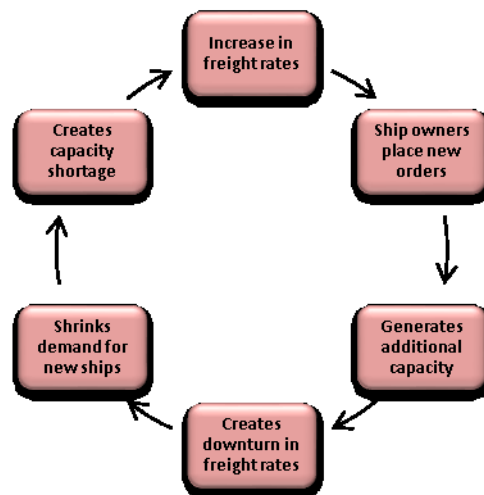
EXTERNAL RISK FACTORS

A. Industry Risks

44. Cyclical nature of ship building could affect our business, profitability and financial condition.

The demand for our products and services will depend upon many factors, including the financial condition of companies in the shipping business that purchase marine ships and require marine repair and conversion services. Due to the cyclical trend of the industry, we may also get excess orders when there is a boom and may have few orders when there is a downturn in a particular Industry. Adverse developments in the industries to which we provide our products and services could have a material adverse effect on the demand and prices of ships and in turn impact our financial condition and profitability.

The demand for ships based on freight rates is cyclical in nature, as shown in the diagram and therefore can be difficult to predict. Based on our predictions we may either expand our ship building capacity or continue on same capacity. Expansion may not guarantee securing orders and will substantially add to our expenses. On the other hand, if we continue with same capacity, during boom phase we will not be able to take advantage of market growth. Any of this probability could have a material adverse effect on our business, profitability and financial condition.



In order to mitigate risks arising out of cyclicity of ship building business we shall focus on order from defense sector where the orders are not much affected by the business cycles.

45. An increase in labor costs may reduce our competitive advantage and result in lower profit margins.

Labour costs in India has historically been lower than those in the United States and Western Europe and in Asian countries such as Korea, Japan and Singapore for comparably skilled professionals, which has been one of our key competitive strengths. Although labor costs in India are still lower than in the United States, Western Europe and in certain Asian countries such as Korea, Japan and Singapore, in past few years labour costs are increasing at a faster rate than in those countries and regions. Additionally, we expect to face significant competition from China, which has labor costs similar to or lower than India. We may need to continue to increase the levels of our employee compensation to retain key employees and manage attrition. Such increase may have an adverse effect on our business, profitability and financial condition.

B. Other Risks

46. 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.

47. 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.

48. 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.

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

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

50. 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.

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

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation

of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in the shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

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

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

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

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

53. *Demand for our services may decrease during an economic recession which may adversely affect our profitability and financial condition.*

The shipping industry historically has experienced cyclical fluctuations in financial results due to economic recession, downturns in business cycles of our clients. Fuel shortages, price increases by carriers, interest rate fluctuations and other economic factors beyond our control may also indirectly reduce the demand for our products. Economic recession or a downturn in demand for new ships due to increase in fuel or freighter or charter charges may adversely affect our operating results.

54. *Our Company's Equity Shares are proposed to be listed and traded on BSE SME Platform, which is of recent origin and may take time to mature*

BSE SME Platform was launched by BSE on 13th March, 2012. Such an SME platform is of recent origin and may take time to get matured in markets. Since its launch till the date of this Prospectus, 46 (Forty Six) companies have been listed on BSE SME Platform and another 4 (Four) companies listed on NSE SME Platform – Emerge. Investors may still not have strong confidence for initial subscription and / or secondary market trading in SME scrip. Moreover, it is proposed to list the Equity Shares of our Company only on BSE SME Platform. Investment in this Issue, thus, could be riskier.

55. *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.

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

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

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

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

PROMINENT NOTES:

- a) The Public Issue of 27,42,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 25/- per Equity Share (including a premium of Rs. 15/- per Equity Share) aggregating Rs. 685.50 Lakhs (“the Issue”). Issue of Equity Shares will constitute 47.67% of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled “The Issue” on page 56 of this Prospectus.
- b) The net worth of our Company was Rs. 309.57 Lakhs, Rs. 123.03 Lakhs and Rs. 0.17 Lakhs as of September 30, 2013, March 31, 2013 and March 31, 2012 respectively. The book value of each Equity Share was Rs. 10.28, Rs. 10.17, and 1.66 as of September 30, 2013, March 31, 2013 and March 31, 2012 respectively as per the restated financial statements of our Company. For more information, please refer to section titled “Financial Statements” beginning on page 141 of this Prospectus.
- c) The average cost of acquisition of per Equity Shares by our Promoter, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Manoj Kumar Sarawagi	21,03,000	10.00

- d) For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “Related Party Transactions” beginning on page 139 of this Prospectus.
- e) Except as disclosed in the chapter titled “Capital Structure”, “Our Promoter and Promoter Group” and “Our Management” beginning on pages 65, 130 and 118 respectively, of this Prospectus, none of our Promoter, Directors or Key Management Personnel has any interest in our Company.
- f) Except as disclosed in the chapter titled “Capital Structure” beginning on page 65 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
- g) Investors may contact the LM or the Company Secretary and Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company

to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Company Secretary and Compliance Officer, please refer to the chapter titled “*General Information*” beginning on page 57 of this Prospectus.

- h) Investors are advised to refer to chapter titled “*Basis for Issue Price*” on page 82 of this Prospectus.
- i) Trading in Equity Shares for all investors shall be in dematerialized form only.
- j) There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoter of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus.
- k) Except as stated in the chapter titled “*Our Group Entities*” beginning on page 135 and chapter titled “*Related Party Transactions*” beginning on page 139 of this t Prospectus, our Group Entities have no business interest or other interest in our Company.
- l) Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 195 of this Prospectus
- m) The name of our Company was changed to Si. Vi. Shipping Corporation Limited pursuant to which a fresh certificate of incorporation dated December 20, 2013 issued by the Registrar of Companies, Ahmedabad, consequent upon change of name. However, the new name does not suggest any change of activity and company continues to carry on the same activity. For further details of changes in the name of our Company, please refer to the chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page 115 of this Prospectus.

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 have been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 23 and 141 respectively of this Prospectus before deciding to invest in our Equity Shares.

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

GLOBAL SHIPBUILDING INDUSTRY

International trade is a cornerstone of the global economy. Exchange of goods amongst countries widen the choice of supply and ensures that production takes place where it is cheapest and best. This is reflected in the intensification of globalization and the fact that world trade is growing faster than the world output. World trade relies on cheap and secure transport. Maritime transport, enabled by, inter alia, technological developments and competitive transport costs, is estimated to handle over 80 % world trade by volume and over 70 % by value. As trade grows, the demand for maritime transport also grows. Technological developments in bulk and container transport have made maritime transport cheaper. Bulk transport involves shipping one homogeneous commodity (e.g. grain, ore etc.) at any one time, but in large quantities; in contrast, container transport entails transporting different goods at the same time, but in standard containers that are easy to load and unload. However, the slower growth in world seaborne trade compared to world trade in general reflects that the weight of the goods transported increases at a slower rate than their value due to rising trade in processed goods like electronic items, medicines, apparel, gems and jewellery etc. Besides, greater use of lighter materials and lower material intensity in the manufacturing process has also led to slower increase in weight. Source **Maritime Agenda 2010-2020**

World seaborne trade by types of cargo, annual, 2001-2011

Metric tons in millions

CARGO TYPE Year	Crude Oil	Petroleum products and gas	Dry cargo	Total
2001	1678	499	3844	6020
2002	1637	509	3981	6127
2003	1690	533	4257	6480
2004	1770	546	4442	6758

CARGO TYPE Year	Crude Oil	Petroleum products and gas	Dry cargo	Total
2005	1857	565	4687	7109
2006	1783	915	5002	7700
2007	1813	934	5287	8034
2008	1785	957	5487	8229
2009	1711	931	5216	7858
2010	1788	984	5637	8409
2011	1762	1034	5952	8748
CAGR	0.45%	6.84%	4.05%	3.46%

Source: UNCTAD, UNCTAD stat. CAGR for period from 2001-2011

FUTURE OUTLOOK

The demand for new vessels is dependent on growth in international trade and the scrapping of older ships. Increases in trade are in turn driven by global economic growth and changing patterns of supply of raw materials and regional demand.

Deliveries during the three years following the economic and financial crises are almost 80% higher than the tonnage built and delivered during three years prior to the crisis. For new orders, the picture is just opposite: during the three years prior to 2009, ship-owners had ordered on an average 200 million DWT per year, which is 2.5 times as much as the annual new orders placed between 2009 and 2011.

It is, largely, the orders placed prior to 2009 that are the cause of the present boom in deliveries. Based on the current order book, deliveries in 2012 were to be even higher than 2011's historical record; 73% of containership that are to be delivered during 2012 was ordered in 2008 or earlier. Only in 2013 will the decline of new order since 2009 finally also lead to a decline in shipbuilding. (Source: UNCTAD/RMT/2012)

INDIAN SHIPBUILDING INDUSTRY

India is a major maritime nation by virtue of its long coast line of around 7517 Kms on the western and eastern shelves of the mainland and also along the islands, bejeweled with 13 major and 176 non-major ports, strategically located on the world's shipping routes, its long tradition of seafaring with a large pool of trained maritime personnel, and its dynamic and rapidly globalizing economy with a vast potential to expand its participation in trade and development.

Ports play a vital role in the overall economic development of the country. About 90% by volume and 70% by Value of the country's international trade is carried on through maritime transport.

There are 27 well known Shipyards in the country, 8 in the Public Sector and the remaining 19 in the Private Sector. The maximum size of vessel, which can be built in India in the public sector, is 1,10,000 DWT at Cochin Shipyard Ltd. and 80,000 DWT at Hindustan Shipyard Ltd. These sizes of vessels are relatively small compared to the current trend of building large size vessels worldwide. The Indian Shipbuilding Industry, which had only about 0.1% share of the world shipbuilding in 2002, expanded over tenfold to claim 1% share by 2007/2008 riding on the global boom and supported by a subsidy scheme. Shipbuilding turnover for Private and Public Sector Shipyards excluding Defense Shipyards has grown about fourteen fold in the last nine years from about Rs.440 crores in 2001-2002 to an estimated Rs.6200 crores in 2010-2011.

KEY DRIVERS OF THE INDIAN SHIPBUILDING INDUSTRY

Relatively Low Cost of Labour and Large Pool of Technical Workers

India possesses a large pool of well-educated English speaking technical workers. The cost of labour is low in India as compared to most other shipbuilding countries. Since shipbuilding is a labour intensive industry, India's low cost of labour should provide Indian shipyards with a competitive edge over its peers on in global shipbuilding industry. We believe that any increased demand for new vessels and increases in ship prices in future would lead to attractive opportunities for new market entrants from India.

Scrapping of Older Vessels and Aging Fleet

There is an increasing pressure from various international organizations, governments and port authorities to curtail the operation of older, single-hull ships due to environmental concerns. Hence there is significant latent replacement demand for aging ships, especially tankers. In addition, now, that the freight rates have fallen, more vessels are expected to be sent to scrap yards. The following table shows age wise distribution of Indian Fleet:

Age	No of Ships	%	Gross Tonnage	%
Upto 5 Yrs.	295	25.56%	3,149,225	30.23%
6 to 10 Yrs.	138	11.96%	2,050,056	19.68%
11 to 15 Yrs.	137	11.87%	1,060,905	10.18%
16 to 20 Yrs.	135	11.70%	1,340,124	12.86%
Above 20 Yrs.	449	38.91%	2,817,158	27.04%
	1,154		10,417,468	

The above table shows that 38.91% in numbers and 27.04% by Gross tonnage of Indian fleet is relatively old and will be scrapped in the foreseeable future.

World over in total, the quantity of tonnage sold for demolition increased by 31% in 2011 compared with 2010. The increase was due to surge in scraping of dry bulk ships. Many of the dry bulk ships demolished were effectively still seaworthy, built in the eighties and with valid certificates for several more years of trading. However, as new tonnage is more energy efficient, given the extremely low charter rates, many owners still found it more profitable to sell for scrap instead of continuing trading at a financial loss.

Source: Maritime Agenda 2010-2020

FUTURE OUTLOOK

The Indian shipbuilders occupied 6th rank globally accounting for 1.3% of the global order book aggregating 3.82 mn Gross Tonnage with 187 vessels on order as on June 30, 2011. In view of the ageing fleet of offshore vessels globally with approximately 40% of the offshore vessels above 20 years of age, the specialization of Indian shipbuilders in the construction of offshore vessels augurs well for the Indian yards.

- ✓ The Indian shipbuilding and ship repair industry is likely to reach Rs. 92 billion from the current level of Rs. 73.1 billion, by 2015 at CAGR of about 8% according to a study done by the industry body ASSOCHAM.
- ✓ India accounts for just about one per cent of the global shipbuilding industry. Globally, this industry is growing at a CAGR of about 24 per cent and is likely to reach Rs. 140 trillion by 2015 owing to rising global sea borne trade, according to ASSOCHAM
- ✓ The overall cargo traffic at major ports in India is about 600 million tonnes and is likely to reach 1,230 million tonnes by 2015 and 3,000 million tones by 2020 growing at a compounded annual growth rate (CAGR) of about 20 per cent, said ASSOCHAM study.

- ✓ India enjoys the dubious distinction of having emerged as the largest centre of ship-breaking in the world with 415 ships having been broken in the ship-breaking yard of Alang in 2011-2012
- ✓ With about 8,000 kilometers long coastline there are about 27 shipyards, 12 major ports and 200 ports under states' jurisdiction in India, there is huge scope for development of shipping sector considering that country's opportunities in the maritime business have not been utilized fully.

SUMMARY OF BUSINESS

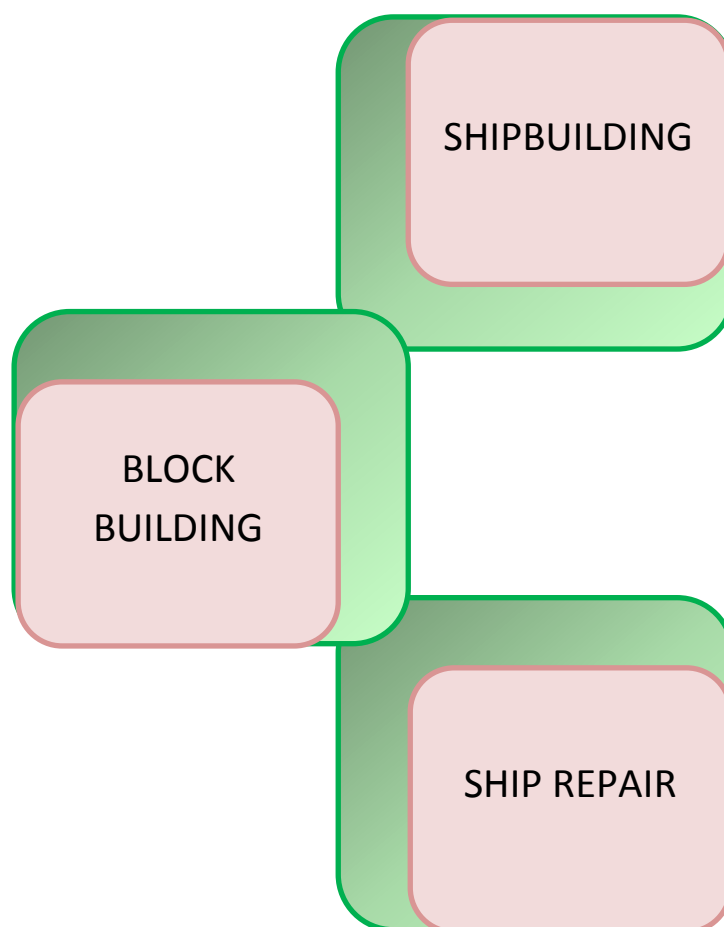
OVERVIEW

We are a new entrant to the Indian shipbuilding sector. We propose to develop a modern shipyard spread over 24 acres to build ships of up to 120 meter length at the Dahej Shipbuilding Park developed by Gujarat Maritime Board supported by Government of Gujarat, India.

Our focus would be to bid for ships up to 120 meter length in cargo, offshore, and other specialized segments. Currently we are working as a subcontractor for fabrication of hull with L&T's shipyard at Hazira. Immediately on incorporation, we bagged order of fabrication and erection of aluminum hull for 7 high speed Interceptor boats from L&T's Hazira Shipyard. We have already executed the first boat in a record time. It has enabled us to develop a team and capability through which we can undertake new shipbuilding activities.

A highly professional and motivated team of professionals in the relevant field manages the affairs of Company. Today, almost 60% of the total fabrication work allotted by L&T's Hazira Shipyard is done by us. We have in short span also taken over operation of modern CNC machine for preparation of fabrication material for L&T's Hazira Shipyard. Recently we have also been awarded piping work for high speed interceptor boats by L&T's Hazira Shipyard.

OUR PRODUCTS AND SERVICES



SHIPBUILDING

Overview

The Shipping industry is witnessing large scale oversupply. This has led to a large number of ships idling without any firm contract. There is large number of deliveries; however there has been very little increment in the demand. Hence, the utilization level of ships in the ocean going categories is very low.

This has also led to lower charter rates leading to lower earning potential for the companies deployed in these trades. However, there are still two categories in which the new building prospects maybe still smaller, but is not totally ruled out. They are smaller and specialized ships ordered by private sector or public sector companies. Companies owned by Government of India have also adding ships to their fleet.

Some of the new building activity can be witnessed in specialized ships deployed for inland or river-sea class, ships acquired by ports and smaller ships acquired by Indian Navy and Coast Guard.

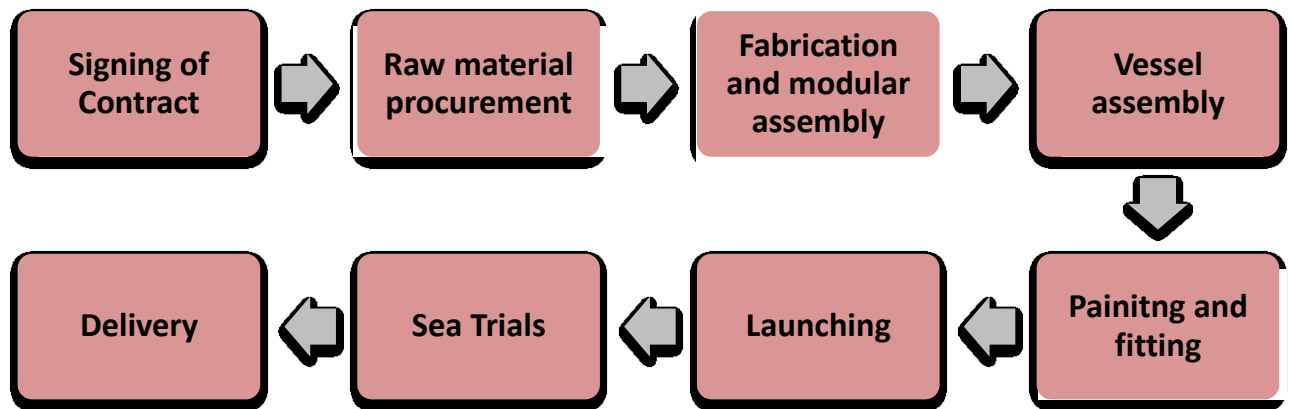
Following is the list of ships ordered on Indian Shipyards since 2009. As can be seen in the table most of the orders are from the government agencies.

Orders Procured by Private Sector Shipyards since 2009

Shipyards	Ship Type	Nos	Customer	Category	INR Cr	Contract
ABG	DSV	1	Halul Offshore	Private	332	2010
ABG	AHTSV	1	Marnavi Spa	Private	86	2010
ABG	Cement Carrier	3	Associated Bulk	Private	392	2010
ABG	Training Ship	2	Indian Navy	Govt	990	2011
ABG	AHTS	6	SCI	Govt	512	2012
Bharati	Interceptor Boat	15	Coast Guard	Govt	286	2009
Cochin	FPV	20	Coast Guard	Govt	1535	2010
Cochin	AHTSV	2	Coast Guard	Govt	246	2011
Dempo	RSV Ship	10	Jindal ITF	Private	90	2012
Cochin	Buoy Tender	1	DG lighthouse	Govt	13	2012
L&T	Interceptor Boat	36	Coast Guard	Govt	997	2010
L&T	OSV	4	Halul Offshore	Private	492	2012
L&T	Interceptor Boat	18	Coast Guard	Govt	449	2013
Pipavav	OSV	12	ONGC	Govt	525	2009
Pipavav	NOPV	5	Indian Navy	Govt	2659	2010
Pipavav	NOPV	2	Unkown	Private	1216	2012
Total					10,821	

Source: Mantrana Maritime Advisory

Ship Construction Process



BLOCK BUILDING

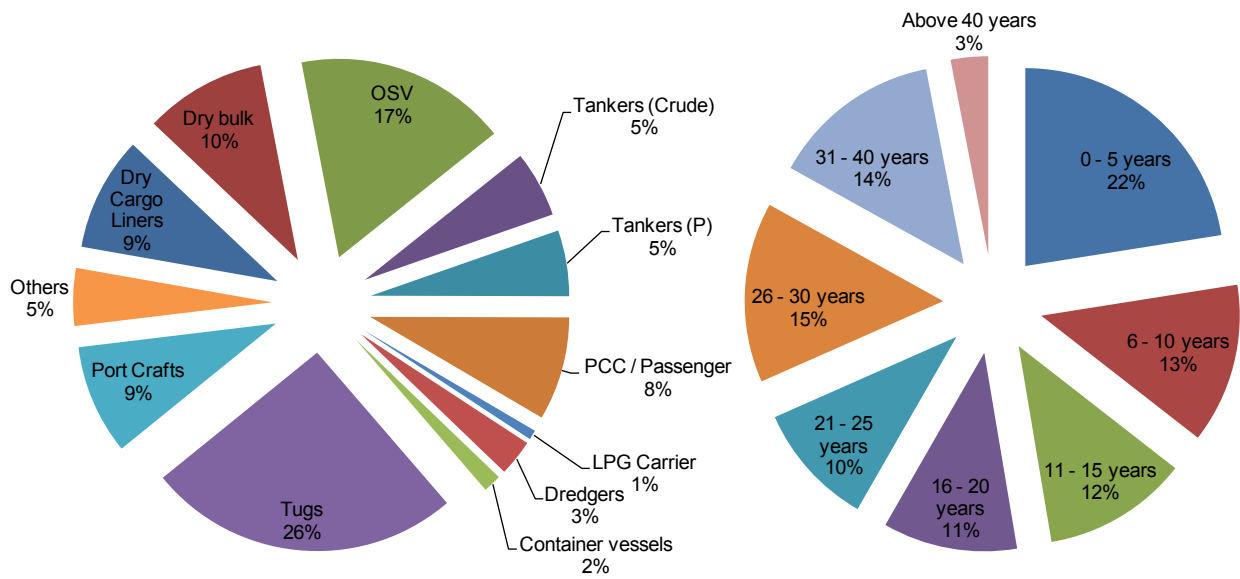
Shipbuilding is an assembly industry involving large scale outsourcing. Smaller yards generally target to act as feeder to large shipyards and other heavy engineering firms. Smaller shipyards generally take outsourcing work in part or complete for fabrication at their yards. They build small blocks which can be transported to large yards either using roadways or coastal route. Gujarat has 3 large shipyards located close to our proposed facility. They are ABG, L&T and Pipavav Shipyard. In addition, Government owned Alcock Ashdown could also outsource large part of their steel fabrication to smaller shipyards. ABG Shipyard and Pipavav Shipyard both being countries to largest shipyard have been building very large vessels.

In order to meet the cyclicity in the ship building, both the yards extensively outsource their new building requirements especially steel fabrication to the third party. In fact Pipavav Shipyard and ABG Shipyard are understood to get a large number of blocks built in China for some of new building orders to cut delivery time required to meet export orders. This is good opportunity for smaller shipyards. Small shipyards would have relatively lower overhead compared to the large shipyards.

SHIP REPAIR

More than 40% of Indian fleet is over 20 years of age. Older the vessels, higher are their repair and upkeep requirements, translating into frequent business prospects for ship-repair yards. Gujarat handles close to 30% of India's maritime trade. Number of vessels calling on Gujarat ports has increased by nearly 25% since FY07. Barring primary ports like Kandla, Mundra, Sikka, Pipavav, Hazira, Dahej, etc., other ports cannot accommodate deep-draft vessels. Most of these ports can handle vessels of up to 6m draft. These ports are Mandvi, Navlakhi, Veraval, Jafrabad, Bhavnagar and Magdalla (excluding Essar and GACL captive jetties, and RIL SBM). An estimated more than 1,500 low-draft vessels called on these ports in FY11. These were mostly break-bulk carriers, drybulk carriers, passenger vessels, product tankers, and barges. In other words, these are direct business opportunities for ship-repair yards in the state, provided repair and maintenance requirements for these vessels are not met by the ports they dock at, or by the adjoining ports that have a repair facility.

Indian Shipping Fleet & Age profile (As of December 2012)



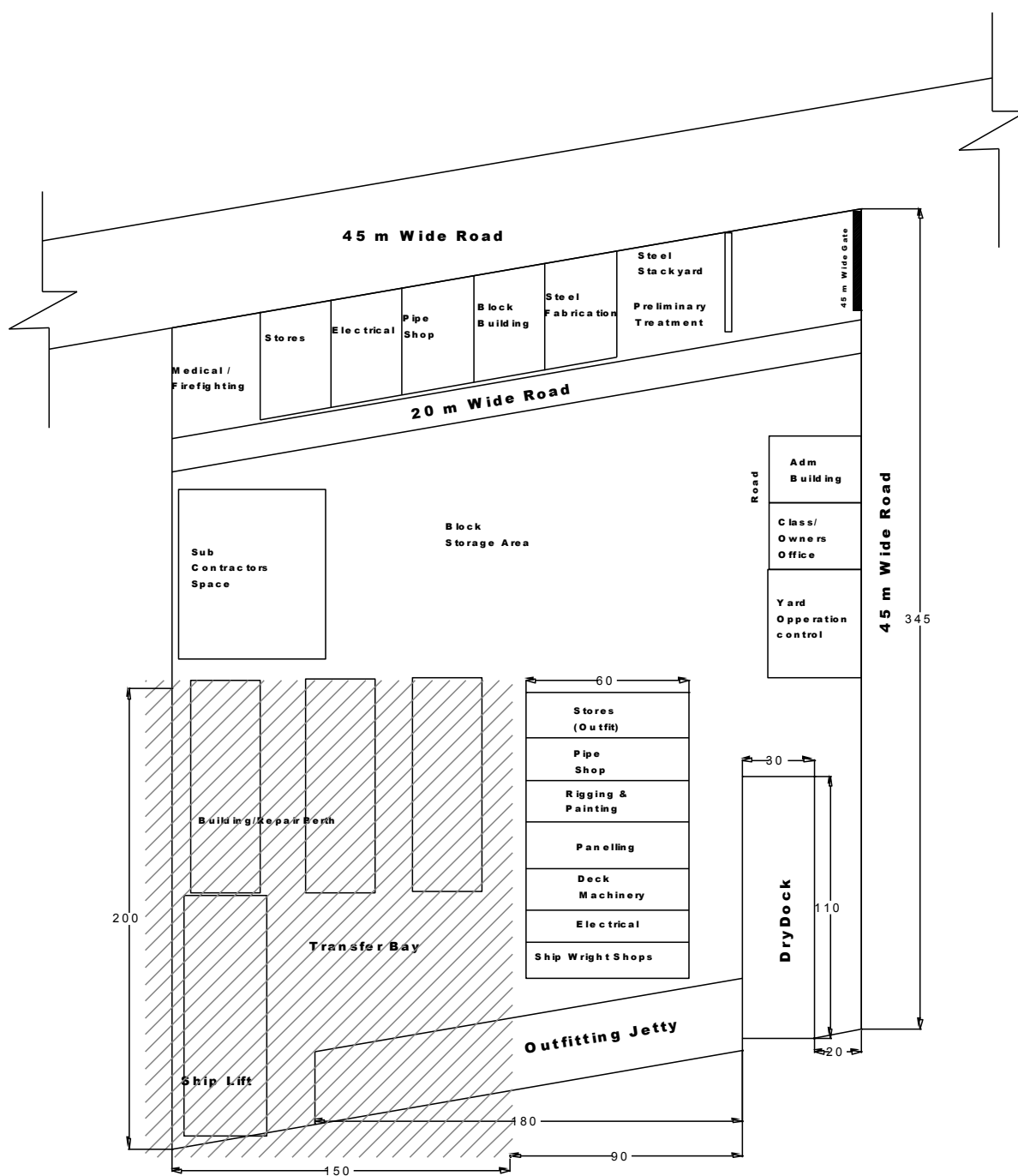
Source: DG Shipping

Our Yard's location will be a strong factor in drawing potential ship-repair business from ports that are nearer to the Gulf of Khambhat like Veraval, Jafrabad, Bhavnagar and Magdalla.

OUR PROPOSED SHIPYARD AT DAHEJ

We propose to set up our shipbuilding and repair yard at Dahej to target the new building and repair business arising out of Gujarat and Maharashtra. The proposed ship repair yard would be spread over 24 acres of land, which would have dry docks and workshops to cater to repair and dry docking of ships.

Shipyards Layout (Preliminary)



Equipment's & Machinery at Shipyard

Here is a list of the major equipment and machinery which is proposed to be installed at our shipyard

1. Mobile Crane (12 t)
2. EOT Crane 20 t
3. Tower Crane (50 t)
4. CO2 Welding Machines
5. Drilling M/C 20 mm , Drilling M/C 16 mm to 32 mm
6. Portable Drill 12 m to 16 mm
7. Pistol Drill 6 mm to 10 mm

All the above specifications are based on preliminary report prepared by Mantrana Maritime Advisory and are subject to change. The final layout and infrastructure may be significantly different from what has been disclosed above depending *inter-alia* upon market conditions, demand ships, statutory approvals etc.

OUR CURRENT OPERATIONS

Until our proposed shipyard is set up, we have commenced working with larger shipyards, viz. L&T Hazira and help them by outsourcing their specific requirements to us. This will help us gain the requisite experience in shipbuilding and help us to build a good track record which can be leveraged by us in future when we bid for construction of ships.

Currently we are working as a subcontractor for fabrication of hull with L&T's shipyard at Hazira. Immediately on incorporation we bagged order of fabrication and erection of Aluminum hull for 7 high speed Interceptor boats from L&T's Hazira Shipyard worth Rs. 5.11 Crores. We have already executed the first boat in a record time. It has enabled us to develop a team and capability through which we can undertake new building activities.

A highly professional and motivated team of professionals in the relevant field manages the affairs of Our Company. Today, almost 60% of the total fabrication work allotted by L&T's Hazira Shipyard is done by us. We have in short span also taken over operation of modern CNC machine for preparation of fabrication material for L&T's Hazira Shipyard. Recently we have been awarded piping work for high speed Interceptor boats by L&T's Hazira Shipyard

OUR STRENGTHS

- **Part of Marine Shipbuilding Park (MSP):** The yard will be a part of MSP, which the Government of Gujarat has vowed to develop as comprehensively possible, aligning its development with development of the State.
- **Lower operating cost:** An MSP will have common infrastructure that a shipyard will utilize regularly. This brings down the operating cost of a shipyard, enabling it to widen its margin.
- **Close proximity to raw material:** Gujarat Government is likely to invite other industries to set up their bases in these MSPs. This has the potential of reducing the delivery time of essential supplies for a shipyard, which may also be provided at an attractive price, as opposed to procuring it from party outside the MSP.
- **Calmer environmental climate:** Located at the mouth of the River Narmada in the Gulf of Cambay, the marine-side condition is relatively calmer, allowing for safer operations during float-out, outfitting, sea trials, etc.
- **Consistent demand from government sector:** Even though the global demand for new ships remained low due to oversupply, orders from Indian Navy and Coast Guard are starting to flow at a consistent rate. Their requirements are non-negotiable, regardless of the shipbuilding issues the world is facing. Since most of the new building orders are from government-backed companies, we can exploit this opportunity.

- **Location of Deployment:** Our shipyard is located about 160 nautical miles north of Mumbai offshore. Therefore it could emerge as an alternative to the ships visiting Colombo or Middle East for repair. Similarly for ships which are located in the Gulf of Cambay and Saurashtra region, Dahej would be the nearest repair yard.

SUMMARY FINANCIAL STATEMENTS

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the Auditor's Report in the section titled "Financial Statements." You should read this financial data in conjunction with our financial statements for Financial Year 2012, 2013 and period ended 30th September, 2013 including the notes thereto and the reports thereon, which appears under the chapter titled "Financial Statements" and chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 141 and 166 of this Prospectus.

Statement of Assets and Liabilities, as restated

Rs. In Lakhs			
Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	1,248.12	147.35	-
Intangible Assets	-	-	-
Capital work in Progress	80.92	43.05	-
Non Current Investments	-	-	-
Long Term Loans and Advances	0.94	1,098.39	-
Other Non Current Assets	0.73	0.73	0.73
Current Assets			
Inventories	2.86	5.28	-
Trade Receivables	34.93	50.25	-
Cash and Cash Equivalents	5.25	5.23	5.33
Short Term Loans and Advances	0.40	0.57	-
Other Current Assets	6.20	2.54	-
Total Assets (A)	1,380.35	1,353.40	6.06
Liabilities			
Non Current Liabilities			
Long Term Borrowings	77.28	49.50	-
Deferred Tax Liabilities (net)	5.49	3.70	-
Other Long Term Liabilities	-	-	-
Current Liabilities			
Trade Payables	5.08	0.90	-
Short Term Borrowings	850.78	946.75	5.06
Other Current Liabilities	27.24	23.60	-
Short Term Provisions	14.17	25.20	0.10
Share Application Money Pending Allotment	90.00	180.00	-
Total Liabilities (B)	1,070.05	1,229.64	5.16
Total Net Assets (A-B)			
Represented by			
Share Capital	301.00	121.00	1.00
Reserves and Surplus	9.31	2.76	(0.10)

	310.31	123.76	0.90

Statement of Profit and Loss Account, as restated

Rs. In Lakhs			
Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
Income			
Revenue from Operation	109.57	118.79	-
Other Income	0.19	0.69	-
Total Revenue	109.76	119.47	-
Expenses			
Purchases of Stock-in-Trade	4.13	14.72	-
Changes in Inventories of Finished goods, work-in-progress and Stock-in-Trade	2.42	(5.28)	-
Employee Benefit Expenses	-	-	-
Finance Costs	75.92	82.62	-
Depreciation & Amortization Expenses	8.15	1.84	-
Other Expenses	3.89	3.77	-
4.95	13.71	0.10	
Total Expenses	99.46	111.37	0.10
Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)	10.30	8.10	(0.10)
Exceptional Items	-	-	-
Profit before tax (VII-VIII)	10.30	8.10	(0.10)
Tax Expense:			
(1) Income tax			
(2) Current tax	1.96	1.54	-
(3) Deferred tax	1.80	3.70	-
(4) MAT Credit			
Profit/(Loss) for the year/ period	6.54	2.86	(0.10)

Statement of Cash Flow as restated

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
A)	Cash flow from operating activities:			
	Net Profit before tax as per Profit And Loss A/c	10.30	8.10	(0.10)
	Adjusted for:			
	Depreciation	3.89	3.77	-
	Interest & Finance Cost	8.15	1.84	-
	Operating Profit Before Working Capital Changes	22.34	13.72	(0.10)
	Adjusted for:			
	Inventories	2.42	(5.28)	-
	Trade Receivables	15.32	(50.25)	-
	Loans and advances and other assets	(3.49)	(3.12)	-
	Liabilities & Provisions	(3.20)	49.60	0.10
	Cash Generated From Operations	33.41	4.67	-
	Direct Tax Paid	(1.96)	(1.54)	-
	Net Cash Flow from/(used in) Operating Activities:	31.44	3.12	-
B)	Cash flow from investing activities:			
	Purchase of Fixed Assets	(1144.43)	(197.28)	-
	Proceeds from other investment	1099.36	(1095.28)	(0.73)
	Net Cash flow from /(Used in) Investing Activities	(45.08)	(1,292.56)	(0.73)
C)	Cash flows from financing activities			
	Proceeds From Share Capital & Share Premium	180.00	120.00	1.00
	Proceeds From Share Application Money	(90.00)	180.00	-
	Proceeds from Long Term Borrowing (Net)	27.78	49.50	-
	Proceeds from short-term borrowings	(95.97)	941.68	5.06
	Interest & Financial Charges	(8.15)	(1.84)	-
	Net Cash Flow from/(used in) Financing Activities	13.66	1,289.34	6.06
	Net increase/(decrease) in cash and cash equivalents	0.02	(0.10)	5.33
	Cash and cash equivalents at the beginning of the period	5.23	5.33	-
	Cash and cash equivalents at the end of the period	5.25	5.23	5.33

THE ISSUE

Particulars	Number of Equity Shares
Equity Shares Offered	27,42,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share aggregating Rs. 685.50 Lakhs
Of which	
Promoter Contribution	11,58,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share aggregating Rs. 289.50 Lakhs
Issue Reserved for Market Makers	1,44,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share aggregating Rs. 36.00 Lakhs
Net Issue to the Public	14,40,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share aggregating Rs. 360.00 Lakhs
	of which
	7,20,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share will be available for allocation to investors up to Rs. 2.00 Lakhs
	7,20,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share will be available for allocation to investors above Rs. 2.00 Lakhs
Equity Shares outstanding prior to the Issue	30,10,000 Equity Shares
Equity Shares outstanding after the Issue	57,52,000 Equity Shares
Objects of the Issue	See the chapter titled “Objects of the Issue” beginning on page 77

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

For further details please refer to chapter titled “Issue Structure” beginning on page 195 of this Prospectus.

GENERAL INFORMATION

Our Company was incorporated as Si. Vi. Shipping Corporation Private Limited under the provisions of the Companies Act, 1956 on February 07, 2012 in Surat, Gujarat. Subsequently, our Company was converted from private limited company to a public limited company vide fresh Certificate of Incorporation dated December 20, 2013. For further details please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 115 of this Prospectus.

REGISTERED OFFICE OF OUR COMPANY

Si. Vi. Shipping Corporation Limited

Office Block, 1st Floor

Plot No. 237/2 & 3, Sub Plot No, A/25

Central Park Society, GIDC, Pandesara

Surat, Gujarat – 394221, India

Tel: (91) 261 2894415/16

Fax: (91)261 2894419

Email: investors@sivishipping.com

Website: www.sivishipping.com

Registration Number: 068922

Corporate Identification Number: U35111GJ2012PLC068922

REGISTRAR OF COMPANIES

Registrar of Companies, Ahmedabad

ROC Bhavan, Opp Rupal Park Society

Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013

Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE:

SME Platform of BSE Limited

P. J Towers, Dalal Street,

Mumbai, Maharashtra, 400001

For details in relation to the changes to the name of our Company, please refer to the chapter titled, "Our History and Certain Other Corporate Matters" beginning on page 115 of this Prospectus.

BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age	DIN	Address	Designation
1	Mr. Manoj Kumar Sarawagi	39 Years	00005447	4105, J.J.A/C Market, Ring Road, Surat, 395002, Gujarat, India	Chairman & Executive Director
2	Mr. Sanjay Kumar Sarawagi	43 Years	00005468	4105, J.J.A/C Market, Ring Road, Surat, 395002, Gujarat, India	Executive Director
3	Mr. Rakesh Kumar Sarawagi	37 Years	00005665	4105, J.J.A/C Market, Ring Road, Surat, 395002, Gujarat, India	Executive Director
4	Mr. Binod Kejriwal	62 years	00004782	C-605 Abhishek Park, Athwa Lines, Surat -395007	Non Executive Independent Director
5	Mr. Mahesh Kumar Saboo	39 Years	01616969	319-320, Trade Centre Ashoka Tower, Ring Road Surat – 395002	Non Executive Independent Director
6	Mr. Gururaj	60	06759403	A-33/05, Sumangal CHS, Anand	Non Executive

Sr. No.	Name	Age	DIN	Address	Designation
	Kaujalgi	Years		Nagar, Dahisar (East), Mumbai – 400068	Independent Director

For further details of our Directors, please refer to the chapter titled “Our Management” beginning on page 118 of this Prospectus.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms Ankita Jain

Si. Vi. Shipping Corporation Limited

Office Block, 1st Floor

Plot No. 237/2 & 3, Sub Plot No, A/25,

Central Park Society, GIDC, Pandesara,

Surat, Gujarat – 394221, India.

Tel: (91) 261 2894415/16

Fax: (91) 261 2894419

Email: investors@sivishipping.com

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

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

For all Issue related queries and for redressal of complaints, Applicants 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 AUDITORS

R Kejriwal &Co.

G/3, Empire State Building

Ring Road, Surat – 395 002

Tel :- (91) 261 2331123

E-mail: ruchikejriwal19@gmail.com

Contact Person: Ms. Ruchi Kejriwal

Firm Registration No: 133558W

Membership No: 145801

PEER REVIEWED AUDITORS

Gheewala & Co.

Urabh House, 02/1417-18

Hanuman Sheri, Sagrampura

Behind Nirmal Hospital

Ring Road, Surat – 395 002

Tel :- (91) 261 2325136

E-mail: gheewalakr@hotmail.com

Contact Person: Mr. Kishorbhai R. Gheewala

Firm Registration No. 115746W

Membership No. 034405

M/s. Gheewala & Co., Chartered Accountants, hold a peer reviewed certificate dated September 20, 2011 issued by ICAI.

PROJECT APPRAISING AGENCY

Mantrana Maritime Advisory Private Limited

A 207, Sai Chambers, Plot No – 44, Sector 11

CBD Belapur, Navi Mumbai – 400 614

Tel: (91)-22-6608 9010 / 11

Fax: (91)-22-6608 9013

Email: info@mantrana.in

Contact Person: Mr. Anand V Sharma

LEAD MANAGER

Pantomath Capital Advisors Private Limited

108, Madhava Premises CHS Ltd

Bandra Kurla Complex, Bandra East

Mumbai 400 051

Tel: (022) 26598687

Fax: (022) 26598690

Contact Person: Mr. Mahavir Lunawat

Email: ipo@pantomathgroup.com

SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited

E/2 Ansa Industrial Estate

Saki Vihar Road, Saki Naka

Andheri (E), Mumbai - 400 072

Tel: (91)22 40430200

Fax: (91)22 28475207

E-mail: ipo@bigshareonline.com

Contact Person: Mr. Babu Raphael

SEBI Registration No: INR000001385

LEGAL ADVISOR TO THE ISSUE

Dhiraj P Ramchandani

519, 5th Floor,

Gold Mohar Building,

174, Princess Street,

Kalbadevi, Mumbai 400 002

Tel: (91) 98206 80257

Email: dpramchandani@yahoo.com

Contact Person: Mr. Dhiraj P Ramchandani

PRACTISING COMPANY SECRETARY

Ranjit Kejriwal

G/3, Empire State Building

Ring Road, Surat – 395 002

Tel :- (91) 261 2331123

E-mail: rbksurat@gmail.com

Contact Person: Mr. Ranjit Kejriwal

BANKERS TO THE COMPANY

Bank of Baroda

1st Floor Surat Textile Market,

Ring Road, Surat – 395 003

Tel: (91) 261-2321640

Fax: (91) 261-2323208

Email: textil@bankofbaroda.com

Contact Person: Mr. Rajeev Pradhan

Union Bank of India

Shop No. UG/1,

Bhagwati Ashish Complex,

City Light Road, Surat – 395 001

Tel: (91) 261 2253883

Email: cbcitylightsurat@unionbankofindia.com

Contact Person: Mr. R. K. Panji

BANKERS TO THE ISSUE / ESCROW COLLECTION BANK

ICICI Bank Limited

Capital Market Division,

1st Floor, 122, Mistry Bhavan

Dinshaw Vachha Road

Mumbai - 400020

Tel: (91) 022 22859905

Fax: (91) 022 22611138

Email: anil.gadoo@icicibank.com

Contact Person: Mr. Anil Gadoo

SEBI Registration No.: INBI00000004

REFUND BANKER

ICICI Bank Limited

Capital Market Division,

1st Floor, 122, Mistry Bhavan

Dinshaw Vachha Road

Mumbai - 400020

Tel: (91) 022 22859905

Fax: (91) 022 22611138

Email: anil.gadoo@icicibank.com

Contact Person: Mr. Anil Gadoo

SEBI Registration No.: INBI00000004

SELF CERTIFIED SYNDICATE BANKS

The list 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/cms/sebi_data/attachdocs/1366178697250.html. For details on Designated Branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

CREDIT RATING

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

IPO GRADING

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

APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. 685.50 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the Equity Shares and the corporate governance requirements, *inter-alia*, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits included in this Prospectus, our Company has not obtained any other expert opinion.

DEBENTURE TRUSTEE

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

UNDERWRITER

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated January 16, 2014 pursuant to the terms of the underwriting agreement; the obligations of the underwriter are subject to certain conditions specified therein. The underwriter have indicated its intention to underwrite the following number of specified securities being offered through this Issue

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
Pantomath Capital Advisors Private Limited 108, Madhava Premises CHS Ltd. Bandra Kurla Complex, Bandra East, Mumbai 400051 Tel: (022) 26598687/91 Fax: (022) 26598690 Contact Person: Mr. Mahavir Lunawat Email: ipo@pantomathgroup.com SEBI Registration No: INM000012110	27,42,000	685.50	100%
Total	27,42,000	685.50	100%

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

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Lead Manager have entered into a tripartite agreement dated January 16, 2014 with the following Market Maker, duly registered with BSE Limited to fulfill the obligations of Market Making:

Choice Equity Broking Private Limited

Shree Shakambhari Corporate Park

Plot No. 156 – 158, Near Cambridge School

Chakravarti Ashok Society, J. B. Nagar

Andheri (E), Mumbai – 400099

Tel: +91 22 67079999

E-mail: mahavir.toshniwal@choiceindia.com

Contact Person: Mr. Mahavir Toshniwal

SEBI Registration No.: INB011377331

Market Maker Registration No. (SME Segment of BSE): SMEMM0329931012012

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

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by BSE 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. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (Including the 1,44,000 Equity Shares out to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 1,44,000 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 may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Choice Equity Broking Private Limited is acting as the sole Market Maker.

7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
 8. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
 9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
 10. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
 11. BSE SME Exchange 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 can impose any other margins as deemed necessary from time-to-time.
 12. BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
- The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
13. SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 25,000 Lakhs, the applicable price bands for the first day shall be:
 - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

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

Sr. No.	Market Price Slab (in Rs.)	Proposed spread (in % to sale price)
1	Up to 50	9%

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

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

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

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

(Rs. In Lakhs except share data)

Sr. No	Particulars	Aggregate Value	
		Face Value	Issue Price
A	AUTHORISED SHARE CAPITAL		
	60,00,000 Equity Shares of face value of Rs. 10/- each	600.00	-
B	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
	30,10,000 fully paid up Equity Shares of face value of Rs. 10/- each	301.00	-
C	PRESENT ISSUE IN TERMS OF PROSPECTUS*		
	27,42,000 Equity Shares of face value of Rs. 10/- each	274.20	685.50
	Which comprises		
	11,58,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 15/-per Equity Share reserved as Promoter's Contribution	115.80	289.50
	1,44,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 15/-per Equity Share reserved as Market Maker Portion	14.40	36.00
	Net Issue to Public of 14,40,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 15/- per Equity Share to the Public	144.00	360.00
	Of which		
	7,20,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. 15/- per Equity Share will be available for allocation to Investors up to Rs. 2.00 Lakhs	72.00	180.00
	7,20,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. 15/- per Equity Share will be available for allocation to Investors above Rs. 2.00 Lakhs	72.00	180.00
D	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE		
	57,52,000 Equity Shares of face value of Rs. 10 each	575.20	
E	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		Nil
	After the Issue		411.30

* The Issue has been authorized pursuant to a resolution of our Board dated November 26, 2013 and by Special Resolution passed under Section 81(1A) of the Companies Act at an Extra Ordinary General Meeting of our shareholders held on December 21, 2013.

The Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All Equity Shares issued are fully paid-up.

Our Company has no outstanding convertible instruments as on the date of this Prospectus.

NOTES TO THE CAPITAL STRUCTURE:

History of change in authorized Equity Share capital of Our Company

- The Initial authorized Share Capital of Rs. 1,00,000 (Rupees One Lakhs Only) was increased to Rs. 25,00,000 (Rupees Twenty Five Lakhs Only) consisting of 2,50,000 Equity Shares of face value of Rs. 10/- each pursuant to a resolution of the shareholders dated March 29, 2012.
- The authorized capital of Rs. 25,00,000 (Rupees Twenty Five Lakhs Only) was increased to Rs. 2,50,00,000 (Rupees Two Crores Fifty Lakhs Only) consisting of 25,00,000 Equity Shares of face value of Rs. 10/- each pursuant to a resolution of the shareholders dated March 15, 2013.
- The authorized capital of Rs. 2,50,00,000 (Rupees Two Crores Fifty Lakhs Only) was increased to Rs. 6,00,00,000 (Rupees Six Crores Only) consisting of 60,00,000 Equity Shares of face value of Rs. 10/- each pursuant to a resolution of the shareholders dated August 21, 2013.

1. Equity Share Capital History:

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No of Shares	Cumulative Paid up Capital
February 07, 2012	10,000	10	10	Subscription to MOA ⁽¹⁾	Cash	10,000	1,00,000
March 19, 2013	12,00,000	10	10	Further Allotment ⁽²⁾	Cash	12,10,000	1,21,00,000
September 16, 2013	18,00,000	10	10	Further Allotment ⁽³⁾	Cash	30,10,000	3,01,00,000

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

Sr. No	Name of Person	No of Shares Allotted
1.	Mr. Rakesh Kumar Sarawagi	4,000
2.	Mr. Sanjay Kumar Sarawagi	3,000
3.	Mr. Manoj Kumar Sarawagi	3,000
	Total	10,000

- The Company allotted 12,00,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

Sr. No	Name of Person	No of Shares Allotted
1.	Mr. Govind Prasad Sarawagi	3,00,000
2.	Mr. Sanjay Kumar Sarawagi	3,00,000
3.	Mr. Manoj Kumar Sarawagi	3,00,000
4.	Mr. Rakesh Kumar Sarawagi	3,00,000
	Total	12,00,000

- The Company allotted 18,00,000 Equity Shares of face value of Rs. 10/-each at par to Mr. Manoj Kumar Sarawagi.

- The company has not issued Equity Shares for consideration other than cash.
- We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act.

4. No shares have been issued at price below Issue Price within last one year from the date of this Draft Prospectus except as mentioned below:

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Allotted Person
March 19, 2013	12,00,000	10	10	Further Allotment	Cash	Allotted to Promoter and Promoter Group
September 16, 2013	18,00,000	10	10	Further Allotment	Cash	Allotted to promoter

5. Details of shareholding of our Promoter

Mr. Manoj Kumar Sarawagi

Date of Allotment/Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	No of Shares Pledged	% of Shares Pledged
February 07, 2012	3,000	10	10	Subscription to MOA	0.10	0.05	1 years	0	0.00%
March 19, 2013	3,00,000	10	10	Further Allotment	9.97	5.22	1 years	0	0.00%
September 16, 2013	18,00,000	10	10	Further Allotment	59.80	31.29	1 years	0	0.00%
Total	21,03,000				69.87	36.56		0	0.00%

**Cost of acquisition excludes Stamp Duty*

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

Date of Transaction	Name of Transacting Party	Party Category	Nature of Transaction	Price	Number of Shares Transacted
September 16, 2013	Mr. Manoj Kumar Sarawagi	Promoter	Acquisition by further allotment	10	18,00,000
October 01, 2013	Mr. Rakesh Kumar Sarawagi	Promoter Group	Sale by transfer	10	300
October 01, 2013	Mr. Manoj Kumar Sarawagi HUF	Promoter Group	Acquisition by transfer	10	100
October 01, 2013	Mr. Sarladevi Manoj Kumar Sarawagi	Promoter Group	Acquisition by transfer	10	100
October 01, 2013	Mrs. Sujatadevi Rakesh Kumar Sarawagi	Relative of Director	Acquisition by transfer	10	100
			Total		18,00,600

All the transactions were made at the price of Rs. 10 per share on the above mentioned dates.

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

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

The Promoter Contribution of 11,58,000 Equity Shares at Rs. 25/- per Equity Share in the Issue will be satisfied one day prior to the date of opening of the Issue and the amount brought in shall be kept in the escrow account opened with the Banker to the Issue and shall be released to our Company along with the release of the Issue Proceeds.

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

Our Promoter has given written consent to lock-in 11,58,000 Equity Shares to be subscribed by him as part of Promoter contribution for a period of three years from the date of allotment in the Issue.

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

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

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

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

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

9. Details of share capital locked in for one year

In addition to minimum 20% of the Post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, the entire

pre-issue share capital of our Company shall be locked in for a period of one year from the date of Allotment in this Issue.

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

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

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/Hindu Undivided Family	6	30,09,900	30,09,900	100.00	100.00	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any other (Specify)	0	0	0	0.00	0.00	0	0.00
	SUB TOTAL (A)(1)	6	30,09,900	30,09,900	100.00	100.00	0	0.00
(2)	Foreign	0	0	0	0.00	0.00	0	0.00
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions/FPI	0	0	0	0.00	0.00	0	0.00
(d)	Any other (Specify)	0	0	0	0.00	0.00	0	0.00
	SUB TOTAL (A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	7	30,09,900	30,09,900	100.00	100.00	0	0.00

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Fund	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Portfolio Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Nominated Investors (as defined in Chapter XB of SEBI (ICDR) Regulations)	0	0	0	0.00	0.00	0	0.00
(i)	Market Makers	0	0	0	0.00	0.00	0	0.00
(j)	Any other (Specify)	0	0	0	0.00	0.00	0	0.00
	SUB TOTAL (B) (1)	0	0	0	0.00	0.00	0	0.00
(2)	Non-Institutions							
(a)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(b)	Individuals -							
	i) Individual shareholders holding nominal share Capital up to Rs.1 lakh	1	100	100	0.00	0.00	0	0.00
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0.00	0	0.00

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(c)	Any other (Specify) Individual (Non-Resident individuals)	0	0	0	0.00	0.00	0	0.00
	SUB TOTAL (B) (2)	0	0	0	0.00	0.00	0	0.00
	Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0.00	0.00	0	0.00
	TOTAL (A)+(B)	7	30,10,000	30,10,000	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	7	30,10,000	30,10,000	100.00	100.00	0	0.00

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

B. Shareholding of our Promoter and Promoter Group

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

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	Promoter				
1	Mr. Manoj Kumar Sarawagi	21,03,000	69.87%	32,61,000	56.69%
	Promoter Group				
2	Mr. Govind Prasad Sarawagi	3,00,000	9.97%	3,00,000	5.22%
3	Mr. Rakesh Kumar Sarawagi	3,03,700	10.09%	3,03,700	5.28%
4	Mr. Sanjay Kumar Sarawagi	3,03,000	10.07%	3,03,000	5.27%
5	Mr. Manoj Kumar Sarawagi Karta of Manoj Kumar Sarawagi HUF	100	0.00	100	0.00%
6	Mrs. Sarladevi Manoj Kumar Sarawagi	100	0.00	100	0.00%
	Total	30.09,900	100.00%	41,67,900	72.46%

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Manoj Kumar Sarawagi	21,03,000	10.00

10. Equity Shares held by top ten shareholders

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

Sr. No.	Name of shareholder*	No. of Shares	% age of pre-Issue capital
1	Mr. Manoj Kumar Sarawagi	21,03,000	69.87%
2	Mr. Rakesh Kumar Sarawagi	3,03,700	10.09%
3	Mr. Sanjay Kumar Sarawagi	3,03,000	10.07%
4	Mr. Govind Prasad Sarawagi	3,00,000	9.97%
5	Manoj Kumar Sarawagi Karta of Manoj Kumar Sarawagi HUF	100	0.00%
6	Mrs. Sarladevi Manoj Kumar Sarawagi	100	0.00%
7	Mrs. Sujatadevi Rakesh Kumar Sarawagi	100	0.00%
8	N.A	-	-
9	N.A	-	-
10	N.A	-	-
	Total	30,10,000	100.00%

*Our Company has only seven shareholders as on date of this Prospectus

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

Sr. No.	Name of shareholder*	No. of Shares	% age of pre-Issue capital
1	Mr. Manoj Kumar Sarawagi	21,03,000	69.87%
2	Mr. Rakesh Kumar Sarawagi	3,03,700	10.09%
3	Mr. Sanjay Kumar Sarawagi	3,03,000	10.07%
4	Mr. Govind Prasad Sarawagi	3,00,000	9.97%
5	Manoj Kumar Sarawagi Karta of Manoj Kumar Sarawagi HUF	100	0.00%
6	Mrs. Sarladevi Manoj Kumar Sarawagi	100	0.00%
7	Mrs. Sujatadevi Rakesh Kumar Sarawagi	100	0.00%
8	N.A	-	-
9	N.A	-	-
10	N.A	-	-
	Total	30,10,000	100.00%

*Our Company has only seven shareholders ten days prior to the date of this Prospectus

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

Sr. No.	Name of shareholder*	No. of Shares	% age of pre-Issue capital
1	Mr. Manoj Kumar Sarawagi	3,000	30.00%
2	Mr. Rakesh Kumar Sarawagi	4,000	40.00%
3	Mr. Sanjay Kumar Sarawagi	3,000	30.00%
4	N.A	-	-
5	N.A	-	-
6	N.A	-	-
7	N.A	-	-
8	N.A	-	-
9	N.A	-	-
10	N.A	-	-
	Total	10,000	100.00%

11. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoter/Directors/Lead Manager for purchase of Equity Shares offered through this Prospectus.
12. The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.

13. As on the date of this Prospectus, none of the shares held by our Promoter/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
14. Except, as otherwise disclosed in the chapter titled "Objects of the Issue" beginning on page 77 of this Prospectus, we have not raised any bridge loans against the proceeds of the Issue.
15. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 206 of this Prospectus.
16. The Equity Shares Issued pursuant to this Issue shall be made fully paid-up or may be forfeited for non-payment of calls within twelve months from the date of allotment of shares.
17. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
18. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and SME Platform of BSE.
19. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
20. The Issue is being made through Fixed Price method.
21. As on date of filing of this Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be made fully paid up or may be forfeited for non-payment of calls within twelve months from the date of allotment of shares.
22. On the date of filing this Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.
23. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
24. Lead Manager to the Issue viz. Pantomath Capital Advisors Private Limited and its associates do not hold any Equity Shares of our Company.
25. Our Company has not revalued its assets since incorporation.
26. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
27. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
28. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

29. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
30. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, we may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board of Directors to be in the interest of our Company.
31. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
32. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
33. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.
34. Our Company has seven members as on the date of filing of this Prospectus.

OBJECT OF THE ISSUE

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

The objects of the Issue are:-

1. Working Capital requirements;
2. Repay certain unsecured loans availed by us
3. Meet Issue Expenses

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

FUND REQUIREMENTS

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

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

S. No.	Particulars	Amount (in Rs. Lakhs)
1.	Working Capital Requirement	50.00
2.	Repay certain unsecured loans availed by us	590.50
3.	*Issue Expenses	45.00
	Total	685.50

**As on December 31, 2013, Company has incurred Rs. 29.58 Lakhs towards Issue Expenses.*

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

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

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

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising

or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt.

Details of Utilization of Issue Proceeds

Working Capital

Currently have order for fabrication of 7 high speed interceptor boats from M/s L & T, Hazira. The structures and aluminum sheets for fabrication are provided by L & T, whereas consumables are to be arranged by us. We bill the client based on percentage of work certified as completed, by the assessor appointed by L & T and thereafter our payment as released. Since there is time lag between completion of work, its certification and payment the need for working capital arises. The following is the detailed calculation of projected working capital required for the financial year 2013-14 and 2014-15

(Rs. In Lakhs)

Particulars	2011-12	2012-13	2013-14 (Estimated)	2014-15 (Estimated)
Current Assets				
Inventories	-	5.28	31.20	31.94
Trade Receivables	-	50.25	88.82	98.96
Short Term Loans and Advances	-	0.57	-	-
Other Current Assets	-	2.54	10.00	5.00
Total (A)	-	58.65	130.02	135.90
Current Liabilities				
Trade Payables	-	0.90	1.70	1.19
Other Current Liabilities	-	-	-	-
Short Term Provisions	0.10	25.20	25.57	25.93
Total (B)	0.10	26.10	27.27	27.12
Net Working Capital (A)-(B)	(0.10)	32.55	102.75	108.78
Sources Of Working Capital				
Fund based borrowings	-	27.75	50.00	50.00
Internal sources	-	-	-	8.78
Preferential allotment of Equity Shares	-	4.80	52.75	-
IPO Proceeds	-	-	-	50.00

Basis of Estimation

The incremental long term working capital requirements are based on historical Company data and estimation of the future requirements in FY 2013-14 and 2014-15 considering the growth in activities of our Company and in line with norms accepted by our banker(s). Our Company has assumed inventory of 1.5 months for Stocks in process and 0.75 months for finished goods.

Our Debtors cycle is of about 5 months. We have assumed that our debtor's cycle will be 4.75 Months and 4.25 months for FY 2013-14 and FY 2014-15. Similarly we have estimated advance to suppliers, other current assets and current liabilities in line with working capital employed in FY 2012-13.

Repayment of Unsecured Loans

We have from time to time availed unsecured loans from our Promoter and Promoter Group. These loans were used for the purpose business of our Company, primarily acquisition of land at Dahej on which our shipyard will be constructed & incidental matters, capital expenditure and working capital requirements. Acquisition of this land is critical for the business of our Company without which we will not be able to undertake shipbuilding and ship repair work. We have raised Rs. 820.77 lakhs as interest free unsecured loans as on September 30, 2013, repayable on demand.

The details of the repayment of loans to Promoter and Promoter Group Entities are provided below:

Rs. In Lakhs

Name of Lender	Amount outstanding as on September 30, 013	Rate of Interest	Security	Tenure	Repayment from the Net Proceeds of the Issue
Anmol Tradelink Pvt. Ltd.	415.78	Nil	Unsecured	Repayable on Demand	415.78
Georgette Tradecom Pvt. Ltd.	39.00	Nil	Unsecured	Repayable on Demand	39.00
Hi-choice Trading Pvt. Ltd	67.00	Nil	Unsecured	Repayable on Demand	67.00
Govindprasad Sarawagi	143.00	Nil	Unsecured	Repayable on Demand	68.72
Manoj Kumar Sarawagi	12.44	Nil	Unsecured	Repayable on Demand	Nil
Sanjay Sarawagi	108.00	Nil	Unsecured	Repayable on Demand	Nil
Rakesh Sarawagi	35.55	Nil	Unsecured	Repayable on Demand	Nil

We may repay the above loans when due, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the proceeds of the Issue. We believe our repayment will help us to improve our ability to leverage equity for our future needs towards any of our existing operations and towards further expansion.

Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 50.00 Lakhs.

Expenses	Expenses (Rs. in Lakhs)	Expenses (% of total Issue expenses)	Expenses (% of Issue size)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Market Makers, Bankers etc.	35.00	77.78	5.24
Regulatory fees	5.00	11.11	0.75
Marketing and Other Expenses	5.00	11.11	0.75
Total estimated Issue expenses	45.00	100.00%	6.74

DEPLOYMENT OF FUNDS

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

(Rs. in Lakhs)

Particulars	Total Funds required	Amount incurred till December 31, 2013	Deployment during FY 2013-14	Balance Deployment during FY 2014-15
Working Capital Requirement	50.00	0.00	0.00	50.00
Repay certain unsecured loans availed by us	590.50	0.00	590.50	0.00
Issue Expenses	45.00	29.58	15.42	0.00
Total	685.50	29.58	605.92	50.00

M/s. R Kejriwal & Co., Chartered Accountants have vide certificate dated December 31, 2013, confirmed that as on December 31, 2013 following funds were deployed for the proposed Objects of the Issue:

(Rs. in Lakhs)

Particulars	Estimated Amount
Internal Accruals	29.58
Total	29.58

APPRAISAL BY APPRAISING AGENCY

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

INTERIM USE OF FUNDS

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

MONITORING UTILIZATION OF FUNDS

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

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

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

BASIS FOR ISSUE PRICE

The Issue Price of Rs. 25 per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10 and Issue Price is Rs. 25 per Equity Share and is 2.5 times the face value.

QUALITATIVE FACTORS

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

- Inception stage of project
- Part of Marine Shipbuilding Park (MSP)
- Lower operating cost
- Close proximity to raw material
- Calmer environmental climate
- Consistent demand from government sector
- Strategic Location of the project
- Experience of Promoters

For further details, refer to heading '*Our Competitive Strengths*' under chapter titled "*Our Business*" beginning on page 101 of this Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2012, 2013 and period ended September 30, 2013 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

Year ended	EPS (Rs.)	Weight
March 31, 2012	(1.00)	1
March 31, 2013	5.43	2
Weighted Average	3.29	

The Basic and Diluted EPS on an unconsolidated basis for the six month period ended September 30, 2013 was Rs. 0.48 (not annualized)

Note:

The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.

3. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 25 per Equity Share of Rs. 10/- each.

Particulars	P/E Ratio
P/E ratio based on Basic EPS for FY 2012-13	4.61
P/E ratio based on Weighted Average EPS	7.61
*Industry P/E	

Particulars	P/E Ratio
Highest	108.78
Lowest	(8.45)
Average	50.16

*Industry comprises Pipavav Defence and Offshore Engineering Limited, Bharati Shipyard Limited, ABG Shipyard Limited and Western India Shipyard Limited.

4. Average Return on Net worth (RoNW)

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

Year ended	RoNW (%)	Weight
March 31, 2012	(60.31)	1
March 31, 2013	2.33	2
Weighted Average	(18.55)	

The return on Net worth for the six month period ended September 30, 2013 was 2.11% (not annualized)

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

5. Minimum Return on Total Net Worth post Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2013 is 31.37%.

6. Net Asset Value (NAV)

Particulars	Amt. (Rs.)
Net Asset Value per Equity Share as of September 30, 2013	10.28
Net Asset Value per Equity Share after the Issue	17.30
Issue Price per equity share	25.00

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

7. Comparison with other listed companies

Companies	CMP	EPS	PE Ratio	RONW	NAV (Per Share)	Face Value	Sales (In Lakhs)
Sl. VI Shipping Corporation Limited	NA	5.43	4.61	2.33	10.17	10	119
Pipavav Defence and Offshore Engineering Limited (As on March 31, 2013)	44.60	0.41	108.78	1.40	29.47	10	2,58,647
Bharati Shipyard Limited (As on March 31, 2013)	29.25	(149.01)	(0.20)	(90.36)	141.67	10	50,497
ABG Shipyard Limited (As on March 31, 2013)	259.70	21.04	12.34	7.01	300.10	10	2,09,966
Western India Shipyard Limited (As on March 31, 2012)	2.79	(0.33)	(8.45)	(72.48)	0.46	2	7,853

Notes:

- The figures for SL. VI. Shipping Corporation Limited are based on the standalone restated results for the year ended March 31, 2013.
- The figures for the peer group are based on standalone audited results for the respective year ended as indicated in the table.
- Current Market Price(CMP) is the closing prices of respective scripts as on January 14, 2014

The Issue Price of Rs. 25/- per Equity Share has been determined by the Company in consultation with the LM and is justified based on the above accounting ratios.

For further details see “Risk Factors” on page 23 and the financials of the Company including profitability and return ratios, as set out in the “Financial Statements” beginning on page 141 of this Prospectus for a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To

The Board of Directors

Si. Vi. Shipping Corporation Limited

Office Block, 1st Floor,
Plot No. 237/2 & 3, Sub Plot No, A/25,
Central Park Society, GIDC, Pandesara,
Surat, Gujarat – 394221, India

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

We hereby confirm that the enclosed annexure, prepared by Si. Vi. Shipping Corporation Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

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

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

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

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

*No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to Si. Vi. Shipping Corporation Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

For Gheewala & Co

Chartered Accountants

Firm Reg no: 115746W

Sd /-

(Kishorbhai R. Gheewala)

Partner

Membership No. 034405

Place: Surat

Date: 25/12/2013

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO SI. VI. SHIPPING CORPORATION LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2013-14.

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

1. General tax benefits

A. Business Income

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

B. MAT Credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- As per Section 115JB, Minimum Alternate Tax ("MAT") is payable @18.5% of the Book profits computed in accordance with the provisions of this section, where income-tax computed under the normal provisions of the Act is less than 18.5% of the Book profits as computed under the said section. A surcharge on income tax of 5% would be levied if the total income exceeds Rs.10 million but does not exceed Rs 100 million. A surcharge at the rate of 10% would be levied if the total income exceeds Rs 100 million. Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge.
- MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to ten years succeeding the assessment year in which the MAT credit arises.

C. Capital Gains

(i) Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as long - term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty - six months to be considered as long - term capital assets.
- Short - term capital gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit

of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.

- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income – tax

- Under Section 54EC of the Act, capital gain arising from transfer of long – term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by -:

1. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 2. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 per assessee during any financial year.
 - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
 - As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
 - The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

D. Securities Transaction Tax

As per provisions of Section 36(1) (xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

E. Dividends

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company paying dividends will be liable to pay dividend distribution tax (DDT) at the rate of 15%. A surcharge of 10% would be levied on the amount of DDT. Further, Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge. Credit in respect of dividend distribution tax paid by a domestic subsidiary of the Company & tax Payable by the company U/s 115 BBD on dividend received from foreign subsidiary could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O (1A) of the Act, subject to fulfillment of prescribed conditions.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.
- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of as specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
- As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (plus surcharge and education cess).

BENEFITS TO THE RESIDENT MEMBERS / SHAREHOLDERS OF THE COMPANY UNDER THE ACT

A. *Dividends exempt under section 10(34) of the Act*

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge as applicable, on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

B. *Capital Gains*

(i) Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long - term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long - term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.
- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- As per first proviso to Section 48 of the Act, the capital gains arising on transfer of share of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration receiving or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% (plus applicable surcharge and cess) with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of

15% (plus applicable surcharge and cess) provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long – term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long – term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long - term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

C. Tax Treaty Benefits

As per provisions of Section 90 (2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

D. Non-Resident Taxation

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS') UNDER THE ACT

A. Dividends exempt under section 10(34) of the Act

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge as applicable on the dividend distribution tax and

education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

B. Long – Term Capital Gains exempt under section 10(38) of the Act

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

C. Capital Gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB & certain securities & government Bonds as mentioned in section 194LD) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Interest on certain securities & government bonds as mentioned in section 194LD is taxable @5% only.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10%
STCG on sale of equity shares subjected to STT	15%
STCG on sale of equity shares not subjected to STT	30%

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge (as applicable) where the taxable income exceeds Rs. 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

D. Securities Transaction Tax

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains

E. Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial to them⁸

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors

BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT

a) Dividend income

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

- b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

BENEFITS UNDER THE WEALTH TAX ACT, 1957

Wealth Tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

Gift Tax Act, 1958

- Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. However gift exceeding Rs. 50,000/- to non relative is taxable as income under the income tax act, 1961.

Note: All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

For Gheewala & Co
Chartered Accountants
Firm Reg no: 115746W

Sd/-
(Kishorbhai R. Gheewala)
Partner
Membership No. 034405

Place: Surat

Date: 25/12/2013

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 have been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 23 and 141 respectively of this Prospectus before deciding to invest in our Equity Shares.

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

GLOBAL SHIPBUILDING INDUSTRY

International trade is a cornerstone of the global economy. Exchange of goods amongst countries widen the choice of supply and ensures that production takes place where it is cheapest and best. This is reflected in the intensification of globalization and the fact that world trade is growing faster than the world output. World trade relies on cheap and secure transport. Maritime transport, enabled by, inter alia, technological developments and competitive transport costs, is estimated to handle over 80 % world trade by volume and over 70 % by value. As trade grows, the demand for maritime transport also grows. Technological developments in bulk and container transport have made maritime transport cheaper. Bulk transport involves shipping one homogeneous commodity (e.g. grain, ore etc) at any one time, but in large quantities; in contrast, container transport entails transporting different goods at the same time, but in standard containers that are easy to load and unload. However, the slower growth in world seaborne trade compared to world trade in general reflects that the weight of the goods transported increases at a slower rate than their value due to rising trade in processed goods like electronic items, medicines, apparel, gems and jewellery etc. Besides, greater use of lighter materials and lower material intensity in the manufacturing process has also led to slower increase in weight.

Source: Maritime Agenda 2010-2020

World seaborne trade by types of cargo, annual, 2001-2011

Metric tons in millions				
CARGO TYPE Year	Crude Oil	Petroleum products and gas	Dry cargo	Total
2001	1678	499	3844	6020
2002	1637	509	3981	6127
2003	1690	533	4257	6480
2004	1770	546	4442	6758
2005	1857	565	4687	7109
2006	1783	915	5002	7700
2007	1813	934	5287	8034
2008	1785	957	5487	8229
2009	1711	931	5216	7858
2010	1788	984	5637	8409
2011	1762	1034	5952	8748
CAGR	0.45%	6.84%	4.05%	3.46%

Source: UNCTAD, UNCTAD stat. CAGR for period from 2001-2011

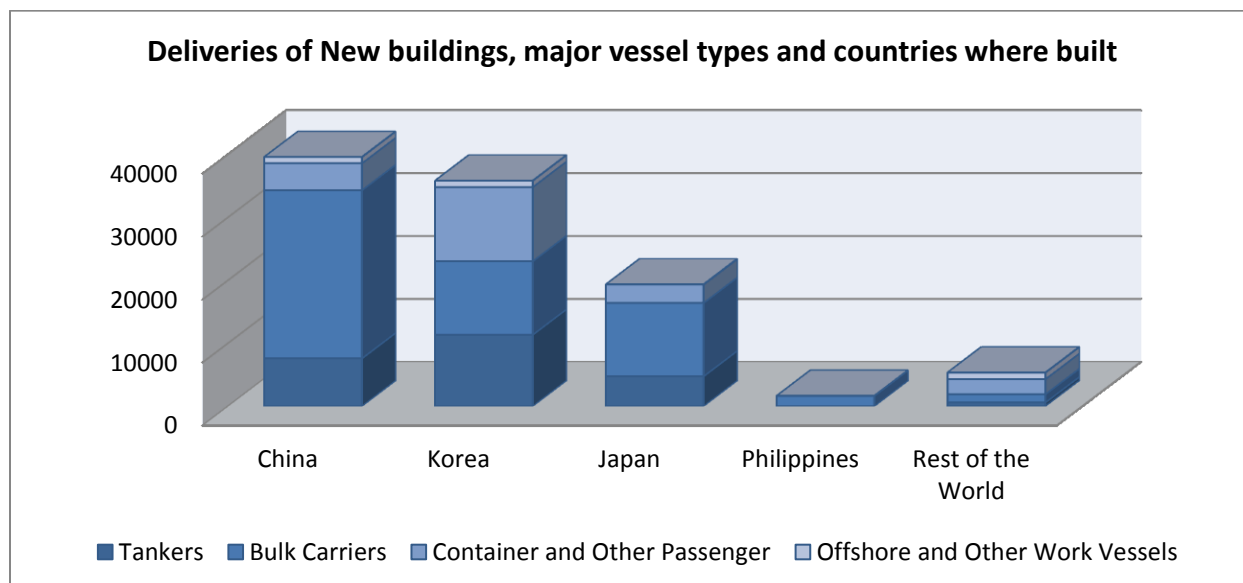
EVOLUTION OF GLOBAL SHIPBUILDING INDUSTRY

Shipbuilding is known as one of the oldest, most open and highly competitive markets in the world. Although shipbuilding industry has a big experience in how to survive over peaks and slumps of economy, the current global crisis has hit shipbuilding industry rather severely.

Until the middle of the last century, European shipbuilding dominated the world. Fast growth of the Japanese economy and successful coordination of supporting program for shipbuilding as a strategic industry helped winning leadership for this country. For some time, Japan and Europe controlled 90% of the market, but gradually dominance was overtaken by Japan. In 1970s, S. Korea following previous experience of its neighbor country announced shipbuilding as strategic industry and in combination with low labour costs began to grab the leadership. Next Asian player, China, caught the industrial expansion strategy and surpassed Japan in 2006 and S. Korea in 2009 (if measured by order book volumes). New shipbuilding entrants such as Vietnam, India, Turkey, the Philippines, Brazil, and Russia grew up and together reached the quantity of orders to equal European total. (Source: Rima Mickeviciene (2011). Global Shipbuilding Competition: Trends and Challenges for Europe, The Economic Geography of Globalization, Prof. Piotr Pachura (Ed.))

Almost 39% of Gross Tonnage delivered in 2011 was built by Chinese shipyards, followed by 35.2% from Korean Shipyards, 19% from Japanese shipyards and 1.6% from Philippines. All other countries accounted for only 5.3% of the Gross tonnage built in 2011, mostly in the shipyards of Vietnam, Brazil and India. More than half dry bulk carriers (in Gross Tonnage) were built by China, while Korea had 55% share of container and other dry cargo ships. (Source: UNCTAD/RMT/2012)

Deliveries of new buildings, major vessels types and countries where built (2011, thousands of GT)



Source: UNCTAD/RMT/2012

FUTURE OUTLOOK

The demand for new vessels is dependent on growth in international trade and the scrapping of older ships. Increases in trade are in turn driven by global economic growth and changing patterns of supply of raw materials and regional demand.

Deliveries during the three years following the economic and financial crises are almost 80% higher than the tonnage built and delivered during three years prior to the crisis. For new orders, the picture is just opposite: during the three years prior to 2009, ship-owners had ordered on an average 200 million dwt per year, which is 2.5 times as much as the annual new orders placed between 2009 and 2011.

It is, largely, the orders placed prior to 2009 that are the cause of the present boom in deliveries. Based on the current order book, deliveries in 2012 were to be even higher than 2011's historical record; 73% of container ship that are to be delivered during 2012 was ordered in 2008 or earlier. Only in 2013 will the decline of new order since 2009 finally also lead to a decline in shipbuilding. (Source: UNCTAD/RMT/2012)

INDIAN SHIPBUILDING INDUSTRY

India is a major maritime nation by virtue of its long coast line of around 7517 Kms on the western and eastern shelves of the mainland and also along the islands, bejeweled with 13 major and 176 non-major ports, strategically located on the world's shipping routes, its long tradition of seafaring with a large pool of trained maritime personnel, and its dynamic and rapidly globalizing economy with a vast potential to expand its participation in trade and development.

Ports play a vital role in the overall economic development of the country. About 90% by volume and 70% by Value of the country's international trade is carried on through maritime transport.

There are 27 well known shipyards in the country, 8 in the Public Sector and the remaining 19 in the Private Sector. The maximum size of vessel, which can be built in India in the public sector, is 1,10,000 dwt at Cochin Shipyard Ltd.

and 80,000 dwt at Hindustan Shipyard Ltd. These sizes of vessels are relatively small compared to the current trend of building large size vessels worldwide. The Indian Shipbuilding Industry, which had only about 0.1% share of the world shipbuilding in 2002, expanded over tenfold to claim 1% share by 2007/2008 riding on the global boom and supported by a subsidy scheme. Shipbuilding turnover for Private and Public Sector Shipyards excluding Defence Shipyards has grown about fourteen fold in the last nine years from about Rs.440 crores in 2001-2002 to an estimated Rs.6200 crores in 2010-2011.

Government of India extended the Shipbuilding Subsidy Scheme, for both export and domestic orders also to Private Sector Indian shipyards with the approval of Cabinet Committee on Economic Affairs on 25.10.2002. Earlier, the Scheme was open only to the Public Sector Shipyards. The share of Indian Shipbuilding industry in the global order book expanded rapidly from less than 0.1% share in 2002, to 1.3% by 2007/08. The above Subsidy Scheme was applicable for contracts signed upto 14th August 2007.

In the face of global recession and in the absence of Government support in the form of a subsidy scheme post August, 2007, Indian shipyards have been languishing for want of new orders. Indian Yards could book very few orders either for export or domestic shipping lines as foreign yards, especially the Chinese Yards, have been outbidding them fairly consistently. The momentum created by a combination of boom conditions and subsidy support has been arrested by the discontinuation of the subsidy scheme and recession post 2007.

Lapsing of the subsidy scheme also resulted in a progressive attrition in the share of Indian yards in global order book. While during 2002 and 2007, order book increased fourfold from 0.3 million dwt to nearly 1.3 million dwt accompanied by an impressive increase in global market share, after 2007, the share in the new orders has progressively declined from 0.67% in 2007 to 0.02% in 2009 and 0.13% in 2010 [Source-Clarksons]. This clearly suggests that the momentum built up during the subsidy scheme is being lost. It is important to note that this decline in share is not evident for yards in other countries like China and Korea as they continued to receive support, both direct and indirect even during the recession.

Source: Maritime Agenda 2010-2020

KEY DRIVERS OF THE INDIAN SHIPBUILDING INDUSTRY

Relatively Low Cost of Labour and Large Pool of Technical Workers

India possesses a large pool of well-educated English speaking technical workers. The cost of labour is low in India as compared to most other shipbuilding countries. Since shipbuilding is a labour intensive industry, India's low cost of labour should provide Indian shipyards with a competitive edge over its peers in global shipbuilding industry. We believe that any increased demand for new vessels and increases in ship prices in future would lead to attractive opportunities for new market entrants from India.

Scrapping of Older Vessels and Aging Fleet

There is an increasing pressure from various international organizations, governments and port authorities to curtail the operation of older, single-hull ships due to environmental concerns. Hence, there is significant latent replacement demand for aging ships, especially tankers. In addition, now, that the freight rates have fallen, more vessels are expected to be sent to scrap yards. The following table shows age wise distribution of Indian Fleet:

Age	No of Ships	%	Gross Tonnage	%
Upto 5 Yrs.	295	25.56%	3,149,225	30.23%
6 to 10 Yrs.	138	11.96%	2,050,056	19.68%
11 to 15 Yrs.	137	11.87%	1,060,905	10.18%

Age	No of Ships	%	Gross Tonnage	%
16 to 20 Yrs.	135	11.70%	1,340,124	12.86%
Above 20 Yrs.	449	38.91%	2,817,158	27.04%
	1,154		10,417,468	

The above table shows that 38.91% in numbers and 27.04% by Gross tonnage of Indian fleet is relatively old and will be scrapped in the foreseeable future.

World over in total, the quantity of tonnage sold for demolition increased by 31% in 2011 compared with 2010. The increase was due to surge in scraping of dry bulk ships. Many of the dry bulk ships demolished were effectively still seaworthy, built in the eighties and with valid certificates for several more years of trading. However, as new tonnage is more energy efficient, given the extremely low charter rates, many owners still found it more profitable to sell for scrap instead of continuing trading at a financial loss.

Source: Maritime Agenda 2010-2020

INDIAN SHIP REPAIR INDUSTRY

Ship repair activity in India is largely concentrated around 18 small sized commercial dry docks, equally divided between the Public and Private Sectors. This is supplemented by wet berths in major ports and captive repair facilities of the Navy.

The ship repair business worldwide is estimated to be around \$ 12 billion (appox Rs 55,000 crs). India as a whole gets a revenue of no more than \$ 100 million per annum (Rs 463 crs) which is less than 1% of world ship repair share. It is estimated that the total potential of the ship repair market available in the Indian region is of Rs 2440 crs to Rs 2790 crs per annum as shown below:

Rs. Crores	
Type of Ship	Repair Potential
Foreign Ships on overseas trade visiting Indian Ports	1150-1400
Domestic ships on overseas trade	200
Coastal/Service Vessels	190
Offshore Rig Repairs	300-400
Navy and Coast Guard Vessels	100
Other Merchant Vessels in Region	500
Total	2440-279

As the repair industry is labour intensive, it is easy to translate turnover to job which is estimated to be around 20,000 additional jobs in the skilled and semi-skilled category.

The ship repair activities in India are regulated through designated Ship Repair Units (SRUs) registered and licensed by the DG Shipping. The SRUs are a mixed lot where except few shipyards (CSL and HSL) that have comprehensive facilities for major repairs and Dry Docking most other are small to medium size firms that can carry out limited repairs to machinery and equipment only. Only designated SRUs are allowed to avail of the custom duty and excise concessions.

There are a total of 30 SRUs registered with DG Shipping in the entire country and only 4-5 shipyards out of a total of 27 in the country carry out any significant repair jobs. Even those shipyards that were earlier undertaking repair activities are reducing this activity in favour of shipbuilding seen to be more attractive.

Source: Pg 371 of Maritime Agenda 2010-2020

Key Drivers of Ship Repair Industry

- **Dry-docking repair is a statutory requirement for ships to carry out regular business**

All ships undertaking coastal or overseas shipping are registered with the Indian Register of Shipping (IRS) or any other internationally equivalent organization and have to undertake repair and dry-docking of their ships, twice in every five year period. If they fail to comply with this rule, the classification of the ship gets suspended, which leads to suspension of insurance, and they lose their legitimate right to undertake any kind of shipping activity. The port authorities, globally, consider these ships unsafe and do not allow them entrance or exit in their waters.

There are several other categories of ships in India, which work within a port's limits. These are classified and registered with different state bodies and their respective port trusts. The statutory regulations for these are not as stringent as those enforced by IRS. Nevertheless, they have to undertake periodic dry-docking repair, failing which, they would lose insurance cover and contract of employment.

There have been instances in Mumbai Offshore when ONGC supply vessels lost IRS classification as the dry docking of their AHTS had not been carried out in the specified time due to unavailability of ship repair facility in the region.

- **Stringent statutory requirements have mandated compulsory repairs and maintenance**

Offshore oil & gas activities are undertaken in rough waters. It is necessary to maintain the upkeep of the ships. Accidents in recent years in Mumbai Offshore had forced DG Shipping, India to ban all foreign ships of more than 25 years from entering Indian waters. As implementation of such a rule would have adversely affected offshore oil & gas production in India, the regulator has relaxed its guidelines, making mandatory condition assessment surveys for ships above 25 years.

The ship has to undertake repair and maintenance activity based on the advice of the surveyor to retain its legitimate right to undertake shipping activity.

- **Ship repair is a stable business**

Ships work in a harsh and corrosive environment; as a result, the wear and tear of ships increases with age. Every ship undertakes annual repair and periodic dry-docking. The number of ships is also rising due to increase in trade and other maritime activity in the region. This renders ship repair quite stable business.

- **The availability of ship repair infrastructure is much less compared to the demand**

Only three docks are available in Mumbai for the repair of commercial vessels, of which two docks are more than fifty years old and lack state-of-the-art equipment and machinery. No new infrastructure (except Great Offshore) has come up in the region, though the fleet of ships has increased several times in the Mumbai region.

FUTURE OUTLOOK

The Indian shipbuilders occupied 6th rank globally accounting for 1.3% of the global order book aggregating 3.82 mn Gross Tonnage with 187 vessels on order as on June 30, 2011. In view of the ageing fleet of offshore vessels globally with approximately 40% of the offshore vessels above 20 years of age, the specialization of Indian shipbuilders in the construction of offshore vessels augurs well for the Indian yards.

- ✓ The Indian shipbuilding and ship repair industry is likely to reach Rs. 92 billion from the current level of Rs. 73.1 billion, by 2015 at CAGR of about 8% according to a study done by the industry body ASSOCHAM.
- ✓ India accounts for just about one per cent of the global shipbuilding industry. Globally, this industry is growing at a CAGR of about 24 per cent and is likely to reach Rs. 140 trillion by 2015 owing to rising global sea borne trade, according to ASSOCHAM
- ✓ The overall cargo traffic at major ports in India is about 600 million tonnes and is likely to reach 1,230 million tonnes by 2015 and 3,000 million tones by 2020 growing at a compounded annual growth rate (CAGR) of about 20 per cent, said ASSOCHAM study.
- ✓ India enjoys the dubious distinction of having emerged as the largest centre of ship-breaking in the world with 415 ships having been broken in the ship-breaking yard of Alang in 2011-2012
- ✓ With about 8,000 kilometers long coastline there are about 27 shipyards, 12 major ports and 200 ports under states' jurisdiction in India, there is huge scope for development of shipping sector considering that country's opportunities in the maritime business have not been utilized fully.

OUR BUSINESS

OVERVIEW

We are a new entrant to the Indian shipbuilding sector. We propose to develop a modern shipyard spread over 24 acres to build ships of up to 120 meter length at the Dahej Shipbuilding Park developed by Gujarat Maritime Board supported by Government of Gujarat, India.

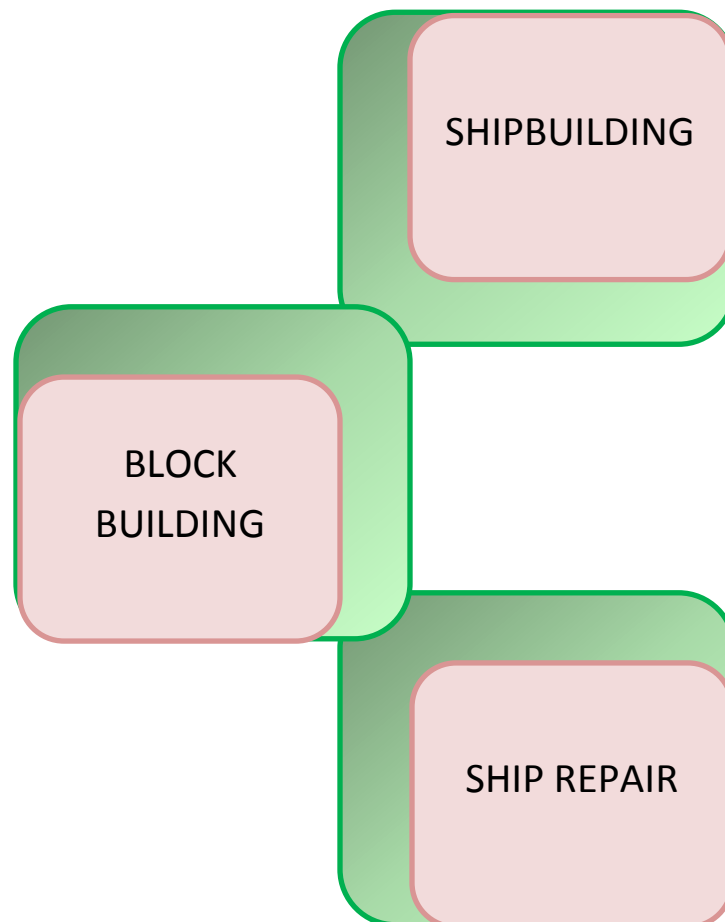
Our focus would be to bid for ships up to 120 meter length in cargo, offshore, and other specialized segments. Currently we are working as a subcontractor for fabrication of hull with L&T's shipyard at Hazira. Immediately on incorporation, we bagged order of fabrication and erection of aluminum hull for 7 high speed Interceptor boats from L&T's Hazira Shipyard. We have already executed the first boat in a record time. It has enabled us to develop a team and capability through which we can undertake new shipbuilding activities.

A highly professional and motivated team of professionals in the relevant field manages the affairs of Company. Today, almost 60% of the total fabrication work allotted by L&T's Hazira Shipyard is done by us. We have in short span also taken over operation of modern CNC machine for preparation of fabrication material for L&T's Hazira Shipyard. Recently we have also been awarded piping work for high speed interceptor boats by L&T's Hazira Shipyard.

COLLABORATION AGREEMENTS

We have entered into an MOU with M/s Cork Dockyards Ltd (CDL), Ireland wherein CDL will act as the technology partner and would provide support in design, engineering and project execution for shipbuilding and repairs. CDL would also provide necessary support in establishment of the proposed shipyard.

OUR PRODUCTS AND SERVICES



SHIPBUILDING

Overview

The Shipping industry is witnessing large scale oversupply. This has led to a large number of ships idling without any firm contract. There is large number of deliveries; however there has been very little increment in the demand. Hence, the utilization level of ships in the ocean going categories is very low.

This has also led to lower charter rates leading to lower earning potential for the companies deployed in these trades. However, there are still two categories in which the new building prospects may be still smaller, but is not totally ruled out. They are smaller and specialized ships ordered by private sector or public sector companies. Companies owned by Government of India have also adding ships to their fleet.

Some of the new building activity can be witnessed in specialized ships deployed for inland or river-sea class, ships acquired by ports and smaller ships acquired by Indian Navy and Coast Guard.

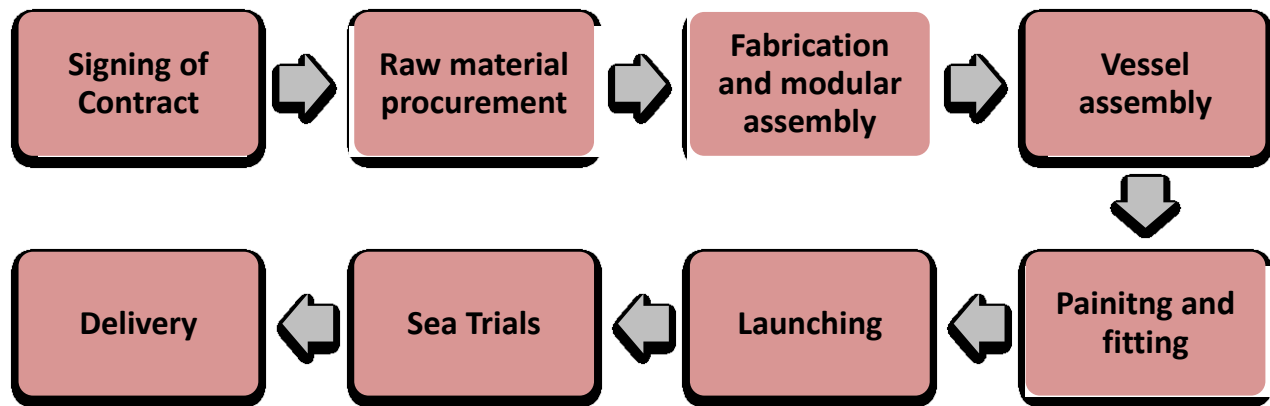
Following is the list of ships ordered on Indian Shipyards since 2009. As can be seen in the table most of the orders are from the government agencies.

Orders Procured by Private Sector Shipyards since 2009

Shipyards	Ship Type	Nos	Customer	Category	INR Cr	Contract
ABG	DSV	1	Halul Offshore	Private	332	2010
ABG	AHTSV	1	Marnavi Spa	Private	86	2010
ABG	Cement Carrier	3	Associated Bulk	Private	392	2010
ABG	Training Ship	2	Indian Navy	Govt	990	2011
ABG	AHTS	6	SCI	Govt	512	2012
Bharati	Interceptor Boat	15	Coast Guard	Govt	286	2009
Cochin	FPV	20	Coast Guard	Govt	1535	2010
Cochin	AHTSV	2	Coast Guard	Govt	246	2011
Dempo	RSV Ship	10	Jindal ITF	Private	90	2012
Cochin	Buoy Tender	1	DG lighthouse	Govt	13	2012
L&T	Interceptor Boat	36	Coast Guard	Govt	997	2010
L&T	OSV	4	Halul Offshore	Private	492	2012
L&T	Interceptor Boat	18	Coast Guard	Govt	449	2013
Pipavav	OSV	12	ONGC	Govt	525	2009
Pipavav	NOPV	5	Indian Navy	Govt	2659	2010
Pipavav	NOPV	2	Unkown	Private	1216	2012
Total					10,821	

Source: Mantrana Maritime Advisory

Ship Construction Process



BLOCK BUILDING

Shipbuilding is an assembly industry involving large scale outsourcing. Smaller yards generally target to act as feeder to large shipyards and other heavy engineering firms. Smaller shipyards generally take outsourcing work in part or complete for fabrication at their yards. They build small blocks which can be transported to large yards either using roadways or coastal route. Gujarat has 3 large shipyards located close to our proposed facility. They are ABG, L&T and Pipavav Shipyard. In addition, Government owned Alcock Ashdown could also outsource large part of their steel fabrication to smaller shipyards. ABG Shipyard and Pipavav Shipyard both being countries to largest shipyard have been building very large vessels.

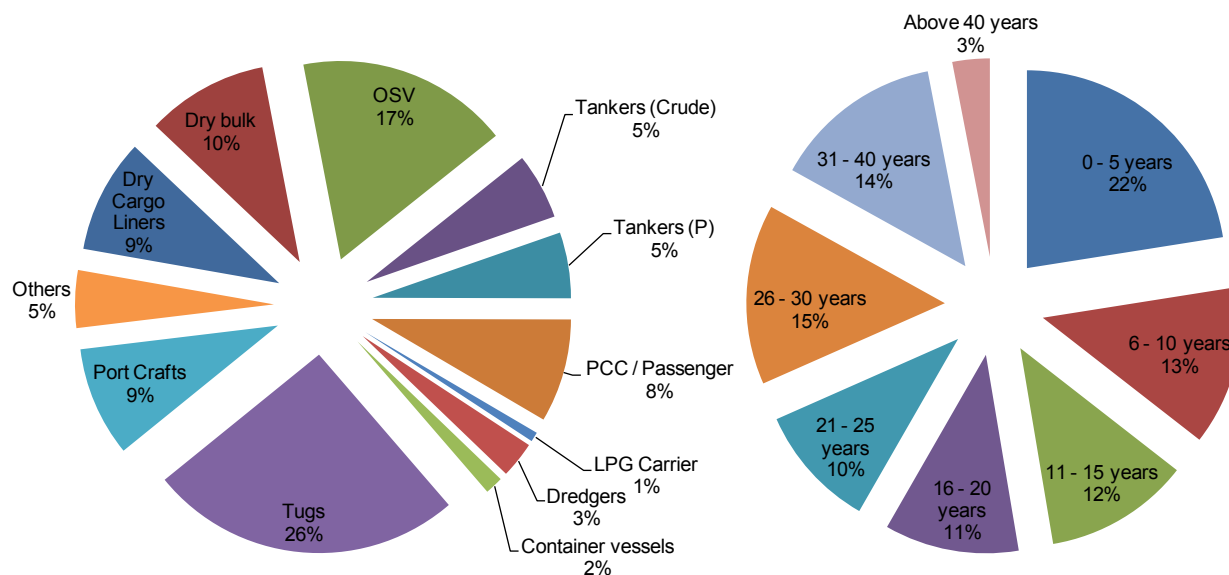
In order to meet the cyclicity in the ship building, both the yards extensively outsource their new building requirements especially steel fabrication to the third party. In fact Pipavav Shipyard and ABG Shipyard are understood to get a large number of blocks built in China for some of new building orders to cut delivery time required to meet export orders. This is good opportunity for smaller shipyards. Small shipyards would have relatively lower overhead compared to the large shipyards

SHIP REPAIR

More than 40% of Indian fleet is over 20 years of age. Older the vessels, higher are their repair and upkeep requirements, translating into frequent business prospects for ship-repair yards. Gujarat handles close to 30% of India's maritime trade. Number of vessels calling on Gujarat ports has increased by nearly 25% since FY07. Barring primary ports like Kandla, Mundra, Sikka, Pipavav, Hazira, Dahej, etc., other ports cannot accommodate deep-draft vessels. Most of these ports can handle vessels of up to 6m draft. These ports are Mandvi, Navlakhi, Veraval, Jafrabad, Bhavnagar and Magdalla (excluding Essar and GACL captive jetties, and RIL SBM). An estimated more than 1,500 low-draft vessels called on these ports in FY11. These were mostly break-bulk carriers, drybulk carriers, passenger vessels, product tankers, and barges. In other words, these are direct business opportunities for ship-repair yards in the state, provided repair and maintenance requirements for these vessels are not met by the ports they dock at, or by the adjoining ports that have a repair facility.

Source: Mantrana Maritime Advisory

Indian Shipping Fleet & Age profile (As of December 2012)



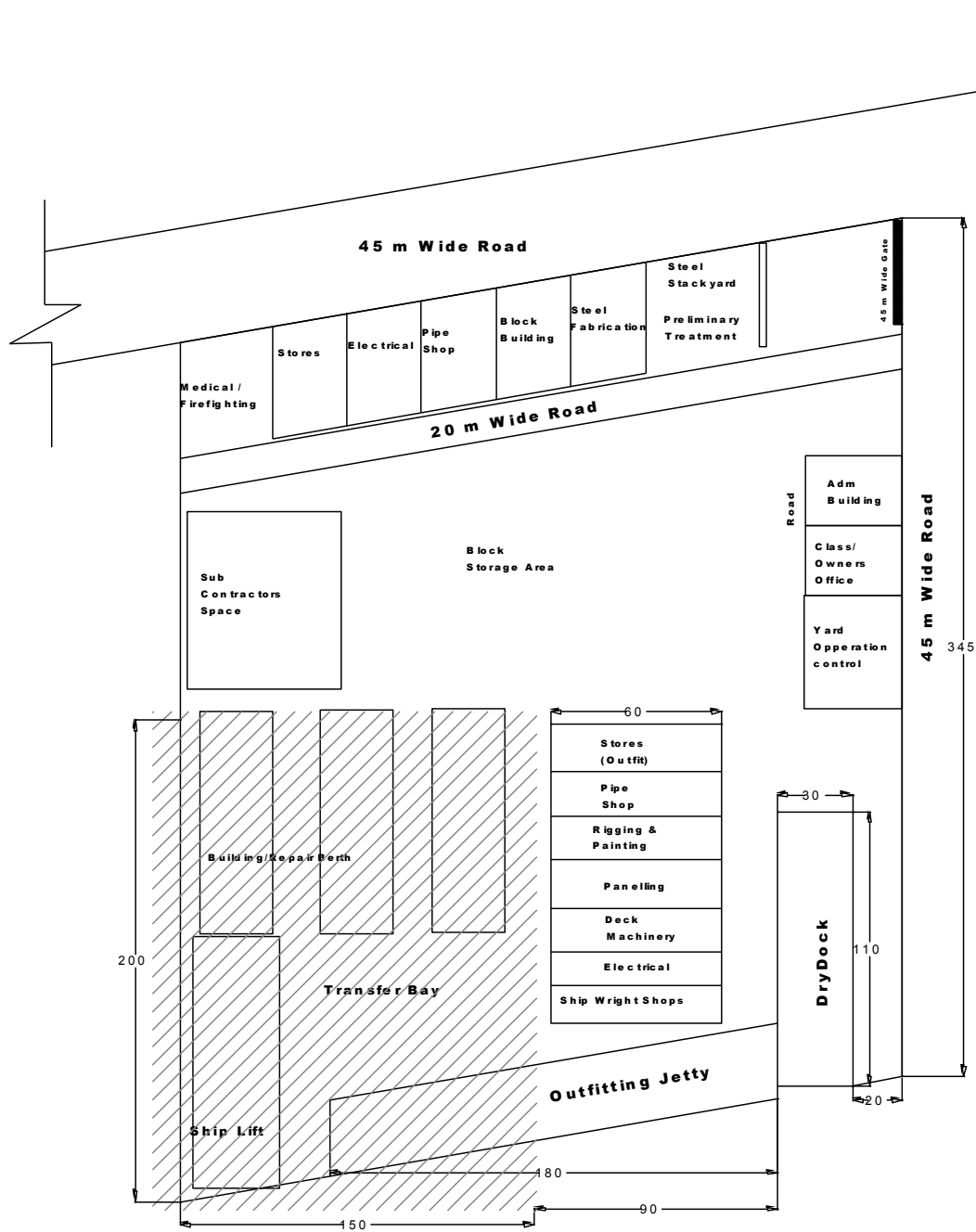
Source: DG Shipping

Our Yard's location will be a strong factor in drawing potential ship-repair business from ports that are nearer to the Gulf of Khambhat like Veraval, Jafrabad, Bhavnagar and Magdalla.

OUR PROPOSED SHIPYARD AT DAHEJ

We propose to set up our shipbuilding and repair yard at Dahej to target the new building and repair business arising out of Gujarat and Maharashtra. The proposed ship repair yard would be spread over 24 acres of land, which would have dry docks and workshops to cater to repair and dry docking of ships.

Shipyards Layout (Preliminary)



Civil Infrastructure of Shipyard

The major workshops in the ship repair yard are described as follows:

Steel Stockyard

A 2000 sq. m steel stockyard is proposed which would store steel plates and sections of different thickness/ sizes and specification.

Dry-dock

The docking yard is the most important infrastructure for any ship repair yards. Based in the investor's feasibility the dock built can be of various types. The floating and the graving types of docks are the most commonly used docks. The floating type of dry dock is the "U" shaped dock that has a floodable buoyancy in which when the valves are opened the chambers are filled with water making the dry dock flat lower in the water and the ship is made to come above the dock and the water is pumped out and the vessel settles on the blocks of the dock. The graving type of docks are the olden method of dry docking in which the narrow basin fits the vessel in it after pumping out the water from the basin and making the vessel to rest on the blocks and can be refloated by pumping water in the basin.

Outfit Jetty

Outfit jetty mainly serves the purpose of shipbuilding in water as the jetty extends in the water body and paves way for the partially build vessel with sum buoyancy to float in water and undergo the repairing operations as per the plan of the vessel. If the jetty is extended in accordance to the requirement, the vessel can be berthed and repaired along the jetties. The use of jetty could make the yard to repair more than one vessel at a time. The jetty can be fitted with a crane (either mobile or jib) for the large fittings on the vessel.

Steel Shop

The steel shop would undertake repair and replacement of steel works. It will undertake replacement of steel for hull, superstructure, rudders, hatch covers, etc. The steel replacement work during ship repair is less compared to that in the building stage. Hence, initially the steel processing work would be undertaken manually.

This is meant for carrying out all steel renewal works including all structural repairs pertaining to rudder, cranes, boat davits, hatch covers, watertight doors and windows, mooring accessories, ladders and other structural outfitting's of ships.

Workshops

In addition to the dry dock and the quay for afloat repair, the ship repair yard would have a number of workshops of various categories to cater to the repair and dry docking of ships. Here is a list of production shops, stores and other support facilities essential for the ship repair yard.

Pipe Shop

The Pipe shop is meant for repair and replacement of piping work of the ships. It would include removal, cleaning, testing, repair and installation of pipes on board a ship. The proposed pipe shop at our facility would have a dimension of 40 m x 20 m.

The pipe house is a type of fabrication house where the cutting and the welding aspects of pipes used for ships are moulded and cut. There's an overhead cranes that is being used for the movement of pipes and its parts in the house. The use of pipe bending machines, pipe cutting and the welding systems are all the part of the pipe house in the shipyard. The house can include overhead cranes, pipe bending machines, cutting machines, welding machines, TIG welding systems.

Machinery Shop

Machinery Shop is meant to undertake repair and overhaul of a ship's machinery such as main engine and auxiliaries. The shop would have a dimension of 40 m x 30 m. The machine shops are the conventional and a steel framed building designed with a long, open central bay which has a clerestory window overhead. The northern end of the house is opened most of the yards and a crane way is attached to the columns of the yard on either side of the main bay at the elevation midway along the clerestory window. The equipments supporting the shipyard include lathes, sawing, milling and drilling using synthetic cutting fluids.

Electrical Shop

The Electrical Shop would undertake repair and replacement of electric cables, equipments and electronic equipments. It will also undertake works related to instrumentation engineering. Most of the sophisticated equipments and machinery would be repaired in this shop.

The overall responsibility for routing maintenance, preventive maintenance and breakdown maintenance is to be borne by this department with the assistance of the respective specialized shops.

Equipments & Machinery at Shipyard

Here is a list of the major equipment and machinery which is proposed to be installed at our shipyard

1. Mobile Crane (12 t)
2. EOT Crane 20 t
3. Tower Crane (50 t)
4. CO2 Welding Machines
5. Drilling M/C 20 mm , Drilling M/C 16 mm to 32 mm
6. Portable Drill 12 m to 16 mm
7. Pistol Drill 6 mm to 10 mm

All the above specifications are based on preliminary report prepared by Mantrana Maritime Advisory and are subject to change. The final layout and infrastructure may be significantly different from what has been disclosed above depending *inter-alia* upon market conditions, demand ships, statutory approvals etc.

OUR CURRENT OPERATIONS

Until our proposed shipyard is set up, we have commenced working with larger shipyards, viz. L&T Hazira and help them by outsourcing their specific requirements to us. This will help us gain the requisite experience in

shipbuilding and help us to build a good track record which can be leveraged by us in future when we bid for construction of ships.

Currently we are working as a subcontractor for fabrication of hull with L&T's shipyard at Hazira. Immediately on incorporation we bagged order of fabrication and erection of Aluminum hull for 7 high speed Interceptor boats from L&T's Hazira Shipyard worth Rs. 5.11 Crores. We have already executed the first boat in a record time. It has enabled us to develop a team and capability through which we can undertake new building activities.

A highly professional and motivated team of professionals in the relevant field manages the affairs of Our Company. Today, almost 60% of the total fabrication work allotted by L&T's Hazira Shipyard is done by us. We have in short span also taken over operation of modern CNC machine for preparation of fabrication material for L&T's Hazira Shipyard. Recently we have been awarded piping work for high speed Interceptor boats by L&T's Hazira Shipyard



Photos of our works at L&T's Hazira Complex

OUR STRENGTHS

- **Part of Marine Shipbuilding Park (MSP):** The yard will be a part of MSP, which the Government of Gujarat has vowed to develop as comprehensively possible, aligning its development with development of the State.
- **Lower operating cost:** An MSP will have common infrastructure that a shipyard will utilize regularly. This would bring down the operating cost of a shipyard, enabling it to widen its margin.
- **Close proximity to raw material:** Gujarat Government is likely to invite other industries to set up their bases in these MSPs. This has the potential of reducing the delivery time of essential supplies for a shipyard, which may also be provided at an attractive price, as opposed to procuring it from party outside the MSP.
- **Calmer environmental climate:** Located at the mouth of the River Narmada in the Gulf of Cambay, the marine-side condition is relatively calmer, allowing for safer operations during float-out, outfitting, sea trials, etc.
- **Consistent demand from government sector:** Even though the global demand for new ships remained low due to oversupply, orders from Indian Navy and Coast Guard are starting to flow at a consistent rate. Their requirements are non-negotiable, regardless of the shipbuilding issues the world is facing. Since most of the new building orders are from Government-backed companies, we can exploit this opportunity.
- **Location of Deployment:** Our shipyard is located about 160 nautical miles north of Mumbai offshore. Therefore it could emerge as an alternative to the ships visiting Coloumbo or Middle East for repair. Similarly for ships which are located in the Gulf of Cambay and Saurashtra region, Dahej would be the nearest repair yard.

UTILITIES & INFRASTRUCTURE FACILITIES

Our registered office at Surat, Gujarat and our works at Hazira are well equipped with computer systems, internet connectivity, other communication equipment's, security and other facilities, which are required for our business operations to function smoothly.

HUMAN RESOURCE

As on December 27, 2013 our Company has 98 Employees. 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 resources together with our strong management team have enabled us to successfully implement our growth plans.

ROLE WISE BREAK-UP

S. No.	ROLE	No. of Employees
1	Manager & Above	04
2	Engineer	02
3	Supervisor	05
4	Marker	04
5	Welder	16
6	Fitter	14
7	Ticker	06
8	Grinder	12
9	Rigger	06

S. No.	ROLE	No. of Employees
10	Electrician	05
11	Safety Staff	02
12	Helper	06
13	Miscellaneous	16
TOTAL		98

BUSINESS STRATEGY

Our mission is to be a global major in Ship Repair, Construction and Marine Solution Provider. We aim to achieve this by following a well defined strategy targeting niche segments in the overall shipbuilding sector.

Shipbuilding

Commercial shipbuilding is still reeling from the tonnage glut in the market. Market experts state that oversupply effects would continue to be felt throughout 2013, especially in dry bulk and tanker segments. Recovery is expected post 2014, but some are of the opinion that the cyclic nature of the demand-supply situation will resume post 2016. According to a market estimate, deliveries in 2013 will be around 8% of the world fleet while it was a little over 6% in 2012. In view of uninterrupted tonnage introduction into the market, ship-owners are wary of ordering more vessels, unless absolutely required.

Aforesaid reasons are why commercial shipbuilding will not be a lucrative segment in the immediate future. Globally speaking, new building orders are expected to be erratic. New building orders on national scale have almost dried up. Any new order is most likely to be acquired by the larger players. This will leave very less to negligible opportunity for a start-up like us to gain any kind of firm footing in the shipbuilding market. Hence we shall not be focusing on international commercial shipbuilding market. However we will bid in the domestic market for supply of ships to Private Sector and Government procurement programs.

Block Building

Until our proposed shipyard is set up we plan to work with larger shipyards such as L&T Hazira and help them by outsourcing their specific requirements to us. This will help us gain the requisite experience in shipbuilding and help us to build a good track record which can be leveraged by us in future when we bid for construction of ships.

Ship repairs

We believe that in the current scenario more than shipbuilding, ship-repair will be a consistently profitable venture.

Offshore vessels

Panna-Mukta field in the Gulf of Khambhat is one of the abundantly producing offshore regions in India. Major players like ONGC and RIL have major stakes in the region, followed by British Gas (BG) operating in JV with these players. The company's E&P operation is supported by substantial number of OSVs in the region. To support its operations in the field, BG has established an offshore supply base in Bhavnagar. In general, OSVs like AHTSVs and PSVs, mostly the former, are employed for such tasks. Generally, AHTSVs employed in the Indian offshore sector fall below 70m length overall and 3,000 dwt range. Similarly, PSVs of below 100m length overall and 5,000 dwt are used for offshore support and supply purposes.

Location proximity and accommodating vessel characteristics are two of the most appealing factors for our Yard to be able to target bulk of the repair opportunities in this segment. The volume and urgency in requirement for a

fully-functional vessel for E&P support and supply tasks means we can count on project opportunities from these vessels with certainty.

An estimated around 60% of the current OSV fleet is more than 25 years of age. With global and national E&P operations moving to deeper waters, newer and more advanced vessels will be required for assisting the E&P companies' operation. Ageing vessels lead to opportunities in both ship-repair and shipbuilding. Companies looking to build a fleet that will cater to harsher requirements for deep water and ultra-deep water E&P will place new building orders. Currently, such requirements have not been on a large scale in India, but it is expected to soon pick up in the near future. On the other hand, majority of the ageing vessels, suitable for shallow-water operation, are still able to find employment suggests there still is market scope for such vessels. As a result, OSV owners tend to maximize their ageing fleet utilization to gain as much revenue as possible, but at the cost of frequent wear & tear and breakdowns. This opens up avenue for ship-repair business.

INSURANCE

We maintain insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, earthquake, explosion, burglary, theft and robbery, which we believe is in accordance with customary industry practices. We have also availed of various insurance policies to cover our vehicles at our offices and plants as well as workmen working on our site at Hazira.

LAND & PROPERTIES

The following table sets for the properties taken on lease / rent by us:

Sr. No	Location of the property	Document and Date	Licensor/Lessor	Lease Rent/ License Fee	Lease/License period		Activity
					From	To	
1.	Office Block, 1st Floor, Plot No. 237/2 & 3, Sub Plot No, A/25, Central Park Society, GIDC, Pandesara, Surat, Gujarat – 394221, India.	Letter dated December 16, 2013	Siddhi Vinayak Knots and Prints Private Limited	Nil up till 31 st March 2013. Thereafter subject to review	NA	NA	Registered office
2.	Northern Bank of Narmada River, Plot No. D-2 (3/1), GIDC Dahej – II, Suva Village, Dist. Bharuch, Gujarat	August 13, 2013	Gujarat Industrial Development Corporation (GIDC)	As may be fixed by GIDC from time to time	August 13, 2013	August 12, 2112	Development of Shipbuilding / repair yard

INTELLECTUAL PROPERTY



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

We have applied for the registration of our logo under the Trademark Act vide application dated January 08, 2014 and our application is in the process with the Registrar of Trademark.

KEY INDUSTRY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter have been obtained from publications available in the public domain. The regulations set out below are not 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.

The statements below are based on 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. For details of government approvals obtained by us, see the chapter titled “Government and Other Statutory Approvals” beginning on page 176 of this Draft Prospectus.

THE MERCHANT SHIPPING ACT, 1958

The first Indian Merchant Shipping Act was enacted in 1923, the provisions of which were in line with the U.K. Merchant Shipping Act, 1894. After independence, taking care of new conditions and changes that took place in the Shipping Industry, a comprehensive legislation was passed by Indian Parliament in 1958 known as Merchant Shipping Act, 1958. The Act has been constantly under revision and amendments to ratify the changes approved by the International Maritime Organization, through its conventions and protocols, to which India is a Member.

The Merchant Shipping Act, 1958, as amended (the “Merchant Shipping Act”), is the principal legislation that applies to ships that are registered in India or which are required to be registered under this statute. It also governs the transfer, mortgage and sale of ships. It provides for establishment of the National Shipping Board for the development of Indian shipping. The Merchant Shipping Act *inter-alia* provides for certification of competency of the officers, engagement and discharge of seamen, payment of wages to seamen, health and accommodation of seamen, the duties of the shipping masters, agreements with the crew, disputes between seamen and employers, inspection by shipping master of provisions, accommodation on board and a certificate of survey for passenger carrying ships. In addition, to ensure safety of the vessels, the Merchant Shipping Act makes it mandatory to install life saving appliance, fire appliance and radio telegraphy, radio telephony and direction finder. The Merchant Shipping Act also sets out the requirements in relation to the following, among other things, dangerous goods and grain cargoes; collisions, accidents at sea and limitation of liability; wreck and salvage; and weights and measures on board.

THE MERCHANT SHIPPING (CARGO SHIP CONSTRUCTION AND SURVEY) RULES, 1991

The Merchant Shipping Act, 1958 empowers the Government of India to make rules to be complied by vessels registered in India prescribing the requirements regarding the hull, equipment and machinery, etc. With exercise of this power the Central Government enacted the Merchant Shipping (Cargo Ship Construction and Survey) Rules, 1991 (“Cargo Ship Rules”) that are to be applicable to all sea-going cargo ships having gross tonnage of 500 tons or more, registered in India. The Rules have been enacted in order to implement the provisions of the Convention for the Safety of Life at Sea, 1948, as amended from time to time.

The Rules *inter-alia* prescribe specifications for the construction of hull including structural strength; construction and testing of watertight bulkheads, decks and inner bottoms; construction and testing of watertight decks, trunks, tunnels, duet keels and ventilators, watertight doors, ballast and bilge pumping and drainage arrangements; the type of machinery, boilers and electrical installations required; unattended machinery spaces including alarm and

other safety systems; protection of cargo ships against shock, fire, flooding; additional requirements for tankers; and periodical surveys of cargo ships.

THE MERCHANT SHIPPING (CONSTRUCTION AND SURVEY OF PASSENGER SHIPS) RULES, 1981

Merchant Shipping (Construction and Survey of Passenger Ships) Rules, 1981, as amended (the “Passenger Ship Rules”) apply to all passenger ships those are at a port in India or within the territorial waters of India or registered in India.

The Passenger Ship Rules *inter-alia* prescribe specification for hulls of passenger ships such as structure, watertight sub-division into compartments, fitting of collision bulkhead, double bottom tanks and watertight recesses and trunk ways; fire protection measures that are required to be adopted in the structure, bulkheads and decks including automatic sprinkler, fire alarm and fire detection systems as well as means of escape for the passengers and prescribe requirements related to position of passenger accommodation, lighting and ventilation, supply of food and water, medical stores and space requirements for different classes of passengers.

THE DOCK WORKERS (REGULATION OF EMPLOYMENT) ACT, 1948

The Dock Workers (Regulation of Employment) Act, 1948 (the “Dock Workers Act”) has been enacted to regulate the employment of Dock Workers and their welfare. The Act defines Dock Workers as the persons employed or to be employed in or in the vicinity of any port on work in connection with the loading, unloading, movement or storage of cargoes, or work in connection with preparation of ships or other vessels for receipt or discharge of cargoes or leaving a port.

The Act envisages that provisions may be made by initiating schemes for registration of Dock Workers with a view to ensuring greater regularity of employment and for regulating employment of Dock Workers, whether registered or not.

INDIAN PORTS ACT, 1908

The Indian Ports Act, 1908 (the “Ports Act”) defines the jurisdiction of the GOI and various state governments over ports. The Act applies to all ports in the country and specifies rules for safety of shipping and conservation of ports and regulates matters pertaining to the administration of port dues, pilotage fees and other charges.

MAJOR PORTS ACT, 1963

The GOI is responsible for policy formulation and regulation in relation to major ports, while minor ports are under the jurisdiction of state governments. As such 12 major ports are governed by the Major Port Trusts Act, 1963 (the “Major Port Act”), which provides for constitution of port authorities responsible for administration, control and management of certain major ports. The ports at Kolkata, Mumbai and Chennai are administered by the respective port trusts, which are statutory bodies, whereas the remaining major ports are administered directly by the GOI.

Ministry of Shipping has proposed new Ports Act (“Indian Ports (Consolidated) Act, 2010”) amalgamating the existing two statutes, viz. Indian Ports Act and Major Ports Act, into a single piece of legislation. Proposed legislation when enacted will repeal both the existing Indian Ports Act, 1908, as well as Major Ports Act, 1963.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated as “Si. Vi. Shipping Corporation Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated February 07, 2012 bearing registration no. 068922, in Surat, Gujarat. Subsequently, Our Company was converted into a public limited company vide fresh certificate of incorporation dated December 20, 2013 and consequently the name of our Company was changed to “Si. Vi. Shipping Corporation Limited”.

CHANGE IN REGISTERED OFFICE

Initially, Our Registered Office was situated at 1180, Abhishek Market, Ring Road, Surat – 395002. Subsequently, our Registered Office was shifted to Shop No. UG-24, H Gr. Floor, City Light Complex, Opp. Dev Darshan Apartment, City Light Road, Surat, Gujarat – 395007, India with effect from May 18, 2012. Thereafter our Registered Office was shifted to Office Block, 1st Floor, Plot No. 237/2 & 3, Sub Plot No, A/25, Central Park Society, GIDC, Pandesara, Surat, Gujarat – 394221, India with effect from December 21, 2013.

KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

Period	Event
2011-2012	Our Company was Incorporated
2012-2013	We bagged prestigious order for fabrication and erection of aluminium hull of high-speed boats on competitive basis from M/s L&T of Rs. 5.11 crores
2012-2013	We took over almost 60% of total fabrication outsourced by L&T
2012-2013	We took over operation of modern CNC machine for preparation of fabrication material for M/s L&T
2013-2014	Company has entered into an MOU with M/s Cork Dockyards Ltd (CDL) which is part of Burke Shipping Group, Ireland
2013-2014	Conversion into a Public Limited Company

OUR MAIN OBJECTS

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 purchasing, taking in exchange, charter, hirer, repairer, build, acquire, own or otherwise deal in steam and motor or other ships, vessels, launches, flats, barges and craft of every description with all engines, tackles, stores, equipment and furniture and to maintain, repair, reclass, improve, alter, sell, exchange, mortgage, charge, let on hire or charter or otherwise deal with and dispose of the same and to employ the same in conveyance of passengers, mails, troops, munitions of war, livestock, grain and other produce, treasure, specie and goods, merchandise, and cargo of every description at national and international level and provide all types of logistic services related with company’s business.”

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

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

Date of Shareholders’ Approval	Amendment
March 29, 2012	The Initial authorized share capital of Rs. 1,00,000 (Rupees One Lakh Only) was increased to Rs. 25,00,000 (Rupees Twenty Five Lakhs Only) consisting of 2,50,000 Equity Shares of Rs. 10/- each

Date of Shareholders' Approval	Amendment
March 15, 2013	The authorized capital of Rs. 25,00,000 (Rupees Twenty Five Lakhs Only) was increased to Rs. 2,50,00,000 (Rupees Two Crores Fifty Lakh Only) consisting of 25,00,000 Equity Shares of Rs. 10/- each
August 21, 2013	The authorized capital of Rs. 2,50,00,000 (Rupees Two Crores Fifty Lakhs Only) was increased to Rs. 6,00,00,000 (Rupees Six Crores Only) consisting of 60,00,000 Equity Shares of Rs. 10/- each
November 12, 2013	Clause I of the Memorandum of Association of the company changed to reflect changed name of the company as Si. Vi. Shipping Corporation Limited on conversion of Company into a Public Company

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of this Draft Prospectus.

SUBSIDIARY COMPANY OF OUR COMPANY

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

INJUNCTIONS OR RESTRAINING ORDERS

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

DETAILS OF PAST PERFORMANCE

For details in relation to our financial performance since incorporation, including details of non-recurring items of income, refer to section titled "Financial Statements" beginning on page 141 of this Draft Prospectus.

SHAREHOLDERS AGREEMENTS

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

OTHER AGREEMENTS

We have entered into an MOU with M/s Cork Dockyards Ltd (CDL), Ireland which is part of Burke Shipping Group, Ireland.

RESTRICTIVE COVENANTS IN LOAN AGREEMENTS

Our Company has entered into agreements with Union Bank of India, City Light Branch, Shop No. UG/1, Bhagwati Ashish Complex, Surat, Gujarat and availed Cash Credit Limit of Rs. 30.00 Lakhs and Term Loan Facilities of Rs. 70.00 Lakhs.

These agreements contain certain restrictive covenants which require us to take the prior written consent of Union Bank of India before undertaking the following activities throughout the currency of the agreement including but not limited to:

- (i) Intra Group transfers unless and until it is a genuine trade transaction in which we deal;
- (ii) Banking with other banks;
- (iii) Borrowing above sanctioned limits;
- (iv) Changes in accounting system;
- (v) Closing down or ceasing to do business;

- (vi) Withdrawal of unsecured loans;
- (vii) Formulate any Scheme of Amalgamation or Reconstruction

Pursuant to the aforesaid, we have received a No Objection Certificate from Union Bank of India for the Issue vide their letter dated December 24, 2013.

STRATEGIC/ FINANCIAL PARTNERS

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

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

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

NUMBER OF SHAREHOLDERS

Our Company has 7 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 12 directors, subject to the applicable provisions of the Companies Act. We currently have six directors on our Board.

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

Sr. No	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN		Date of Appointment	Other Directorships
1	Name Mr. Manoj Kumar Sarawagi Age 39 Years Father's Name Mr. Govind Prasad Sarawagi Designation Chairman & Executive Director Address 4105, J.J.A/C Market, Ring Road, Surat, 395002, Gujarat, India Occupation Business Nationality Indian Term Liable to retire by rotation DIN 00005447		February 07, 2012	1. Life Line Agencies Private Limited 2. S.V. Plantations Private Limited 3. Shri Siddhi Vinayak Fashions Private Limited 4. Siddhi Vinayak Knots & Prints Private Limited 5. Siddhi Vinayak Silk Mills Private Limited 6. Siddhi Vinayak Weaving Private Limited
2	Name Mr. Sanjay Kumar Sarawagi Age 43 Years Father's Name Mr. Govind Prasad Sarawagi Designation Executive Director Address 4105, J.J.A/C Market, Ring Road, Surat, 395002, Gujarat, India Occupation Business Nationality Indian Term Liable to retire by rotation DIN 00005468		February 07, 2012	1. Krishnakali Couture Private Limited 2. Siddhi Vinayak Knots & Prints Private Limited 3. Siddhi Vinayak Polyfab Private Limited 4. Siddhi Vinayak Silk Mills Private Limited 5. Siddhi Vinayak Weaving Private Limited
3	Name Mr. Rakesh Kumar Sarawagi Age 37 Years Father's Mr. Govind Prasad		February 07, 2012	1. Krishnakali Couture Private Limited 2. Life Line Agencies Private Limited 3. Narmada Polyester Private Limited 4. Narmada Thermal Power Limited

Sr. No	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment	Other Directorships
	Name Sarawagi Designation Executive Director Address 4105, J.J.A/C Market, Ring Road, Surat, 395002, Gujarat, India Occupation Business Nationality Indian Term Liable to retire by rotation DIN 00005665		5. Siddhi Vinayak Knots & Prints Private Limited 6. Siddhi Vinayak Polyfab Private Limited 7. Siddhi Vinayak Weaving Private Limited 8. Tapti Valley Education Foundation
4	Name Mr. Gururaj Kaujalgi Age 60 Years Father's Name Mr. Ramchandra Kaujalgi Designation Non Executive Independent Director Address A-33/05, Sumangal CHS, Anand Nagar, Dahisar (East), Mumbai - 400068 Occupation Management Consultant Nationality Indian Term Liable to retire by rotation DIN 06759403	December 21, 2013	Nil
5	Name Mr. Maheshkumar Saboo Age 39 years Father's Name Mr. Hariram Saboo Designation Non Executive Independent Director Address 319-320, Trade Centre Ashoka Tower, Ring Road Surat – 395002 Occupation Business Nationality Indian Term Liable to retire by rotation DIN 01616969	December 21, 2013	1. Heenon Texturisers Private Limited 2. Mudra Rayons Private Limited 3. Mahavir Synthetics Private Limited
6	Name Mr. Binod Kejriwal Age 62 years Father's Name Mr. Mahabir Prasad Kejriwal Designation Non Executive	December 21, 2013	1. Swift Vincom Private Limited 2. Surat Realtors Private Limited 3. Prashant Textiles Private Limited

Sr. No	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment	Other Directorships
	Address Independent Director C-605 Abhishek Park, Athwa Lines, Surat - 395007 Occupation Business Nationality Indian Term Liable to retire by rotation DIN 00004782		

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Mr. Manoj Kumar Sarawagi

Mr. Manoj Kumar Sarawagi is an expert in Marketing. He with his dynamism and innovation has changed the way in which Sarees are sold in Asia's most famous Textile Market - Surat. He was responsible for introduction of many new products such as Kaddak Synthetic Sarees, Khadi Print Sarees etc. He, with his sharp marketing skills and fine sense of business, has increased the business of Laxmipati Group manifold in a short span of time. In order to diversify the business activities of the group and to prepare the group for next level of growth he has made a contrarian bet on the Shipbuilding sector. Though the Shipbuilding Industry is currently going through a downturn he believes that the future is going to be promising once the momentum of global trade picks up. He is instrumental in getting the fabrication contract from M/s L & T for fabrication of interceptor boats.

Mr. Sanjay Kumar Sarawagi

Mr. Sanjay Kumar Sarawagi has expertise in marketing and corporate skills. He has experience of more than 20 years. He looks after the marketing, designing and production aspects of the group. He has vast experience in formulating and implementing effective business strategies

Mr. Rakesh Kumar Sarawagi

Mr. Rakesh Kumar Sarawagi, an expert in finance has sound knowledge of financial management. He has played a vital role in debt and equity fund raising activity of Laxmipati group. He has been responsible for managing the fund requirement of the group effectively and keeping the funding costs low to enhance returns to the shareholders. He is responsible for complete financial management of the Company.

Mr. Gururaj Kaujalgi

Mr. Gururaj Kaujalgi a Graduate in Science (Textile Technology) from Bangalore University. He is also a Certified Quality Engineer from RWTUV Germany, Lead Assessor from British Standards Institute, UK and has completed Management Development from IIM Bangalore. He has served the Textile Committee of Ministry of Textiles, Government of India for 36 years before retiring as Deputy Director. He has vast experience in setting up and monitoring of Quality Management Systems. He has provided Quality management system consultancy to various Textile Industries across the length and breadth of India.

Mr. Maheshkumar Saboo

Mr. Maheshkumar Saboo is a graduate in Commerce from Nav Yug Commerce College, Surat. He has over 19 years of experience in handling various aspects of Textile Production and Trading. He has wide knowledge in texturing, embroidering and weaving.

Mr. Binod Kejriwal

Mr. Binod Kejriwal is an expert in accounting, finance and business laws. He has over 40 years of experience in handling accounts and finance function for various kinds of businesses. He is currently engaged in providing legal advisory to various business groups of Surat.

CONFIRMATIONS

As on the date of this Prospectus:

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

REMUNERATION/COMPENSATION OF DIRECTORS

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

None of the Directors has received any remuneration during the Financial Year 2012-13

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

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

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

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital
1	Mr. Manoj Kumar Sarawagi	21,03,000	69.87%
2	Mr. Sanjay Kumar Sarawagi	3,03,000	10.07%

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital
3	Mr. Rakesh Kumar Sarawagi	3,03,700	10.09%
4	Mr. Gururaj Kaujalgi	Nil	0.00%
5	Mr. Maheshkumar Saboo	Nil	0.00%
6	Mr. Binod Kejriwal	Nil	0.00%

INTERESTS OF DIRECTORS

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

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

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Except as stated in the chapters “Our Management” and ‘Related Party Transactions’ beginning on page 118 and 139 respectively of this Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus.

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

PROPERTY INTEREST

Except as stated/referred to in the heading titled “Land & Properties” beginning on page 111 of the Prospectus, our Directors have not entered into any contract, agreement or arrangements since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them

CHANGES IN OUR BOARD OF DIRECTORS SINCE INCEPTION

Name	Date of event	Nature of event	Reason
Mr. Narendra Kumar	March 18, 2013	Appointment	Appointment as Additional Director
Mr. Narendra Kumar	September 24,	Retirement	Completion of term as director

Name	Date of event	Nature of event	Reason
	2013		

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on December 21, 2013, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs.100 crores.

CORPORATE GOVERNANCE

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

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

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

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

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

- A. Audit Committee
- B. Shareholders/Investors Grievance Committee

A) Audit Committee

Our Company has constituted an audit committee ("**Audit Committee**"), as per the applicable provisions of the Companies Act and Clause 52 of the SME Listing Agreement to be entered with Stock Exchange, vide resolution passed at the meeting of the Board of Directors held on December 21, 2013.

The terms of reference of Audit Committee adheres to the requirements of Clause 52 of the SME Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) directors:

Name of the Director	Status	Nature of Directorship
Mr. Binod Kejriwal	Chairman	Independent Director
Mr. Maheshkumar Saboo	Member	Independent Director
Mr. Rakesh Kumar Sarawagi	Member	Executive Director

Mr. Binod Kejriwal is the Chairman of the Audit Committee.

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

The role of the Audit Committee includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. 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:
 - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly and annual 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, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

8. 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.
9. Discussion with internal auditors on any significant findings and follow up there on.
10. 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.
11. 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, when implemented.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

The powers of the Audit Committee include the following:

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

B) Shareholders / Investors Grievance Committee

Our Company has constituted a shareholder / investors grievance committee ("*Shareholders / Investors Grievance Committee*") to redress complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on December 21, 2013.

The Investor Grievances Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Mr. Gururaj Kaujalgi	Chairman	Independent Director
Mr. Binod Kejriwal	Member	Independent Director
Mr. Maheshkumar Saboo	Member	Independent Director

The Shareholder/Investors Grievance Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Investor Grievance Committee include the following:

1. Redressal of shareholder's/investor's complaints;
2. Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;

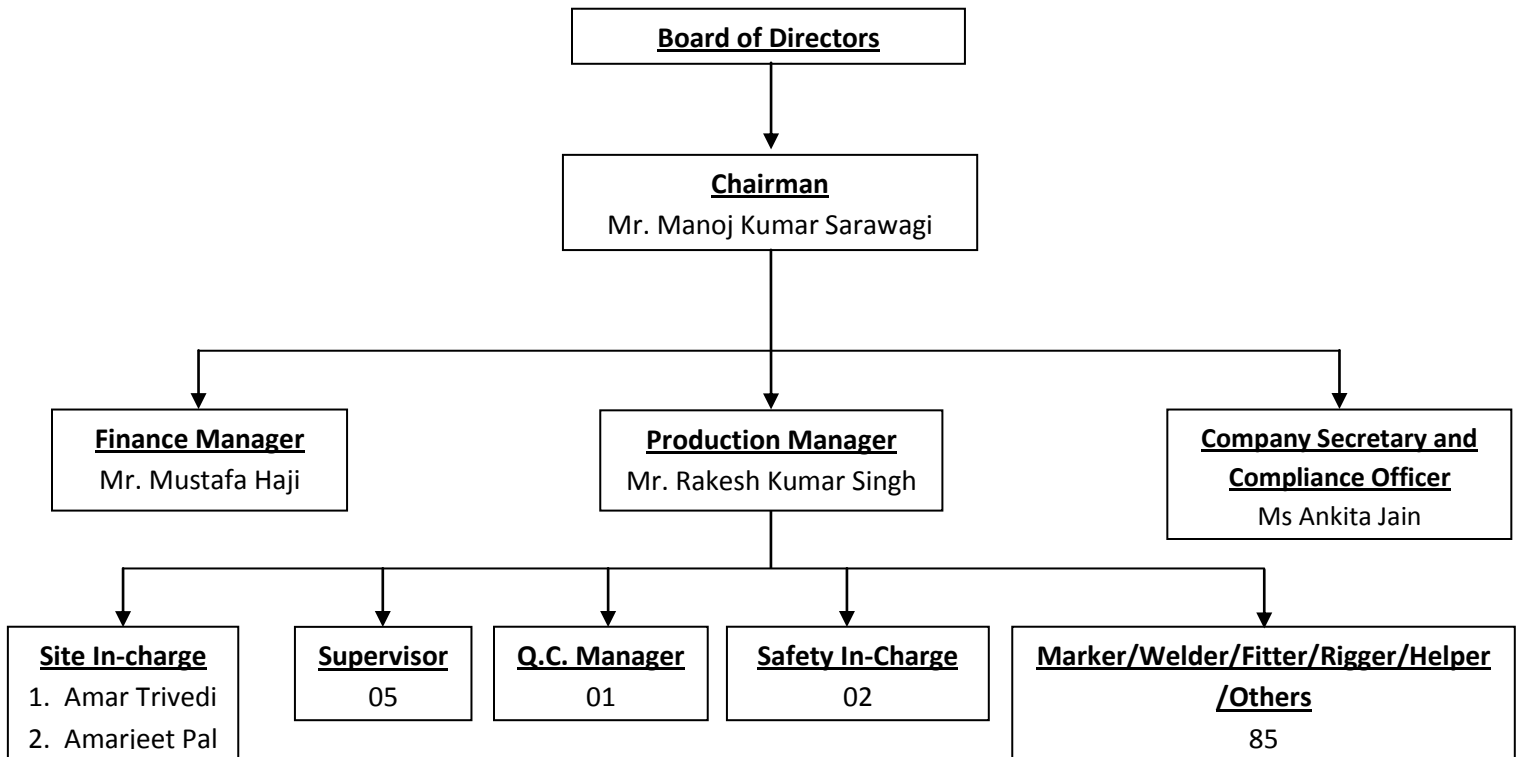
4. Non-receipt of declared dividends, balance sheets of the Company; and
5. Carrying out any other function as prescribed under the Listing Agreement.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 post listing of our Company's shares on the Stock Exchange.

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

ORGANIZATIONAL STRUCTURE



KEY MANAGERIAL PERSONNEL

R K Singh

Mr. R.K Singh is the Deputy General Manager of our company. Aged 44 years, he is a qualified Naval Architect, who has 20 years of rich experience of construction, supervision at shipbuilding Center of Indian Navy Post VRS from the Indian Navy, he had a brief tenure of 05 years with ABG shipyard, wherein he was the project officer for high speed aluminum Interceptor Boats for Indian Coast Guard, which were delivered in a record time by the yard. He was the project officer during hull fabrication for 11 anchor handling tugs that were constructed by the yard for their overseas costumers. He joined our company on June 14, 2012 as the Production Head and responsible for formulating and implementing production related strategies. Gross remuneration drawn by him during FY 2012-2013 was Rs 5.82 Lakhs

Amar Trivedi

Mr. Amar Singh is the Production In-charge of our Company. Aged 32 years, has done his mechanical engineering from Sir Bhavsinghiji (B.P.T.I) Bhavnagar. He has 7 years of rich experience in construction of Oil tankers, chemical bunkering tanks, cement tankers and passenger ships. He also has wide experience in handling ship repairs. Before joining our Company he has worked with Pipavav Defence and Offshore Limited, Modest Shipyard Limited and

Inland Marine Works Private Limited. He joined our company on February 01, 2013. Gross remuneration drawn by him during FY 2012-2013 was Rs. 1.02 Lakhs

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

There is no family relationship between the Key Managerial Personnel of our Company.

FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL

There is no family relationship between the key managerial personnel and Director of our Company. All of Key Managerial Personnel are permanent employees of our Company.

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

None of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Prospectus.

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

LOANS TO KEY MANAGERIAL PERSONNEL

The Company has not given any loans and advances to the Key Managerial Personnel as on the date of this Prospectus

INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

CHANGES IN KEY MANAGERIAL PERSONNEL SINCE INCEPTION

The changes in the Key Managerial Personnel since inception are as follows:

Name of Managerial Personnel	Designation	Date of Event	Reason
Narendra Kumar	Additional Director & CEO	March 18, 2013	Appointment
Narendra Kumar	Additional Director & CEO	September 24, 2013	Retirement

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.

PAYMENT OR BENEFIT TO OUR OFFICERS

Except as disclosed in the heading titled “Related Party Disclosure” in the section titled “Financial Statements” beginning on page 141 of this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

OUR PROMOTER AND PROMOTER GROUP

OUR INDIVIDUAL PROMOTER:

Mr. Manoj Kumar Sarawagi

DETAILS OF OUR INDIVIDUAL PROMOTER

	Mr. Manoj Kumar Sarawagi Mr. Manoj Kumar Sarawagi is an expert in Marketing. He with his dynamism and innovation has changed the way in which Sarees are sold in Asia's most famous Textile Market - Surat. He was responsible for introduction of introduction of many new products such Kaddak Synthetic Sarees, Khadi Print Sarees etc. He with his sharp marketing skills and fine sense of business has increased the business of Laxmipati Group manifold in a short span of time. In order to diversify the business activities of the group and prepare the group for next level of growth he has made a contrarian bet on the Shipbuilding sector. Though the Shipbuilding Industry is currently going through a downturn he believes that the future is going to be promising once the momentum of global trade picks up.

Particulars	Details
Permanent Account Number	ACXPS5994C
Passport No.	H6387366
Voter ID	GBV3765872
Driving License No.	GJ0520050045505
Bank Account Details	A/c No. 06420100005601 Bank of Baroda 1 st Floor, Surat Textile Market, Ring Road, Surat – 395003

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(zb) of SEBI (ICDR) Regulations includes the following persons:

Individual Promoter

The natural persons who are part of our Promoter Group (due to the relationship with our Promoter), other than the Promoter named above are as follows:

Sr. No.	Relationship	Mr. Manoj Kumar Sarawagi
1.	Father	Mr. Govind Prasad Sarawagi

Sr. No.	Relationship	Mr. Manoj Kumar Sarawagi
2.	Mother	Mrs. Kantadevi Sarawagi
3.	Spouse	Mrs. Sarla Devi Sarawagi
4.	Brother	Mr. Sanjay Kumar Sarawagi Mr. Rakesh Kumar Sarawagi
5.	Sister	Mrs. Meena Tibrewal
6.	Children	Master Hridhan Sarawagi Miss Tanya Sarawagi Miss Mansi Sarawagi
7.	Spouse's Father	Mr. Ramawater Todi
8.	Spouse's Mother	Late Mrs. Savitridevi Todi
9.	Spouse's Brother	Mr. Sanjay Kumar Todi
10.	Spouse's Sister	Mrs. Sunita Poddar Mrs. Anita Chudhiwala Mrs. Sarita Agarwal Mrs. Kavita Bajaj Mrs. Priti Jhunhunwala Mrs. Nameetaben Agarwal

b) Companies, firms and HUFs which form part of our Promoter Group are as follows:

Companies

Sr. No	Name
1.	Aconite Commercial Private Limited.
2.	Anita Fashion Private Limited
3.	Anmol Tradelinks Private Limited
4.	Archee Builders & Developers Private Limited
5.	Divyashakti Trading Private Limited
6.	Georgette Tradecom Private Limited
7.	Hi-Choice Trading Private Limited
8.	Hitech Merchandise Private Limited
9.	Innocent Financial Consultants Private Limited
10.	Krishnakali Couture Private Limited
11.	Lansdown Dealers Private Limited
12.	Life Line Agencies Private Limited
13.	Narmada Polyester Private Limited
14.	Narmada Thermal Power Limited
15.	Prabha Distributors Private Limited
16.	Rose Comtrade Private Limited
17.	Savitri Commercial Private Limited
18.	Shri Siddhi Vinayak Fashions Private Limited
19.	Siddhi Vinayak Knots & Prints Private Limited

Sr. No	Name
20.	Siddhi Vinayak Polyfab Private Limited
21.	Siddhi Vinayak Silk Mills Private Limited
22.	Siddhi Vinayak Weaving Private Limited
23.	Starmark Trading Private Limited
24.	Surat Realators Private Limited
25.	S. V. Plantations Private Limited

HUFs

Sr. No	Name
1.	Govind Prasad Manoj Kumar Sarawagi HUF
2.	Govind Prasad Rakesh Kumar Sarawagi HUF
3.	Govind Prasad Sanjay Kumar Sarawagi HUF
4.	Govind Prasad Sarawagi HUF
5.	Manoj Kumar Sarawagi HUF
6.	Rakesh Kumar Sarawagi HUF
7.	Ramawatar Todi HUF
8.	Sanjay Kumar Sarawagi HUF
9.	Sanjay Kumar Todi HUF
10.	Subhash Chandra Tibrewal HUF

Partnerships

Sr. No	Name
1.	D.R. Associates
2.	D.R. Buildcon
3.	D.R. Corporation
4.	J-10 Green Infrastructure
5.	Todi Associates
6.	Urban India

Trusts

Sr. No	Name
1.	Govind Prasad Sarawagi Charitable Trust
2.	Mansi Sarawagi Education Trust
3.	Mansi Sarawagi Marriage Trust
4.	Parth Sarawagi Education Trust
5.	Parth Sarawagi Marriage Trust
6.	Samarth Sarawagi Education Trust

Sr. No	Name
7.	Samarth Sarawagi Marriage Trust
8.	Tanya Sarawagi Education Trust
9.	Tanya Sarawagi Marriage Trust
10.	Teshima Sarawagi Education Trust
11.	Teshima Sarawagi Marriage Trust

OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of our Promoter will be submitted to the BSE SME Platform, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.

COMMON PURSUITS OF OUR PROMOTER

There are no common pursuits among the Promoter of the Company or among the Promoter Group Entities that have any conflict of interest with the Company

INTEREST OF THE PROMOTER

Interest in the promotion of Our Company

Our Promoter is Mr. Manoj Kumar Sarawagi. Our Promoter may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by him as well as his relatives and also to the extent of any dividend payable to him and other distributions in respect of the aforesaid Equity Shares. Further, Our Promoter may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either he is interested as a director, member or partner. In addition, Our Promoter, Mr. Manoj Kumar Sarawagi, may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association.

Interest in the property of Our Company

Our Promoter does not have any interest in any property acquired by Our Company since incorporation or proposed to be acquired by our Company.

Interest as Member of our Company

As on the date of this Prospectus, our Promoter holds 21, 03,000 Equity Shares of our Company and is therefore interested to the extent of his shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company, our Promoter does not hold any other interest in our Company.

Payment Amounts or Benefit to Our Promoter since incorporation

No payment has been made or benefit given to our Promoter since incorporation except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Statements' and 'Capital Structure'

beginning on page 118, 141 and 65 respectively of this Prospectus. Further as on the date of this Prospectus, there is no bonus or profit sharing plan for our Promoter.

CONFIRMATIONS

For details on litigations and disputes pending against the Promoter and defaults made by them, please refer to the section titled “Outstanding Litigation and Material Developments” on page 174 of this Prospectus. Our Promoter has not been declared a willful defaulter by RBI or any other governmental authority and there are no violations of securities laws committed by our Promoter in the past or are pending against him.

RELATED PARTY TRANSACTIONS

Except as disclosed in the chapter titled “Related Party Transactions” beginning on page 139 of this Prospectus, our Company has not entered into any related party transactions with our Promoter.

OUR GROUP ENTITIES

No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

A. Our Top five Group Entities (based on turnover)

The details of our top five Group Entities (based on turnover) are provided below:

1. Siddhi Vinayak Knots & Prints Private Limited

Corporate Information

Siddhi Vinayak Knots & Prints Private Limited is a private company incorporated on August 05, 2008 under the provisions of the Companies Act. It is engaged in the business of manufacturing and trading of fabrics and other related products. Our Promoter Mr. Manoj Kumar Sarawagi holds 0.001% in the equity share capital of the Company.

Financial Information

(Rupees In lakhs)			
PARTICULARS	2013	2012	2011
Equity Capital	3,422.37	3,422.37	3,422.37
Reserve (Excluding Revaluation Reserve)	1,866.64	1,260.93	750.07
Sales	26,515.49	21,641.77	15,326.02
Profit after Tax	605.71	510.85	457.09
Earning Per Share (Basic)	1.77	1.49	1.34
Earning Per Share (Diluted)	1.77	1.49	1.34
Net Asset Value Per share (Rs.)	15.45	13.68	11.37

2. Shri Siddhi Vinayak Fashions Private Limited

Shri Siddhi Vinayak Fashions Private Limited is a private company incorporated on February 02, 1999 under the provisions of the Companies Act. It has been incorporated to carry on business of manufacturing of textiles. Currently it is carrying on no business and earns its income primarily from rental of properties. Our Promoter Mr. Manoj Kumar Sarawagi holds 0.01% in the equity share capital of the Company.

Financial Information

(Rupees In lakhs)			
PARTICULARS	2013	2012	2011
Equity Capital	184.73	184.73	184.73
Reserve (Excluding Revaluation Reserve)	19.03	15.50	12.39
Sales	6.05	6.06	11.90
Profit after Tax	3.53	3.11	2.95
Earning Per Share (Basic)	0.19	0.17	0.16
Earning Per Share (Diluted)	0.19	0.17	0.16
Net Asset Value Per share (Rs.)	11.03	10.84	10.67

3. Siddhi Vinayak Silk Mills Private Limited

Corporate Information

Siddhi Vinayak Silk Mills Private Limited is a private company incorporated on March 23, 1994 under the provisions of the Companies Act. It has been incorporated to carry on the business of manufacturing of textiles. Currently it is carrying on no business and earns its income primarily from rental of properties. Our Promoter Mr. Manoj Kumar Sarawagi holds 23.63% in the equity share capital of the Company.

Financial Information

(Rupees In lakhs)			
PARTICULARS	2013	2012	2011
Equity Capital	184.52	184.52	184.52
Reserve (Excluding Revaluation Reserve)	22.22	19.19	16.39
Sales	4.80	4.82	9.88
Profit after Tax	3.03	2.79	3.01
Earnings Per Share (Basic)	0.16	0.15	0.16
Earnings Per Share (Diluted)	0.16	0.15	0.16
Net Asset Value (Rs. Lakhs)	11.20	11.04	10.89

4. Life Line Agencies Private Limited

Life Line Agencies Private Limited is a private company incorporated on September 26, 2001 under the provisions of the Companies Act. It has been incorporated to carry on the business of providing agency services. Currently it is carrying on no business and earns its income primarily from interest on loans advances to various persons. Our Promoter Mr. Manoj Kumar Sarawagi holds 1.92% in the equity share capital of the Company.

(Rupees In lakhs)			
PARTICULARS	2013	2012	2011
Equity Capital	26.00	26.00	26.00
Reserve (Excluding Revaluation Reserve)	39.73	39.60	32.79
Sales	0.59	10.99	17.39
Profit after Tax	0.14	6.80	6.15
Earnings Per Share (Basic)	0.05	2.62	2.37
Earnings Per Share (Diluted)	0.05	2.62	2.37
Net Asset Value (Rs. Lakhs)	25.28	25.23	22.61

5. Siddhi Vinayak Polyfab Private Limited

Corporate Information

Siddhi Vinayak Polyfab Private Limited is a private company incorporated on July 29, 2010 under the provisions of Part IX of the Companies Act. It has been incorporated to carry on the business of manufacturing

of textiles. Currently it is carrying on no business and earns its income primarily from interest on loans advances to various persons. Our Promoter Mr. Manoj Kumar Sarawagi holds 10% in the equity share capital of the Company.

Financial Information

(Rupees In lakhs)			
PARTICULARS	2013	2012	2011
Equity Capital	1.20	1.20	1.00
Reserve (Excluding Revaluation Reserve)	13.32	14.17	-
Sales	-	7.50	-
Profit after Tax	(0.72)	4.37	-
Earnings Per Share (Basic)	(7.21)	43.69	-
Earnings Per Share (Diluted)	(7.21)	43.69	-
Net Asset Value Per share (Rs.)	120.96	128.08	10.00

B. Our Other Group Entities

The details of the rest of Our Group Entities are provided below:

6. Anmol Tradelinks Private Limited

Anmol Tradelinks Private Limited is a private company incorporated on December 18, 1995 under the provisions of the Companies Act and is a Non-Banking Financial Company registered with RBI. It is engaged in the business of making loans and investments. Our Promoter Mr. Manoj Kumar Sarawagi holds 9.55% in the equity share capital of the Company. The Company has incurred a loss during the financial year 2012-2013.

7. Surat Realators Private Limited

Surat Realators Private Limited is a private company incorporated on October 11, 2010 under the provisions of the Companies Act. It is engaged in the business of real estate development. Our Promoter Mr. Manoj Kumar Sarawagi holds 25% in the equity share capital of the Company. The company has incurred a loss during the financial year 2012-2013.

8. S. V. Plantations Private Limited

Corporate Information

S.V. Plantations Private Limited is a private company incorporated on December 07, 2005 under the provisions of the Companies Act. It has been incorporated to engage in the business of agriculture and plantation activity and is yet to commence its activities. Our Promoter Mr. Manoj Kumar Sarawagi holds 50.00% in the equity share capital of the Company. The Company has incurred a loss during the financial year 2012-2013 and the networth of the Company is negative.

9. Manoj Kumar Sarawagi HUF

M/s. Manoj Kumar Sarawagi HUF is a Hindu Undivided Family having address at S-538, J.J. A/C Market, Ring Road, Surat – 395 002, whose Karta is Mr. Manoj Kumar Sarawagi.

10. Govind Prasad Manoj Kumar Sarawagi HUF

M/s. Govind Prasad Manoj Kumar Sarawagi HUF is a Hindu Undivided Family having address at 1/20, Bangur Avenue, Bangur, Kolkata – 700 055, whose Karta is Mr. Govindprasad Sarawagi.

11. Mansi Sarawagi Education Trust

Mansi Sarawagi Education Trust is a private trust formed on March 29, 2005 to take care of education requirements of Ms Mansi Sarawagi, daughter of Mr. Manoj Kumar Sarawagi.

12. Mansi Sarawagi Marriage Trust

Mansi Sarawagi Education Trust is a private trust formed on February 9, 2002 to take care of marriage expenses of Ms Mansi Sarawagi, daughter of Mr. Manoj Kumar Sarawagi.

13. Tanya Sarawagi Education Trust

Tanya Sarawagi Education Trust is a private trust formed on March 29, 2005 to take care of education requirements of Ms Tanya Sarawagi, daughter of Mr. Manoj Kumar Sarawagi.

14. Tanya Sarawagi Marriage Trust

Tanya Sarawagi Education Trust is a private trust formed on February 9, 2002 to take care of marriage expenses of Ms Tanya Sarawagi, daughter of Mr. Manoj Kumar Sarawagi.

None of the above companies have made any public/right issue so far.

Further, none of the above companies are sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 or under winding up.

CONFIRMATION

Our Promoter and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoter and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. Except as disclosed in this chapter none of the Group Entities have negative net worth as of the date of the respective last audited financial statements.

SICK COMPANIES

No Group Entities listed above have been declared as a sick company under the SICA. There are no winding up proceedings against any of the Group Entities. Except as disclosed in this chapter the Group Entities do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

LITIGATION

For details on litigations and disputes pending against the Promoter and Group entities and defaults made by them, please refer to the chapter titled, 'Outstanding Litigations and Material Developments' on page 174 of this Prospectus.

DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEAR

Our Promoter has not disassociated himself from any of the companies/partnership firms during preceding three years except as follows:

Sr. No	Name of the Promoter	Name of Concern	Date of Dissociation	Reason
1.	Mr. Manoj Kumar Sarawagi	SI VI Shipping Private Limited	April 25, 2014	Transfer of shares and Resignation from Directorship
2.	Mr. Manoj Kumar Sarawagi	Rose Commotrade Private Limited	December 24, 2013	Gift of Shares
3.	Mr. Manoj Kumar Sarawagi	Lansdown Dealers Private Limited	December 27, 2013	Resignation as Director
4.	Mr. Manoj Kumar Sarawagi	Hi-Choice Trading Private Limited	December 26, 2013	Resignation as Director

SALES/PURCHASES BETWEEN OUR COMPANY AND PROMOTER COMPANY & GROUP ENTITIES

There are no sales or purchases between our Company and Group entities which exceeds in value aggregating ten per cent of the total sales or purchases of our Company.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure XI of restated financial statement under the section titled, '*Financial Statements*' beginning on page 141 of this Daft Prospectus.

DIVIDEND POLICY

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. 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 STATEMENTS AS RESTATED

Auditor's Report

To

The Board of Directors

Si. Vi. Shipping Corporation Limited

First Floor Office Block

Pl. No.237/2 & 3

Sub Pl.No.A/25

Central Park Soc.

G.I.D.C. Pandesara,

Surat-394221

We have examined the Standalone Restated Summary Financial Statements and Other Financial Information of **Si. Vi. Shipping Corporation Limited** (formerly known as Si. Vi. Shipping Corporation Private Limited) (the Company) annexed to this Report which has been prepared for the purposes of inclusion in the Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

- i. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the Act);
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the Regulation') issued by the Securities and Exchange Board of India ('SEBI') and amendments made thereto from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;
- iii. The Guidance note on "Reports in Company's Prospectus" (Revised) issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable ('Guidance Note'); and
- iv. The instructions received from the Company, requesting to examine the financial information referred to above and proposed to be included in the Offer Document of the Company in connection with its proposed initial public offer of Equity Shares.

The Restated Summary Financial Statements and Other Financial Information have been prepared by the Company and approved by the Board of Directors of the Company.

A. Restated Summary Financial Statements:

1. We have examined the attached Stand alone Summary Statement of Assets and Liabilities, as Restated of the Company as at 30th September 2013, 31st March 2013 & 2012 (**Annexure "I"**); Stand alone Summary Statement of Profits and Losses, as Restated of the Company for the financial period ended on 30th September 2013 and financial year(s) ended on 31st March 2013 & 2012 for the period ended (**Annexure "II"**); the Standalone Summary Statement of Cash Flows, as Restated for the financial period ended on 30th September 2013 and financial year(s) ended on 31st March 2013 & 2012 (**Annexure "III"**); Significant Accounting Policies (**Annexure "IV"**) and Notes to the Restated Financial Statements (**Annexure "V"**) together referred to as 'Summary Statements' as prepared by the Company and approved by the Board of Directors. These statements reflect the assets and liabilities and profits and losses for each of the relevant periods as extracted from the Financial Statements audited by Statutory Auditor of the company, after making therein the disclosures and adjustments required to be made in accordance with the provisions of Schedule VIII Part-A (IX) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

2. Based on our examination of these Summary Statements, we confirm that the restated profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the Significant Accounting Policies (Annexure "IV") and Notes to the Restated Financial Statements (Annexure "V") respectively.
3. The Company has not declared any dividend on Equity Shares in any of the period/year.
4. We have examined the following regrouped/rearranged financial information relating to the Company, proposed to be included in the Offer Document, as approved by the Board of Directors of the Company and attached to this report:
 - a. Statement of secured borrowings with terms & conditions and assets charged as security (Annexure "VI").
 - b. Statement of unsecured borrowings taken by the Company (Annexure "VII").
 - c. Statement of Loans & Advances (Annexure "VIII").
 - d. Statement of Trade Receivables showing Age-wise analysis from the date they are due for payment (Annexure "IX").
 - e. Statement of Other Income (Annexure "X").
 - f. Related Party Disclosures under Accounting Standard 18 (Annexure "XI").
 - g. Summary of Accounting Ratios based on the adjusted profits/losses, relating to earnings per share, net asset value per share and return on net worth (Annexure "XII").
 - h. Statement of Capitalization as at 30th September 2013 (Pre-Issue) (Annexure "XIII").
 - i. Statement of Tax Shelter (Annexure "XIV").
 - j. Statement of Earnings Per Share (Annexure "XV").
5. In our opinion, the Restated Summary Financial Statements and the Other Financial Information set forth in Annexure I to XV read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations.
6. This report should not in any way construed as a re-issuance or redrafting of any of the previous audit report issued by us or by any other firm of Chartered Accountants nor should this report be construed as new opinion on any of the financial statement referred to therein.
7. This Report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.
8. There is no Auditor's qualification that needs to be disclosed separately in the restated summary statements requiring adjustments.

For Gheewala & Co
Chartered Accountants
Firm Reg no: 115746W

Sd/-
(Kishorbhai R. Gheewala)
Partner
Membership No. 034405
Place: Surat
Date: 23/12/2013

Annexure I – Statement of Assets and Liabilities, as restated

Rs. In Lakhs

Particulars	Notes	As at 30.09.13	As at 31.03.13	As at 31.03.12
<u>Assets</u>				
<u>Non Current Assets</u>				
Fixed Assets	1			
Tangible Assets		1,248.12	147.35	-
Intangible Assets		-	-	-
Capital work in Progress		80.92	43.05	-
Non Current Investments		-	-	-
Long Term Loans and Advances	2	0.94	1,098.39	-
Other Non Current Assets	3	0.73	0.73	0.73
<u>Current Assets</u>				
Inventories	4	2.86	5.28	-
Trade Receivables	5	34.93	50.25	-
Cash and Cash Equivalents	6	5.25	5.23	5.33
Short Term Loans and Advances	7	0.40	0.57	-
Other Current Assets	8	6.20	2.54	-
Total Assets (A)		1,380.35	1,353.40	6.06
<u>Liabilities</u>				
<u>Non Current Liabilities</u>				
Long Term Borrowings	9	77.28	49.50	-
Deferred Tax Liabilities (net)	10	5.49	3.70	-
Other Long Term Liabilities		-	-	-
<u>Current Liabilities</u>				
Trade Payables	11	5.08	0.90	-
Short Term Borrowings	12	850.78	946.75	5.06
Other Current Liabilities	13	27.24	23.60	-
Short Term Provisions	14	14.17	25.20	0.10
<u>Share Application Money Pending Allotment</u>		90.00	180.00	-
Total Liabilities (B)		1,070.05	1,229.64	5.16
Total Net Assets (A-B)				
<u>Represented by</u>				
Share Capital	15	301.00	121.00	1.00
Reserves and Surplus	16	9.31	2.76	(0.10)
		310.31	123.76	0.90

Annexure II - Statement of Profit and Loss Account, as restated

Rs. In Lakhs				
Particulars	Notes	As at 30.09.13	As at 31.03.13	As at 31.03.12
Income				
Revenue from Operation	17	109.57	118.79	-
Other Income	18	0.19	0.69	-
Total Revenue		109.76	119.47	-
Expenses				
Purchases of Stock-in-Trade		4.13	14.72	-
Changes in Inventories of Finished goods, work-in-progress and Stock-in-Trade	19	2.42	(5.28)	-
Employee Benefit Expenses	20	75.92	82.62	-
Finance Costs	21	8.15	1.84	-
Depreciation & Amortization Expenses	22	3.89	3.77	-
Other Expenses	23	4.95	13.71	0.10
Total Expenses		99.46	111.37	0.10
Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		10.30	8.10	(0.10)
Exceptional Items		-	-	-
Profit before tax (VII-VIII)		10.30	8.10	(0.10)
<u>Tax Expense:</u>				
(1) Income tax				
(2) Current tax		1.96	1.54	-
(3) Deferred tax		1.80	3.70	-
(4) MAT Credit				
Profit/(Loss) for the year/ period		6.54	2.86	(0.10)

Annexure III - Statement of Cash Flow as restated

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
A)	Cash flow from operating activities:			
	Net Profit before tax as per Profit And Loss A/c	10.30	8.10	(0.10)
	Adjusted for:			
	Depreciation	3.89	3.77	-
	Interest & Finance Cost	8.15	1.84	-
	Operating Profit Before Working Capital Changes	22.34	13.72	(0.10)
	Adjusted for:			
	Inventories	2.42	(5.28)	-
	Trade Receivables	15.32	(50.25)	-
	Loans and advances and other assets	(3.49)	(3.12)	-
	Liabilities & Provisions	(3.20)	49.60	0.10
	Cash Generated From Operations	33.41	4.67	-
	Direct Tax Paid	(1.96)	(1.54)	-
	Net Cash Flow from/(used in) Operating Activities:	31.44	3.12	-
B)	Cash flow from investing activities:			-
	Purchase of Fixed Assets	(1,144.43)	(197.28)	-
	Proceeds from other investment	1,099.36	(1,095.28)	(0.73)
	Net Cash flow from /(Used in) Investing Activities	(45.08)	(1,292.56)	(0.73)
C)	Cash flows from financing activities			
	Proceeds From Share Capital & Share Premium	180.00	120.00	1.00
	Proceeds From Share Application Money	(90.00)	180.00	-
	Proceeds from Long Term Borrowing (Net)	27.78	49.50	-
	Proceeds from short-term borrowings	(95.97)	941.68	5.06
	Interest & Financial Charges	(8.15)	(1.84)	-
	Net Cash Flow from/(used in) Financing Activities	13.66	1,289.34	6.06
	Net increase/(decrease) in cash and cash equivalents	0.02	(0.10)	5.33
	Cash and cash equivalents at the beginning of the period	5.23	5.33	-
	Cash and cash equivalents at the end of the period	5.25	5.23	5.33

Annexure IV - Statement of Significant Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act 1956, as adopted consistently by the Company. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Fixed Assets

Fixed assets are recorded at cost. The Company has provided depreciation on Straight Line method as per the Companies Act, 1956.

c) Capital Work In Progress

All Expenditure, relating to Development of Ship Yard are Accumulated and shown as Capital Work in Progress till the completion of such activities. Capital Advances are presented under loans and advances.

d) Investment

The company has not made any investment during the year.

e) Borrowing Costs

Borrowings Cost related to Development of Ship Yard is taken as part of cost of capital work in progress up to the date when such assets are ready for their intended use. Other Borrowing Cost are Charged to the statement of profit & loss.

f) Depreciation and Amortization

The Company has provided depreciation on straight line method as per Companies Act, 1956 and any additions during the year to fixed assets are depreciated on pro-rata basis from the date of such addition.

g) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the statement of Profit & Loss A/c. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

h) Employee's Benefit

Provident Fund, ESIC & LWF: Provident fund, ESIC and LWF contributions are made as per defined scheme and the contribution is charged to statement of Profit & Loss A/c of the year when it becomes due. The Company has no other obligation other than to contribute and deposit to respective authorities.

Short term employee benefits are recognized as an expense in the statement of Profit & Loss A/c for the year in which the related service is rendered.

i) Deferred Revenue Expenditure

Preliminary expenses are not written off during the half year as the expenses relate to the Ship yard Business, which is yet to be commenced.

j) Inventories

Inventories are valued at the lower of cost on FIFO basis and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale Work-in-progress and finished goods include appropriate proportion of overhead. Other stock is valued at estimated realizable Value.

k) Foreign Currency Transactions

The company has not incurred any foreign currency transaction during the year.

l) Lease Transactions

The company has not incurred any lease transaction during the year.

m) Revenue & Recognition:

Income and expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from Job Work transaction is recognized as and when job work or part of it is completed.

n) Income Tax :

Income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of Income-tax. Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of being reversal in one or more subsequent periods.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

o) Contingent Liability

No provision is made for a liability which is contingent in nature but if material, the same is disclosed by way of notes to the accounts.

p) Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

q) Cash & cash Equivalents :

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are term deposit balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Annexure V - Notes to restated Financial Statements

Note 1: Fixed Assets

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
I	<u>Tangible Assets</u>			
1	Air Conditioner			
	Gross Block	0.49	0.49	-
	Less: Accumulated Depreciation	0.03	0.02	-
	Net Block	0.46	0.47	-
2	Attendance Device			
	Gross Block	0.16	0.16	-
	Less: Accumulated Depreciation	0.01	0.00	-
	Net Block	0.15	0.15	-
3	Bicycle			
	Gross Block	0.05	0.05	-
	Less: Accumulated Depreciation	0.00	0.00	-
	Net Block	0.04	0.05	-
4	Computer			
	Gross Block	2.72	2.57	-
	Less: Accumulated Depreciation	0.50	0.28	-
	Net Block	2.22	2.30	-
5	Container			
	Gross Block	5.80	5.80	-
	Less: Accumulated Depreciation	0.37	0.22	-
	Net Block	5.44	5.59	-
6	Drill Machine			
	Gross Block	0.32	0.32	-
	Less: Accumulated Depreciation	0.01	0.01	-
	Net Block	0.31	0.32	-
7	Furnitures & fixtures			
	Gross Block	2.73	2.73	-
	Less: Accumulated Depreciation	0.22	0.13	-
	Net Block	2.51	2.60	-
8	Grinding Machine			

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	Gross Block	1.14	0.99	-
	Less: Accumulated Depreciation	0.05	0.02	-
	Net Block	1.08	0.97	-
9	HITACHI Cutting Machine			
	Gross Block	0.08	-	-
	Less: Accumulated Depreciation	0.00	-	-
	Net Block	0.08	-	-
10	MIG Machine			
	Gross Block	100.74	75.01	-
	Less: Accumulated Depreciation	3.77	1.62	-
	Net Block	96.98	73.39	-
11	Mobile			
	Gross Block	0.65	0.20	-
	Less: Accumulated Depreciation	0.01	0.00	-
	Net Block	0.64	0.20	-
12	Numatic/ Air Grinder			
	Gross Block	0.23	0.23	-
	Less: Accumulated Depreciation	0.01	0.00	-
	Net Block	0.22	0.23	-
13	Plasma Cutter			
	Gross Block	2.57	2.57	-
	Less: Accumulated Depreciation	0.17	0.10	-
	Net Block	2.40	2.47	-
14	Staff Bus			
	Gross Block	17.75	17.75	-
	Less: Accumulated Depreciation	2.18	1.17	-
	Net Block	15.57	16.58	-
15	Taper Drill			
	Gross Block	0.13	-	-
	Less: Accumulated Depreciation	0.00	-	-
	Net Block	0.13	-	-
16	Tig Machine			
	Gross Block	6.21	5.25	-
	Less: Accumulated Depreciation	0.34	0.20	-
	Net Block	5.87	5.05	-
17	Car EECO			
	Gross Block	4.29	4.29	-

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	Less: Accumulated Depreciation	0.41	0.21	
	Net Block	3.88	4.09	
18	Car Scorpio			
	Gross Block	13.64	13.64	-
	Less: Accumulated Depreciation	1.57	0.93	-
	Net Block	12.07	12.71	-
19	Car Skoda			
	Gross Block	22.17	22.17	-
	Less: Accumulated Depreciation	3.03	1.97	-
	Net Block	19.14	20.20	-
20	GIDC Land (Possession Received as a Licensee)			
	Gross Block	1,078.92	-	-
	Less: Accumulated Depreciation	-	-	-
	Net Block	1,078.92	-	-
	Total Tangible Assets	1,248.12	147.35	-
ii	Work in Progress			
1	Work in Progress	80.92	43.05	-
	Total Capital Work in Progress	80.92	43.05	-
	Grand Total	1,329.03	190.40	-

Note 2: Long Term Loans and Advances

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Capital Advances	-	1,084.72	-
2	Deposits	0.94	13.67	-
	Grand Total	0.94	1,098.39	-

Note 3: Other Non Current Assets

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	<u>Miscellaneous Expenditure</u>			
	Preliminary Expenses			

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	Opening Balance	0.73	0.73	-
	Add : Expenses incurred during the year	-	-	0.73
	Less: Written off during the year	-	-	-
	Closing Balance	0.73	0.73	0.73

Note 4: Inventories

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Finished Goods (Stores and Spare Parts)	2.86	5.28	-
2	Raw Material	-	-	-
3	Work in Progress	-	-	-
	Grand Total	2.86	5.28	-

Note 5: Trade Receivable

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Outstanding exceeding Six months	3.32	5.21	-
2	Others	-	-	-
	a) Secured, considered good	-	-	-
	b) Unsecured, considered good	31.61	45.04	-
	c) Doubtful	-	-	-
	Grand Total	34.93	50.25	-

Note 6: Cash and Cash Equivalents

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	<u>Balances with Banks</u>			
	a) Current A/c – BOB	4.75	2.74	4.36
2	<u>Cash on Hand</u>	0.50	2.49	0.97
	Grand Total	5.25	5.23	5.33

Note 7: Short Term Loans and Advances

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Staff Advances	-	0.12	-
2	Other Advances	0.40	0.45	-
	Grand Total	0.40	0.57	-

Note 8: Other Current Assets

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	<u>Balances with Govt. Authorities</u>			
	a) Service Tax Input	2.96	-	-
	b) TDS Refund Receivable	3.22	2.52	-
2	<u>Prepaid Expenses & Others</u>			
	a) Prepaid Expenses	0.02	0.02	-
	Grand Total	6.20	2.54	-

Note 9: Long Term Borrowings

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Secured Loans			
	<u>a) Vehicle Loans -</u>			
	Kotak bank- Bus Loan	5.06	6.56	-
	BOB - Car Loan EECO	0.89	1.33	-
	BOB - Car Loan SCORPIO	5.97	6.85	-
	BOB - Car Loan SKODA	9.10	10.58	-
	<u>b) Term Loans -</u>			
	Union Bank of India	56.26	24.19	-
	Grand Total	77.28	49.50	-

Note 10: Deferred Tax Liabilities

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Opening Balance (DTL)	3.70	-	-

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	Add: Deferred Tax charge/(credit) for the year	1.80	3.70	-
	Grand Total	5.50	3.70	-

Note 11: Trade Payables

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Trade Payables	5.08	0.90	-
	Grand Total	5.08	0.90	-

Note 12: Short Term Borrowings

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Cash Credit - UBI	30.01	27.76	-
2	Unsecured:			
	Govind Prasad Sarawagi	143.00	143.00	-
	Manoj Kumar Sarawagi	12.44	102.44	-
	Sanjay Sarawagi	108.00	108.00	5.00
	Rakesh Sarawagi	35.55	24.55	0.06
	Anmol Tradelink Pvt. Ltd.	415.78	452.00	-
	Georgette Tradecom Pvt. Ltd.	39.00	24.00	-
	Hi-choice Trading Pvt. Ltd.	67.00	65.00	-
	Grand Total	850.78	946.75	5.06

Note 13: Other Current Liabilities

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	<u>Current Maturities of Long term debts</u>			
	<u>a) Vehicle Loans -</u>			
	Kotak bank- Bus Loan	4.34	4.53	-
	BOB - Car Loan EECO	1.14	1.14	-

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	BOB - Car Loan SCORPIO	2.89	2.89	-
	BOB - Car Loan SKODA	4.88	4.88	-
	b) Term Loans -			
	Union Bank of India	14.00	10.16	-
	Grand Total	27.24	23.60	-

Note 14: Short Term Provisions

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	<u>Provision for Employees Benefits</u>			
	Provident Fund Payable	0.00	0.00	-
	ESIC Payable	0.35	0.21	-
	Professional tax Payable	0.06	0.11	-
	Salary Payable	8.95	11.54	-
2	<u>Provision for Govt. Dues</u>			
	Payable TDS	0.34	0.39	-
	Provision for Income Tax	1.96	1.54	-
	Service Tax payable	2.08	10.78	-
3	<u>Others</u>			
	Electricity charges Payable	0.00	0.00	-
	Transport Expenses Payable	-	0.28	-
	Auditors Remuneration Payable	0.25	0.15	0.05
	Telephone Charges Payable	0.10	0.10	-
	Legal Fees payable	0.08	0.08	0.05
	Conveyance Expenses Payable	-	0.03	-
	Grand Total	14.20	25.20	0.10

Note 15: Share Capital

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Authorized Share Capital			
	Equity Shares of Rs. 10/- each	600.00	250.00	25.00
2	Issued, Subscribed and Paid Up Capital			
	Equity Shares of Rs. 10/- each	301.00	121.00	1.00
	Grand Total	301.00	121.00	1.00

Note 16: Reserves and Surplus

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Surplus in Statement of Profit and Loss Account			
	Balance as per Last Balance Sheet	2.76	(0.10)	-
	Add: Amount credited during the year	6.54	2.86	(0.10)
	Closing Balance	9.31	2.76	(0.10)
	Grand Total	9.31	2.76	(0.10)

Note 17: Revenue from Operation

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Ship Fabrication	109.57	118.79	-
	Grand Total	109.57	118.79	

Note 18: Other Income

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Interest Received	0.19	0.69	-
	Grand Total	0.19	0.69	-

Note 19: Changes in Inventories of Finished goods, work-in-progress and Stock-in-Trade

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	Opening Stock	5.28	-	-
	Less: Closing stock	2.86	5.28	-
	Grand Total	2.42	(5.28)	-

Note 20: Employee Benefit Expenses

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Salary & Wages	70.39	74.13	-
2	Provident Fund	0.00	0.00	-
3	ESIC	1.64	1.08	-
4	Staff Welfare	1.83	1.05	-
5	Staff Bonus	0.42	1.98	-
6	Staff Uniform Expenses	0.60	1.72	-
7	Labour Welfare Fund	0.01	0.01	-
8	Transport For staff	1.03	2.65	-
	Grand Total	75.92	82.62	-

Note 21: Finance Costs

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Bank Commission & Charges	0.58	0.68	-
2	Loan Processing charges	1.00	0.84	-
3	Bank Interest	2.25	0.18	-
4	Interest on Term Loans	4.31	0.15	-
	Grand Total	8.15	1.84	-

Note 22: Depreciation and Amortization Costs

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Depreciation	3.89	3.77	-

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	Grand Total	3.89	3.77	-

Note 23: Other expenses

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Direct Expenses			
	Consumables	0.34	0.63	-
	Tools & Tackles	0.31	0.15	-
2	Office & Administrative Expenses			
	Local Conveyance	0.30	1.09	-
	Electricity Charges	0.03	0.07	-
	Insurance Charges	0.30	0.53	-
	Postage & Telegram	0.02	0.00	-
	Printing & Stationery	0.11	0.52	-
	Legal & Professional Fees	0.03	4.38	0.05
	Telephone charges	0.50	0.67	-
	Repairs & Maintenance - Vehicle	0.79	0.81	-
	Repairs & Maintenance - Building	0.12	0.67	-
	Office & Misc. Expenses	0.57	3.13	-
	Fines & Penalties	0.23	0.01	-
	Vehicle Expenses	1.20	0.59	-
	Auditors Remuneration	-	-	-
	Audit Fees	0.10	0.10	0.05
3	Selling & Distribution Expenses			
	Advertisement & Publicity	-	0.35	-
	Grand Total	4.95	13.71	0.10

Accompanying Notes to the restated Financial Statements

1. Background

- The company is mainly engaged in the business of ship fabrication and related activities and setting up a new business of ship building activities.

- b. The Restated Statements of Assets and Liabilities as at 30th September 2013, 31st March, 2013, 2012 and the related Restated statement of Profit and Loss and Restated statement of Cash Flow for the period ended 30th September, 2013, years ended 31st March 2013, 2012 (hereinafter collectively referred to as - Restated Financial Statements) related to the company have been prepared specifically for inclusion in the offer document to be filed by the company with Securities Exchange Board of India (SEBI) in connection with proposed initial public offering of equity shares of the Company.
- c. The Restated Financial statements have been prepared to comply in all material respects with the requirements of paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (the SEBI Regulations) issued by SEBI in pursuance of Section 11 of Securities and Exchange Board of India Act, 1992.

2. Material Regroupings

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profit and Losses and Cash Flows, Wherever required , by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

3. Trade Receivables, Trade Payables and some of the loans and advances and unsecured borrowings are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect in the books of account in the year of such adjustments.
4. Related Party Disclosures as required in terms of Accounting Standard - 18 are given in Annexure XI
5. Earnings Per Share (EPS) as required in terms of Accounting Standard - 20 are given in Annexure XV
6. During the Financial Year 2011-12 the company at its Extra Ordinary General Meeting held on 29/03/2012 increased its authorized Share Capital from Rs. 1 lakhs (divided into 10000 equity shares of Face Value Rs.10/- per share) to 25 lakhs (divided into 2.5 lakh equity shares of face value of Rs. 10/-per share)
7. During the Financial Year 2012-13, the company at its Extra Ordinary General Meeting held on 15/03/2013 increased its authorized Share Capital from Rs. 25 lakhs (divided into 2.5 lakh equity shares of Face Value Rs.10/- per share) to 250 lakhs (divided into 25 lakh equity shares of face value of Rs. 10/-per share)
8. During the Financial Year 2013-14, the company at its Extra Ordinary General Meeting held on 21/08/2013 increased its authorized Share Capital from Rs. 250 lakhs (divided into 25 lakh equity shares of Face Value Rs.10/- per share) to 600 lakhs (divided into 60 lakh equity shares of face value of Rs. 10/-per share)
9. The Company has been given the possession of GIDC land on 14th August, 2013 to hold the same as licensee to make necessary construction etc. Lease deed for 99 years will be executed by GIDC after completion of construction and subject to compliance of prescribed conditions.

Annexure VI - Statement of Secured borrowings outstanding as at 30th September, 2013

Rs. In Lakhs										
Lender	Nature of Loan	Sanctioned Amount	Primary Security	Collateral security	Balance as at 30.09.13	Balance as at 31.03.13	Interest rate	No. of EMI	Amount of Installments	Starting Date of Repayment
UBI	Term Loan	70.00	Hypothecation of Plant & Machinery Of The Company	Personal guarantee of all directors	70.26	34.35	15.50	60	1.17	August 02, 2013
UBI	Working Capital Loan	30.00	Refer Note 1	Personal guarantee of all directors	30.01	27.76	14.50	NA	NA	NA

Rs. In Lakhs

Lender	Nature of Loan	Sanctioned Amount	Primary Security	Collateral security	Balance as at 30.09.13	Balance as at 31.03.13	Interest rate	No. of EMI	Amount of Installments	Starting Date of Repayment
Kotak Bank	Loan	13.50	Hypothecation of Vehicle	Nil	9.39	11.09	11.95%	47	As per Sanction letter	September 20, 2012
BOB	Term Loan (Vehicle)	2.88	Hypothecation of Vehicle Maruti Suzuki EECO-7-STR	Nil	2.03	2.47	11.50%	36	0.09	October 27, 2013
BOB	Term Loan (Vehicle)	10.90	Hypothecation of Vehicle Scorpio VIX-AT(HE)	Nil	8.86	9.74	12.50%	60	0.30	July 28, 2012
BOB	Term Loan (Vehicle)	17.95	Hypothecation of Vehicle Skoda Shield Ins	Nil	13.97	15.46	13.25%	60	0.41	May 18, 2012

Note No. 1:- Hypothecation of Raw Materials, Stock In Process, Stores & Spares, Packing Material, Finished Goods And Book Debts Of The Company, Both Present & Future, wherever situated

Annexure VII - Statement of Unsecured Borrowings Taken by the Company

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
A	<u>Director</u>			
	Manoj Kumar Sarawagi	12.44	102.44	-
	Sanjay Sarawagi	108.00	108.00	5.00
	Rakesh Sarawagi	35.55	24.55	0.06
B	<u>Enterprise under Significant Influence</u>			
	Anmol Tradelink Pvt Ltd	415.78	452.00	-
	Georgette Tradecom Pvt Ltd	39.00	24.00	-
	Hi-Choice Trading Pvt Ltd	67.00	65.00	-
C	<u>Shareholders</u>			
	Govind Prasad Sarawagi	143.00	143.00	-
	Grand Total	820.77	918.99	5.06

Annexure VIII - Statement of Loans and Advances

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
A	Long term Loans and Advances			
	(Unsecured, Considered Good)			

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	Capital Advances	-	1,084.72	-
	Deposits	0.94	13.67	-
	Total	0.94	1,098.39	-
B	Short Term Loans and Advances			
	(Unsecured, Considered Good)			
	To Staff	-	0.12	-
	To others	0.40	0.45	-
	Advance Receivable in Cash or kind	0.40	0.57	-
C	Total Loans and Advances (A+B)	1.34	1,098.96	-

Annexure IX - Statement of Trade Receivables

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	Trade Receivables			
	(Unsecured, Considered Good)			
A	Due for a period exceeding six months from the date they are due for payment	3.32	5.21	-
B	Other Debts	31.61	45.04	-
	Total	34.93	50.25	-

Annexure X - Statement of Other Income

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
A	Interest Received	0.19	0.69	-
	Total	0.19	0.69	-

Annexure XI - Related Party Disclosures

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

A. List of Related Parties and Relationships

Manoj Kumar Sarawagi	Director
Sanjay Sarawagi	Director
Rakesh Sarawagi	Director
Govind Prasad Sarawagi	Relative of Director
Anmol Tradelink Pvt Ltd	Enterprise under Significant Influence
Georgette Tradecom Pvt Ltd	Enterprise under Significant Influence
Hi-Choice Trading Pvt Ltd	Enterprise under Significant Influence
Life Line Agencies Pvt Ltd	Enterprise under Significant Influence

B. Loans taken and repayment thereof

Rs. In Lakhs					
Sr. No	Particulars	Opening Balance	Loans Taken	Repayment	Amount due from related Parties
1	For the period ended 30th September, 2013				
	Govindprasad Sarawagi	143.00	-	-	143.00
	Rakesh Kumar Sarawagi	24.55	11.00	-	35.55
	Sanjay Kumar Sarawagi	108.00	-	-	108.00
	Manoj Sarawagi	102.44	-	90.00	12.44
	Anmol Tradelink Pvt. Ltd.	452.00	108.28	144.50	415.78
	Georgette Tradecom Pvt. Ltd.	24.00	15.00	-	39.00
	Hi-Choice Trading Pvt. Ltd.	65.00	2.00	-	67.00
	Total	918.99	136.28	234.50	820.77
2	For the Year ended 31st March, 2013				
	Govindprasad Sarawagi	-	143.00	-	143.00
	Rakesh Kumar Sarawagi	0.06	37.05	12.56	24.55
	Sanjay Kumar Sarawagi	5.00	123.25	20.25	108.00
	Manoj Sarawagi	-	102.44	-	102.44
	Anmol Tradelink Pvt. Ltd.	-	452.00	-	452.00
	Georgette Tradecom Pvt. Ltd.	-	165.50	141.50	24.00
	Hi-Choice Trading Pvt. Ltd.	-	130.05	65.05	65.00
	Life Line Agencies Pvt Ltd		2.50	2.50w	
	Total	5.06	1,155.79	241.86	918.99
2	For the Year ended 31st March, 2012				
	Rakesh Kumar Sarawagi	-	0.06	-	0.06

Rs. In Lakhs

Sr. No	Particulars	Opening Balance	Loans Taken	Repayment	Amount due from related Parties
	Sanjay Kumar Sarawagi	-	5.00	-	5.00
	Total	-	5.06	-	5.06

Annexure XII - Summary of Accounting Ratios

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
1	Net Profit Attributable to Equity Shareholders			
	Earning Per share (B/C)Rs	0.48	5.43	(1.00)
	Diluted Earnings Per share (B/C)Rs	0.48	5.43	(1.00)
2	Return on Networth (B/E)%	2.11%	2.33%	-60.31%
3	Net Asset Value Per Share (F/D)Rs	10.28	10.17	1.66
4	Weighted Average No. of Equity Shares (In Lakhs)	13.58	0.53	0.10
5	No. of Equity Shares Outstanding at the end of the period/year (In Lakhs)	30.10	12.10	0.10

Working Notes :-

Rs. In Lakhs

Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
A	Net Profit attributable to Equity Shares	6.54	2.86	(0.10)
B	Net Profit after Tax Adjustments	6.54	2.86	(0.10)
C	Weighted Average Number of Shares	13.58	0.53	0.10
D	Total Number of Shares for Diluted EPS	13.58	0.53	0.10
E	Total Number of Equity Shares at the end of the period/year	30.10	12.10	0.10
F	Networth at the end of the year/ period	309.57	123.03	0.17
G	Net Asset	309.57	123.03	0.17

Formula :

1	Earnings Per Share (Rs.)	$\frac{\text{Net Profit attributable to Equity Shares (After adjustment of extra ordinary items)}}{\text{Weighted Average Number of Equity Shares Outstanding during the period}}$
2	Return on Net Worth (%)	$\frac{\text{Net Profit after Tax Adjustments\& (After adjustment of extra ordinary items)}}{\text{Net worth at the end of the year/ period}}$
3	Net Asset Value Per Share	$\frac{\text{Net Worth excluding Revaluation Reserve at the end of the period}}{\text{Total Number of Equity Shares Outstanding at the end of the year/period}}$
4	Net Assets	Equity Share Capital plus reserves and Surplus less Misc. Expenditure to the extend not written off

Annexure XIII - Statement of Capitalization

		Rs. In Lakhs		
Sr. No	Particulars	As at 31.03.13	As at 30.09.13	Post Issue
A	Debts			
	Long Term Debt	49.50	77.28	77.28
	Short Term Debt	946.75	850.78	850.78
	Total Debt	996.25	928.06	928.06
B	Equity Shareholders Funds			
	Equity Share Capital	121.00	301.00	575.20
	Reserves and Surplus	2.76	9.31	411.30
	Total Equity	123.76	310.31	986.50
C	Total Capitalization			
	Long Term Debt/ Equity Ratio	0.40	0.25	0.08

Rs. In Lakhs				
Sr. No	Particulars	As at 31.03.13	As at 30.09.13	Post Issue
	Total Debt/ Equity Ratio	8.05	2.99	0.94

Annexure XIV - Statement of Tax Shelter

Rs. In Lakhs			
Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
Profits as per Books	6.54	2.86	(0.10)
Normal Rate (%)	32.45%	30.90%	30.90%
MAT Rate (%)	19.06%	19.06%	19.06%
Tax at Normal Rate	2.12	0.88	(0.03)
Adjustments			
Depreciation as per books	(3.89)	(3.77)	-
Depreciation as per IT	9.70	15.74	
Other Adjustments	(0.54)	(0.41)	
Brought Forward Losses	-	-	-
Net Adjustments	5.28	11.55	-
Tax Saving Thereon	1.71	3.57	-
Tax as per Normal provisions	0.41	-	-
Tax as per MAT			
Profits as per Books	6.54	2.86	(0.10)
Add: Current Tax	1.96	1.54	-
Income Tax	-	-	-
Deferred Tax	1.80	3.70	-
MAT Credit availed	-	-	-
Taxable Profit	10.30	8.10	(0.10)
TAX as per MAT	1.96	1.54	-
Income Tax	-	-	-
Provision for current Tax	1.96	1.54	-
Deferred Tax Liability / (Assets)	1.80	3.70	-
MAT Credit Entitlement	-	-	-

Annexure XV - Earning Per Share

Rs. In Lakhs				
Sr. No	Particulars	As at 30.09.13	As at 31.03.13	As at 31.03.12
	Weighted average number of equity shares of Rs. 10/- each			

Sr. No	Particulars	Rs. In Lakhs		
		As at 30.09.13	As at 31.03.13	As at 31.03.12
A	Number of Shares at the end of the year	30.10	12.10	0.10
B	Weighted average number of equity shares outstanding during the year	13.58	0.53	0.10
C	Net Profit after Tax attributable to Equity Shareholders	6.54	2.86	(0.10)
D	Earning Per Share (C/B)	0.48	5.43	(1.00)

Financial Information of Group Companies

For details regarding financial information of group companies please refer to chapter titled “Our Group Entities” beginning of page 135 of this Prospectus.

Changes in Accounting Policies in the Last Three Years

Except as stated in “Annexure IV – Statement of Significant Accounting Policies” in the Section titled Financial Statements beginning on page 141 of this Prospectus there have been no changes in accounting policies during last 3 years

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2012, 2013 and period ended 30th September, 2013 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in "Financial Statements" beginning on page 141 of this Prospectus beginning.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "**Risk Factors**" and "**Forward-Looking Statements**" beginning on pages 23 and 22 respectively, of this Prospectus.

Our Company was incorporated on February 07, 2012 and has completed only two financial years since incorporation. The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the years ended 31st March, 2012 and 2013.

BUSINESS OVERVIEW

Our Company is a Surat based shipping company. Our mission is to be a global major in Ship Repair, Construction and Marine Solution Provider.

Our business model centres around the following activities :

1. Shipbuilding;
2. Block building
3. Ship Repair

We are a new entrant to the Indian shipbuilding sector. We propose to develop a modern shipyard spread over 24 acres to build ships of up to 120 meter length at the Dahej Shipbuilding Park developed by Gujarat Maritime Board supported by Government of Gujarat, India.

Our focus would be to bid for ships up to 120 meter length in cargo, offshore, and other specialized segments. Currently we are working as a subcontractor for fabrication of hull with L&T's shipyard at Hazira. Immediately on incorporation, we bagged order of fabrication and erection of aluminum hull for 7 high speed Interceptor boats from L&T's Hazira Shipyard. We have already executed the first boat in a record time. It has enabled us to develop a team and capability through which we can undertake new shipbuilding activities.

A highly professional and motivated team of professionals in the relevant field manages the affairs of Company. Today, almost 60% of the total fabrication work allotted by L&T's Hazira Shipyard is done by us. We have in short span also taken over operation of modern CNC machine for preparation of fabrication material for L&T's Hazira

Shipyard. Recently we have also been awarded piping work for high speed interceptor boats by L&T's Hazira Shipyard.

We are also in the process of setting up a modern shipyard at Dahej in the State of Gujarat. Our shipyard will have state of the art, manufacturing facilities including a "Ship-lift / Dry dock Facility" with a lift capacity of 5500 tons, side transfer facilities, CNC plasma cutting machine, Bending rolls, Hydraulic press, Cold shearing machine, Frame bending machine and steel processing machinery. Our Shipyard will also have blasting shop and fabrication shop covered bays equipped with 20T EOT Cranes. The manufacturing process will be in line with world-class standards. While we are setting up the shipyard, we have, meanwhile, commenced fabrication work, as stated above. Because of this, we are not only covering initial outgo but also generation surplus from early stage.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:-

1. We have passed the resolution for conversion of our company from private to public company dated November 12, 2013 and Registrar of company issued the Fresh Certificate of Incorporation with effect from December 20, 2013.
2. M/s RPR & Co., Chartered Accountants statutory auditors of Company have resigned with effect from July 26, 2013 and M/s R Kejriwal & Co., Chartered Accountants have been appointed as statutory auditors with effect from August 14, 2013
3. The Company has obtained the possession on land on which the shipyard will be situated with effect from August 14, 2013.
4. We have Increased our authorized capital from Rs. 2,50,00,000 (Rupees Two Crores Fifty Lakhs Only) to Rs. 6,00,00,000 (Rupees Six Crores Only) consisting of 60,00,000 Equity Shares of face value of Rs. 10/- each pursuant to a resolution of the shareholders dated August 21, 2013.
5. We have Allotted 18,00,000 Equity Shares of Rs. 10 each for cash to Mr. Manoj Kumar Sarawagi, Promoter of the Company, amounting to Rs. 1,80,00,000 (Rupees One Crore Eight Lakhs Only) pursuant to a resolution of Board of Directors dated September 16, 2013
6. Mr. Narendra Kumar has retired from the position of Additional Director of the Company on completion his term.
7. We have received NoC from GMB for Allotment of land for development of shipyard on November 8, 2013.
8. We have appointed Mr. Gururaj Kaujalgi, Mr. Binod Kejriwal and Mr. Maheshkumar Saboo as Independent Director on the Board of the Company with effect from December 21, 2013
9. We have passed a special resolution on December 21, 2013 to authorize the Board of Directors to borrow funds for the purpose of business of the Company upto an amount of Rs. 100 Crores and for the purpose also authorized them to provide requisite security.
10. We have passed a special resolution on December 21, 2013 to authorize the Board of Directors to raise funds by making an initial public offering upto Rs. 7.5 Crores.

SIGNIFICANT 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 23 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Domestic and global demand for new ships
- Competition from domestic and global shipbuilding Companies
- Increase in the prices of raw material i.e. aluminium, steel etc. used for shipbuilding
- Rapid development of major and minor ports
- Support from Government like subsidy
- Ability to construct the Shipyard on schedule for which we have to rely on third party contractors
- Changes in existing order book due to change in scope of work, cancellation, execution problem or other unforeseen difficulties
- Changes in borrowing rate of interest which depends on prime lending rates and subject to annual adjustment
- Changes in charter rate, freight rates, oil prices, etc. may lead to volatility in demand for vessels, indirectly affecting our business
- Changes in labour cost
- Fluctuation in foreign exchange rates
- Changes, if any, in the regulations / regulatory framework / economic policies in India affecting Shipping Industry
- Dependency on single customer for our current fabrication business
- Recession in global shipping industry

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for years ended 31st March, 2013, 2012.

Our Company was incorporated on February 07, 2012. Therefore the discussion on results of operation reflects figures for financial year ended 31st March, 2012 and 2013. All costs relating to the construction of the Shipyard other than for leasing of land from GIDC of for the financial year ended March 31, 2012, 2013 and period ended September 30, 2013 have been capitalized under the head capital work in progress. All the expenses of leasing of GIDC land have been added under the head GIDC Land. Therefore it is important to note that the profit and loss account statement below reflects the costs incurred other than for construction of Shipyard.

Overview of Revenue & Expenditure

Revenues

Currently, our Company’s revenue from operations consists primarily of revenues from:-

Ship Fabrication: Pending the completion of construction of our Shipyard at Dahej, we have undertaken fabrication of ships. Once the shipyard is complete, we shall commence full fledged operations. The revenue generation from ship fabrication for year ended 31st March, 2013 was Rs. 118.79 Lakhs contributing 99.42% to the

total revenue. Entire revenues during the Financial Year ended 31st March, 2013 were from a single customer i.e. M/s L & T, Hazira. Presently our entire order book consists of orders from M/s L & T, Hazira.

Other Income: Other income comprises interest received from capital advances and deposits given by our Company. The revenue generation from interest income for year ended 31st March, 2013 was Rs. 0.68 Lakhs contributing 0.58% to the total revenue

(Rs. In Lakhs)

Particulars	As at 31st March	
	2013	2012
Income		
Revenue from Operation	118.78	0.00
Increase/Decrease in %	NA	NA
Other Income	0.69	0.00
Increase/Decrease in %	NA	NA
Total Revenue	119.47	0.00

Sundry Debtors

The following table presents the details of our Company's sundry debtors.

Rs. In Lakhs

Particulars	As at 31.03.13	As at 31.03.12
Debts outstanding for a period exceeding six months	5.21	-
As a % of total Debtors	10.37%	NA
Debts outstanding for a period not exceeding six months	45.04	-
As a % of total Debtors	89.63%	NA
Total – Sundry Debtors	50.25	-

Expenditure

Our Company's operating expenditure consists of the following :

Purchase of Stock in Trade: It consists of purchase of consumables and spares and parts for fabrication.

Changes in inventory of finished goods, work-in-progress and Stock-in-Trade: It is the difference between opening and closing stock of finished goods.

Employee Benefit Expenses: Employee cost to our Company consists of payments to and provisions for employees including salaries, wages and allowances, benefits, contribution to provident and other funds and welfare and other amenities.

Finance Cost: Finance cost to our Company consists of interest paid on term loans, commission and loan processing charges and bank interest.

Depreciation & Amortization Expenses: It includes depreciation on tangible assets and write off of preliminary expenses.

Other Expenses: These include direct expenses and also expenses relating to office & administration.

Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue and/or total income

Particulars	(Rs. In Lakhs)	
	As at 31st March	
	2013	2012
INCOME		
Revenue from Operations	118.78	0.00
Increase/Decrease in %	NA	NA
Other Income	0.69	0.00
Increase/Decrease in %	NA	NA
Total Income	119.47	0.00
EXPENDITURE		
Purchase of stock-in-trade	14.72	0.00
As a % of Total Income	12%	NA
Changes in inventories of traded goods	(5.28)	0.00
As a % of Total Income	(4%)	NA
Employee benefit expenses	82.62	0.00
As a % of Total Income	69%	NA
Finance costs	1.84	0.00
As a % of Total Income	2%	NA
Depreciation and amortisation expense	3.77	0.00
As a % of Total Income	3%	NA
Other expenses	13.71	0.10
As a % of Total Income	11%	NA
Total Expenditure	111.37	0.10
As a % of Total Revenue	93%	NA
Profit before exceptional, extraordinary items and tax	8.10	(0.10)
Exceptional items	0.00	0.00
Profit before extraordinary items and tax	8.10	(0.10)
Extraordinary items	0.00	0.00
Profit before tax	8.10	(0.10)
PBT Margin	7%	NA
Tax expense :		
(i) Current tax	1.54	0.00
(ii) Deferred tax	3.70	0.00
(iii) MAT Credit	0.00	0.00
(iv) FBT	0.00	0.00
(v) Wealth Tax	0.00	0.00
(iv) Short/(Excess) provision for earlier years	0.00	0.00

Particulars	As at 31st March	
	2013	2012
Total	5.24	0.00
As a % of Total Revenue	4.39%	NA
Profit for the year	2.86	(0.10)
PAT Margin	2%	NA

FISCAL YEAR ENDED MARCH 31, 2013 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2012

Income

Our Company was incorporated on February 07, 2012 and commenced operations immediately thereafter. Therefore Company did not generate any revenue for the financial year ended 31st March 2012. Total revenue for the financial year ended 31st March, 2013 was Rs. 119.47 Lakhs comprising revenue from ship fabrication and interest income.

Expenditure

Total Expenditure incurred during the financial year 31st March, 2012 and 2013 was Rs. 0.10 Lakhs and Rs. 111.37 Lakhs respectively. Total expenditure as a percentage of total income for the financial year ended 31st March 2013 was 93%. Overall expenditure incurred are bifurcated as purchase of stock in trade, change in inventories, employee benefit expenses, finance cost, depreciation & amortization expenses and other expenses.

Cost of Materials Consumed: Cost of Materials Consumed was nil for the financial year ended 31st March 2013.

Purchases of stock in trade: Purchases of stock in trade amounted to Rs. 14.72 Lakhs for the financial year ended 31st March 2013.

Changes in inventory of finished goods, work in progress: Inventory of Finished goods, work in progress declined to Rs. (5.28) Lakhs during the financial year ended 31st March 2013.

Employee Benefit Expenses: Employee cost to our Company was Rs. 82.62 Lakhs for the financial year ended 31st March 2013

Finance Cost: Finance cost to our Company was Rs. 1.84 Lakhs for the financial year ended 31st March 2013

Depreciation & Amortization Expenses: Depreciation and amortization was Rs. 3.77 Lakhs for the financial year ended 31st March 2013

Other Expenses: Other Expense were Rs. 13.71 Lakhs and Rs. 0.10 Lakhs for the financial year 31st March, 2013 and 31st March, 2012 respectively

Net Profit after Tax and Extraordinary items

Net profit for the financial year ended 31st March, 2013 was Rs. 2.86 Lakhs. Our Company incurred loss of Rs. 0.10 Lakh for the financial year ended 31st March, 2012 as it had not commenced operation during the said year.

FISCAL YEAR ENDED MARCH 31, 2012 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2011

Our Company was incorporated on February 07, 2012 and commenced operations from [•]. Therefore Company did not generate any revenue for the financial year ended 31st March 2012. The Company incurred expense of Rs. 0.10 Lakhs during the financial year ended 31st March, 2012 towards payment of fees for legal and professional services.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled “*Risk Factors*” beginning on page 23 of this Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled “*Risk Factors*” beginning on page 23 of this Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in this section and in the sections “*Risk Factors*” and “*Our Business*” beginning on pages 23 and 101, respectively, of the Prospectus, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in Shipping Industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 94 of this Prospectus.

7. Status of any publicly announced new products or business segments

Our Company has not announced any new product and segment, other than through the Prospectus.

8. The extent to which the business is seasonal

Our Company business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

Currently we are totally dependent on only one customer i.e. M/s L & T, Hazira. 100% of our revenues come from them only. There is no dependence on a single or few suppliers

10. Competitive Conditions

We face competition from existing and potential competitors which is common for any business. We have, developed certain competitive strengths which have been discussed in section titled "Our Business" on page 101 of this Prospectus.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by our Company, our Directors, our Promoter and Group Entities and there are no defaults, nonpayment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by our Company, default in creation of full security as per terms of issue/other liabilities, no amounts owed to small scale undertakings or any other creditor exceeding Rs. 1 lakh, which is outstanding for more than 30 days, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against our Company, our Promoter, our Directors and Group Entities.

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoter, the Directors or the Group Entities, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of our Company. Further, there are no cases of litigations, defaults etc. in respect of Companies/firms/Ventures with which the Promoter were associated in the past but are no longer associated, in respect of which the name(s) of the Promoter continues to be associated.

Further, apart from those as stated below, there are no show-cause notices / claims served on our Company, our Promoter, our Directors or Group Entities from any statutory authority / revenue authority that would have a material adverse effect on our business.

LITIGATION INVOLVING OUR COMPANY

Nil

LITIGATION INVOLVING OUR GROUP ENTITIES

Cases by Siddhi Vinayak Knots and Prints Private Limited (SVKPPL)

Civil Cases

SVKPPL (**The Company**) has on December 31, 2013 filed a civil case no. 586 of 2010 before the Court of Principal Senior Civil Judge, Surat against Punjab National Bank (PNB), Main Branch, Surat. SVKPPL has availed term loan facilities from PNB. The same were taken over by Bank of Baroda w.e.f January 03, 2008. The Company has alleged that PNB has charged excessive interest and prepayment penalty at the time of takeover of Loan by Bank of Baroda and has made a claim of Rs. 61.34 Lakhs, being the amount wrongly charged by PNB. Currently the case is pending for framing of issues.

Consumer Cases

SVKPPL (**The Company**) has on December 31, 2013 filed a Consumer complaint no. 726/2012 dated October 29, 2012 before the Surat Consumer Redressal Forum against Future Generali India Insurance Company Limited (**Future Generali or Insurer**), Surat. The Company had a Marine Cargo Specific Voyage Policy for an amount of Rs.

100 Crores which was valid from November 06, 2008 to November 05, 2011. The Company had lodged a claim of Rs. 3.30 Lakhs before Future Generali for loss of some of the cargo in transit, which the Insurer has refused to settle. Currently the case is posted for hearing on February 10, 2013

Cases against Shri Siddhi Vinayak Fashions Private Limited (SSVFPL)

SSVFPL (The Company) has received a demand notice dated January 27, 2014 u/s 156 of the Income Tax Act, 1961 asking them to pay an amount of Rs. 1.54 Lakhs being amount determined as payable by them after completion of assessment for the Assessment year 2011-12. The Company is in the processes of filing appeal for the same with concerned appellate authorities.

Cases against Siddhi Vinayak Silk Mills Private Limited (SVSMPL)

SVSMPL (The Company) has received a demand notice dated January 27, 2014 u/s 156 of the Income Tax Act, 1961 asking them to pay an amount of Rs. 1.25 Lakhs being amount determined as payable by them after completion of assessment for the Assessment year 2011-12. The Company is in the processes of filing appeal for the same with concerned appellate authorities. **Cases against Manoj Kumar Sarawagi HUF**

Manoj Kumar Sarawagi HUF has received a notice dated December 31, 2010 u/s 274 read with 271(1)C of the Income Tax Act, 1961 asking him to show cause why a penalty should not be levied on it under section 271 of the Income Tax Act, 1961. The assistant Commissioner of Income Tax has made an addition of Rs. 6.98 Lakhs in the income for the AY 2008-09 in his assessment order and has asked it to pay a sum of Rs. 2.99 lakhs as by way of tax and penalty. However Commissioner of Income Tax (Appeals) has passed an order in favour of Manoj Kumar Sarawagi HUF.

AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

As on September 30, 2013, except as enumerated below, our Company does not owe a sum exceeding Rs. 1 lakh to any small scale undertaking or other creditor which is outstanding for more than 30 days:

Sr. No	Names of Creditors	Amount in Rs. Lakhs
1.	Detox Corporation Private Limited	1.56
2.	Pantomath Capital Private Limited	3.11
	Total	4.66

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, and no further approvals are required for carrying on our present business or to undertake the Issue. Unless otherwise stated, these approvals are all valid as of the date of the Prospectus.

I. APPROVALS FOR THE ISSUE

Corporate Approvals

1. Our Board has, pursuant to a resolution passed at its meeting held on November 26, 2103 authorized the Issue.
2. Our shareholders have pursuant to a resolution passed at their meeting dated December 21, 2013 under Section 81(1A) of the Companies Act, authorized the Issue.

Approvals from Stock Exchange

1. The Company has obtained approval from SME platform of the Bombay Stock Exchange of India Limited vide letter dated February 5, 2014 to use the name of the Stock Exchange in the raft Prospectus for listing of Equity Shares on the Stock Exchange.

Approvals from Lenders

1. All approvals required from the lenders in relation to the Issue have been obtained.

II. INCORPORATION DETAILS

1. Corporate Identity Number: U35111GJ2012PLC068922
2. Certificate of Incorporation dated February 07, 2012, issued by the Registrar of Companies Ahmedabad.
3. Fresh Certificate of Incorporation dated December 20, 2013 issued by the Registrar of Companies, Ahmedabad consequent upon change of name of our Company upon conversion to public limited company.

III. APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

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:

A. Under Direct And Indirect Tax Laws

1. Permanent Account Number: AARCS1208E
2. Tax Deduction Account Number: SRTS12688E
3. Professional Tax Registration no: PRC03SW09015
4. Gujarat VAT Registration no: 24222302716
5. Central Sales Tax Registration no: 24722302716
6. Service Tax Registration No. AARCS1208ESD001

B. Under Industrial And Labour Law

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1	Contract Labour Registration	Assistant Labour Commissioner and Licensing Officer, Surat	License No. 421/12 Dated October 19, 2012	August 31, 2014	NA
2	Employee's Provident Fund Organization	Assistant Provident Fund Commissioner, Regional Office, Surat	Code No. GJ/SRT/39694	Permanent	NA
3	ESIC – Certificate Pending	Dy. Director, E.S.I. Corporation, Sub. Regional Office, Surat	39000511760000699	Permanent	NA

C. Other Registration And Licenses

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1	NOC of Gujarat Maritime Board for Allotment of Land for development of Shipyard	Gujarat Maritime Board	No. GMB/Pvt. Cell – II/ 14/175/ 391/ 14563	NA	NA
2	Shops and Establishment License for Registered office	Surat Mahanagar Seva Sadan	SZ/C/Pandesar a/529981	December 31, 2014	NA

We have also applied for the registration of our logo under the Trademarks Act. The status of our application is as under:

Sr. No.	Logo	Date of Application	Application No.	Class	Current Status
1		January 08, 2014	2656242 and 2656241	12 & 39	Online Application made

IV. APPROVALS/ LICENSES TO BE APPLIED

We are yet to apply for the following licenses and/ or approvals which will be applied for in due course:

1. Permission under Section 35(1) of the GMB Act to start construction activities for the shipyard project issued by the Gujarat Maritime Board
2. Registration certificate for undertaking all types of refit of FPVs/IPVs/SDBs/IBs issued by Director General of India Coast Guard, Ministry of Defense, GoI (For defense related ship repairs and construction)
3. Certificate of registration as Ship Repairing Unit for carrying on repair of sea going ships issued by Directorate General of Shipping, Mumbai

4. The consent to be granted under section 25 of the Water (Prevention and Control of pollution) Act 1974 and under section 21 of the Air (Prevention and Control of pollution) Act 1981
5. Consent and authorization for the use of the outlet for the discharge of the trade effluent and emission due to the operation of the industrial plant for the manufacturing of the fabrication of steel ships and the fabrication of the steel WMT (200) issued by the Gujarat Pollution Control Board
6. Consent and authorization for the management and handling of the hazardous wastes (oil and discarded drums) issued by the Gujarat Pollution Control Board
7. Acknowledgment of Memorandum for the manufacture of the ocean going ships issued by the Entrepreneurial Assistance Unit, Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Gol.
8. Factory Registration issued by Chief Factory Inspector, Gujarat
9. Approval by the ISPS code clearance for the yard

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on November 26, 2013 and by the shareholders of our Company by a special resolution, pursuant to Section 81(1A) of the Companies Act, 1956 passed at the EGM of our Company held on December 21, 2013, at registered office of the Company.

We have received in-principle approval from the Stock Exchange for the listing of our Equity Shares pursuant to letter no DCS/IPO/NP/IP/639/2013-14 dated February 5, 2014.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoter, our Directors, our Promoter Group and our Group Entities, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The companies with which our Promoter, our Directors or persons in control of our Company are/ were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

PROHIBITION BY RBI

Neither our Company, nor our Promoter, or the relatives (as defined under the Companies Act) of our Promoter or Group Entities have been identified as willful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M(1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1,000 lakhs. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 57 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 73 of the Companies Act, 1956

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 Issue. For further details of the market making arrangement see chapter titled "General Information" beginning on page 57 of this Prospectus.
5. The Company has Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 1 crore as per the latest audited financial results.
7. The Company has a track record of distributable profits in terms of section 205 of Companies Act only for one out of immediately preceding three financial years. However the networth of the Company as on September 30, 2013 is more than Rs. 3 Crores. .
8. The distributable Profit, Net tangible Assets and Net worth of the Company as per the restated financial statements for the year ended and as at March 31, 2013, 2012 and 2011 is as set forth below:-

(Rs. In Lakhs)

Particulars	September 30 th 2013	March 31, 2013	March 31, 2012
Distributable Profit*	6.54	2.86	-0.10
Net tangible Assets**	309.57	123.03	0.16
Net Worth***	309.57	123.03	0.16

***"Distributable profits" have been computed in terms section 205 of the Companies Act, 1956.*

****"Net Tangible Assets" are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.*

*****"Net Worth" has been computed as the aggregate of equity share capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.*

9. The Post-issue paid up capital of the Company shall be at least Rs. 1 Crore.
10. The Company shall mandatorily facilitate trading in demat securities and has already entered 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 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. The Company has a website <http://www.sivishipping.com>

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, PANTOMATHCAPITAL ADVISORS PRIVATE LIMITED LTD HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE 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/SEBI A DUE DILIGENCE CERTIFICATE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992.

“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE**

SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD

OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:

- A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
- B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A” – NOT APPLICABLE AS THIS BEING FIRST ISSUE

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.**
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.**

- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.”

Note:

The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34, 35, 36 and 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of 56, 60 and 60B of the Companies Act 1956 along with notified provisions of Section 32 and 33 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 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, <http://www.sivishipping.com/>, 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 Issue Management entered into among the Lead Manager and our Company dated January 16, 2014 the Underwriting Agreement dated January 16, 2014 entered into among the Underwriter and our Company and the Market Making Agreement dated January 16, 2014 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 centers, 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 Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the 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

This Issue being the first Issue handled by M/s. Pantomath Capital Advisors Private Limited, there are no details regarding the price information and the track record of the past Issues handled, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Gujarat 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

Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each ` therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE

BSE Limited ("BSE") has given vide its letter dated February 5, 2014 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 for granting the aforesaid permission to this company. BSE 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 Promoters, 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, investigations and analysis and shall not have any claim against BSE whatsoever by reason of 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 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 Western Regional, Office Unit No: 002, Ground Floor SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge Ashram Road, Ahmedabad - 380 009. A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at 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. However application will be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE has given its in-principal approval for using its name in our Prospectus vide its letter dated February 05, 2014.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, 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 Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 73 of the Companies Act (or the Company shall follow any other substitutional or additional provisions as has been / may be notified under 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 the BSE mentioned above are taken within twelve Working Days from the Issue Closing Date

CONSENTS

Consents in writing of: (a) the Directors, the Promoter, the Company Secretary and Compliance Officer, the Auditors, the Banker to the Issue; and (b) Lead manager, Underwriters, Market Makers Registrar to the Issue, Escrow Collection Bank, Banker(s) to the Issue, Legal Advisor to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under sections 60 and 60B of the Companies Act, 1956, section 32 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 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 ISSUE

Except as stated below, our Company has not obtained any expert opinions:

1. Report of the Peer Reviewed Auditor on Statement of Tax Benefits

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the chapter "Objects of the Issue" beginning on page 77 of the 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 dated September 24, 2013 issue 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 Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated January 3, 2014, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement to entered into between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS

We have not made any previous rights and/or public issues since incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 65 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED 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 Entities 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 Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and 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 Issue 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 constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on December 21, 2013 For further details, please refer to the chapter titled “*Our Management*” beginning on page 118 of this Prospectus.

Our Company has appointed Ms Ankita Jain as Company Secretary and Compliance Officer and she may be contacted at the following address:

Si. Vi. Shipping Corporation Limited

Office Block, 1st Floor,
Plot No. 237/2 & 3, Sub Plot No, A/25,
Central Park Society, GIDC, Pandesara,
Surat, Gujarat – 394221, India.

Tel: +91 261 2894415/16

Fax No.: +91 261 2894419

Email: investors@sivishipping.com

Website: <http://www.sivishipping.com/>

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

M/s RPR & Co., Chartered Accountants statutory auditors of Company have resigned with effect from July 26, 2013 and M/s R Kejriwal & Co., Chartered Accountants have been appointed as statutory auditors with effect from August 14, 2013

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 65 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

PURCHASE OF PROPERTY

Other than as disclosed in this Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Prospectus.

Except as stated elsewhere in this Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Prospectus, Application Form, the Revision Form (if any), the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, SME platform of BSE, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB applicants, Non-Institutional applicants and other Applicants whose Application amount exceeds Rs. 2 lakhs can participate in the Issue only through the ASBA process. The Retail Individual Applicants can participate in the Issue either through the ASBA process or the non ASBA process. ASBA Applicants should note that the ASBA process involves Application procedures that may be different from the procedure applicable to non ASBA process.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act 1956, Companies Act 2013 (to the extent notified), our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details please refer to the section titled, 'Main Provisions of the Articles of Association of the Company' on page 220 of this Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act 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 dividends in cash and as per provisions of the Companies Act. For further details, please refer to the chapter titled 'Dividend Policy' on page 140 of this Draft Prospectus.

FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Prospectus at the price of Rs. 25 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled 'Basis for Issue Price' beginning on page 82 of this Prospectus. At any given point of time, there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation; Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

As per the provisions of the Depositories Act, the shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The investors have an option either to receive the security certificate or to hold the securities with depository. The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 6,000 Equity Shares subject to a minimum allotment of 6,000 Equity Shares to the successful Applicants.

MINIMUM NUMBER OF ALLOTTEES

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 12 working days of closure of Issue.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 109A of the Companies Act, the sole or 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 applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company. In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the

respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

MIGRATION TO MAIN BOARD

Our company may migrate to the Main Board of BSE from the SME Exchange at a later date subject to the following:

- a) If the Paid up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of our company is more than 10 crores but below Rs. 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares offered through this issue are proposed to be listed on the SME Platform of BSE (SME Exchange) with compulsory Market Making through registered Market Makers of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the Market Making arrangement, see chapter titled “General Information” beginning on page 57 of this Prospectus.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 6,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution as detailed in chapter titled "Capital Structure" beginning on page 65 of this Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section "Main Provisions of the Articles of Association" beginning on page 220 of this Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

As per Section 29(1) of the Companies Act 2013, every Company making public offer shall issue securities in dematerialized form only. Further, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. Accordingly, the Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Surat, Gujarat, India.

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

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

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter X-B of SEBI (ICDR) Regulations, whereby, an issuer whose post-issue face value capital does not exceed ten crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ('SME Exchange, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an Issue please refer to the chapters titled 'Terms of the Issue' and 'Issue Procedure' beginning on page 191 and 197 of this Prospectus.

FOLLOWING IS THE ISSUE STRUCTURE:

Public Issue of 27,42,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 25 per Equity Share (including a premium of Rs. 15 per Equity Share) aggregating Rs. 685.50 Lakhs ('the Issue') by our Company.

The Issue comprises a Net Issue to Public of 14,40,000 Equity Shares ('the Net Issue'), a reservation of 1,44,000 Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion') and a reservation of 11,58,000 Equity Shares for subscription by the Promoter ('the Promoter's Contribution').

Particulars of the Issue	Net Issue to Public*	Promoter's Contribution	Market Maker Reservation Portion
Number of Equity Shares available for allocation	14,40,000 Equity Shares	11,58,000 Equity Shares	1,44,000 Equity Shares
Percentage of Issue Size available for allocation	52.52% of the Issue size	42.23% of the Issue size	5.25% of the Issue size
Basis of Allotment	Proportionate subject to minimum allotment of 6,000 Equity Shares and further allotment in multiples of 6,000 Equity Shares each. For further details please refer to the "Basis of Allotment" on page 206 of this Prospectus.	Firm Allotment	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Escrow as per SEBI (ICDR) Regulations	Through ASBA Process Only
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value	11,58,000 in any combination by Promoter	1,44,000 Equity Shares

Particulars of the Issue	Net Issue to Public*	Promoter's Contribution	Market Maker Reservation Portion
	exceeds Rs. 2,00,000/- For Retail Individuals: 6,000 Equity Shares		
Maximum Application Size	For QIB and NII: Such number of equity shares in multiples of 6,000 Equity Shares such that the Application Size does not exceed 14,40,000 Equity Shares. For Retail Individuals: 6,000 Equity Shares	11,58,000 in any combination by Promoter	1,44,000 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form	Dematerialized Form
Trading Lot	6000 Equity Shares	6000 Equity Shares	6,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form		

*50% of the shares offered are reserved for Applications below Rs. 2 lakh and the balance for higher amount applications.

ISSUE OPENING DATE	February 18, 2014
ISSUE CLOSING DATE	February 21, 2014

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

ISSUE PROCEDURE

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit them to the Registrar to the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act 2013, allotment of securities to successful applicants shall be in dematerialized form. Investors will not have the option of getting the allotment of 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

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

The prescribed color 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
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue

In accordance with the SEBI (ICDR) Regulations, in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional Applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines:-

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The 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;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;

- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- Foreign Portfolio Investor other than Category III Foreign Portfolio Investor;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

PARTICIPATION BY ASSOCIATES OF LM

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE limited i.e. www.bseindia.com

OPTION TO SUBSCRIBE IN THE ISSUE

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be in dematerialized form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) 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.

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, 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.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any 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.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATIONS BY ELIGIBLE NRI'S/FPI'S ON REPATRIATION BASIS

Application Forms have been made available for eligible NRIs at our registered Office. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRIs on repatriation basis. Allotment of equity shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

Our company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FPIs, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FPI'S:

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. Nothing contained in sub-regulation (2) shall be deemed to prejudice the applicability of any other law, regulation or guideline.
4. In respect of investments in the secondary market, the following additional conditions shall apply:
 - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b) Nothing contained in clause (a) shall apply to:
 - i. Any transactions in derivatives on a recognized stock exchange;
 - ii. Short selling transactions in accordance with the framework specified by the Board;
 - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iv. Any other transaction specified by the Board.
 - c) No transaction on the stock exchange shall be carried forward;
 - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board;
 - e) Nothing contained in clause (d) of this sub-regulation shall apply to:
 - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;

- ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998;
 - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depositary Receipts or Global Depositary Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - viii. Any other transaction specified by the Board.
- f) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:
- Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.
- Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
5. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
 6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
 7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
 8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- (a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- (b) Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of these regulations shall be deemed to have been issued under the corresponding provision of these regulations.

APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

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 registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

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. December 26, 2008,

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under

the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2013, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment asset in all companies belonging to the group.; and
- (c) The industry sector in which the investee company operates: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets.

In addition, IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors on providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, mutual funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the 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 therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FPIs and mutual funds, a certified copy of their SEBI registration certificate 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.
- (b) With respect to applications by insurance companies registered with IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged with the Application Form as applicable. 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.
- (c) With respect to applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along

with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, and the Lead Manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA Applicants, the demographic details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use demographic details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Applicants

The Application must be for a minimum of 6,000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 6,000 Equity Shares.

b) 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. 200,000 and in multiples of 6,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

INFORMATION FOR THE APPLICANTS

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the office of the LM.

- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the Application Form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the Application Form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

INSTRUCTIONS FOR COMPLETING THE 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. ASBA Application Forms should bear the stamp of the SCSBs. ASBA Application Forms, which do not bear the stamp of the SCSB, may be rejected if the Company or LM so deem fit.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand payable at Surat, Gujarat.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application Forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of 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 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, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants' bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These demographic details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The demographic details given by the Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required demographic details as available on its records.

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:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
2. 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).
3. For applications where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
 - a) Each successful Applicant shall be allotted 6,000 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.
4. If the proportionate allotment to an Applicant works out to a number that is not a multiple of 6,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
5. 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 for 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 6,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
6. The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:
 - a) As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - b) The balance net offer of shares to the public shall be made available for allotment to
 - i. individual applicants other than retails individual investors and
 - ii. other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to 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 Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant's sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the Beneficiary's Identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the demographic details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use demographic details as given in the Application Form instead of those obtained from the Depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire Issue Price of Rs. 25/- per Share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by CTS 2010 compliant cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. **Non CTS 2010 cheques / Outstation Cheques/ Bank Drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.**

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each Application Form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and Applications accompanied by such Cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non-repatriation basis: 'Sl. VI. Shipping Corporation Limited –Public Issue – R'.
 - In case of Non Resident Retail Applicants applying on repatriation basis: 'Sl. VI. Shipping Corporation Limited – Public Issue – NR'
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or Cheques Or Bank Drafts, for the amount payable on Application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by Drafts should be accompanied by Bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 12 working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;

- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the demographic details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Banker to of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill in the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her or its address as per the demographic details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

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***

- 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 of the said Act.’

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Applications are given below:

- (i) All applications are electronically strung on first name, address (1st line) and applicant’s status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband’s name to determine if they are multiple Applications
- (ii) Applications which do not qualify as multiple Applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple Applications.
- (iii) Applications which do not qualify as multiple Applications as per the above procedure are further checked for common PAN. All such matched Applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple Applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20(twenty) valid Applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of, know your client norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (**‘PAN’**) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her/its PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

The Company/Registrar/LM can, however, accept the Application(s), in which PAN is wrongly entered into by ASBA SCSBs in the ASBA system, without any fault on part of Applicant.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUNDINGS FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [•];
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stockinvest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;

- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date , unless the extended time is permitted by BSE

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:

- d. makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or**
- e. 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**
- f. otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,**

Shall be liable for action under section 447 of the said Act.’

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated January 16, 2014 this issue is 100% Underwritten.

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 56 and Section 60 of the Companies Act, 1956

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

The Company will issue and dispatch letters of allotment and/ or letters of regret (through email or otherwise) along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 working days of the Issue Closing Date.

The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 113 of the Companies Act, 1956 or other applicable provisions, if any.

Allottees are requested to preserve such Letters of Allotment, until the securities have been credited to their demat account. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ('MICR') code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. **ECS (Electronic Clearing System)** – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
3. **RTGS (Real Time Gross Settlement)** – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 10.00 Lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne

by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of Applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 working days of Issue Closing Date, giving details of the Bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 12 working days from the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment of Equity Shares shall be made within 12 (Twelve) working days of the Issue Closing Date;
2. Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 (Twelve) working days of the Issue Closing Date would be ensured; and
3. The Company shall pay interest at 15% p.a. for any delay beyond the 15 (Fifteen) working days from the Issue Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 12 (Twelve) working days prescribed above.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the BSE SME Platform , where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
3. That funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 working days of the Issue Closing Date, as the case may be, giving details of the Bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That the promoters' contribution in full, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made on public;
6. That the certificates of the securities/ refund orders to the Non-resident Indians shall be dispatched within specified time;
7. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.;
8. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non- ASBA applications while finalizing the basis of allotment

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
4. Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue; and
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the BSE SME Platform where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

In accordance with the SEBI (ICDR) Regulations, the Company in consultation with Lead Manager, reserve the right not to proceed with this Issue any time after the Issue Opening Date, without assigning the reasons thereof.

However, if our Company withdraws the Issue after the Issue Closing Date but before allotment, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh prospectus with stock exchange(s).

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated January 22, 2014 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated December 28, 2013 between CDSL, the Company and the Registrar to the Issue;

The Company's Equity shares bear an ISIN No. INE920P01019

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her or its demographic details given in the Application Form vis à vis those with his or her or its Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The BSE SME Platform where our Equity Shares are proposed to be listed, has electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip. Investors can contact the Company Secretary and Compliance Officer or

the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1366178697250.html. For details on designated branches of SCSB collecting the Application Form, please refer to the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ('**ASBA Account**') is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular 1 of 2013, with effect from April 05, 2013 ("Circular 1 of 2013"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2013 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectorial limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. However the Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications 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 LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION VIII – MAIN PROVISIONS OF THE 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.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	3. The Authorized Share Capital of the Company shall be such amount, divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum Of Association of the Company, with power to increase or reduce such Capital from time to time and power to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the Company or the provisions of the law for the time being in force.
Increase of capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 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 97 of the Act.
New Capital same as existing capital	5. Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
	6.

Title of Article	Article Number and contents
Non-Voting Shares	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.
Redeemable Preference Shares	7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
Voting rights of 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.
Provisions to apply on issue of Redeemable 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) 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 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company. (e) Subject to the provisions of Section 80 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.

Title of Article	Article Number and contents
Reduction of capital	10. The Company may (subject to the provisions of section 78, 80 and 100 to 105, 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.
Purchase of own Shares	11. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.
Sub-division consolidation and cancellation of Shares	12. Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	13. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate

	General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith.

SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	14. The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.
Further issue of shares	15. (1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then: (a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date; (b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined; (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right; (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the

Title of Article	Article Number and contents
	Company. (2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever. (a) If a Special Resolution to that effect is passed by the Company in General Meeting; or (b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company. (3) Nothing in sub-clause (c) of (I) hereof shall be deemed; (a) To extend the time within which the offer should be accepted; or (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation. (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company: (a) To convert such debentures or loans into Shares in the Company; or (b) To subscribe for Shares in the Company PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term: (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and (b) In the case of debentures or loans or other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the loans.

Title of Article	Article Number and contents
Shares at the disposal of the Directors	16. Subject to the provisions of Section 81 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 person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
Power to offer Shares/options to acquire Shares	16A (1) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. (2) In addition to the powers of the Board under Article 16A(1), the Board may also allot the Shares referred to in Article 16A(1) to any trust, whose principal objects would <i>inter alia</i> include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A(1)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit. (3) The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(1) and (2) above.

Title of Article	Article Number and contents
Application of premium received on Shares	17. (1) Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the securities premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company. (2) The securities premium account may, notwithstanding anything in clause (1) thereof be applied by the Company: (a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus shares; (b) In writing off the preliminary expenses of the Company; (c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or (d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
Power also to Company in General Meeting to issue Shares	18. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.
Power of General Meeting to	18A. (1) Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the

Title of Article	Article Number and contents
authorize Board to offer Shares/Options to employees	General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose. (2) In addition to the powers contained in Article 18A(1), the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.
Shares at a discount	19. The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely: (a) The issue of the Shares at discount is authorized by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board; (b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and (c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.
Installments of Shares to be duly paid	20. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were

Title of Article	Article Number and contents
	a call duly made notified as hereby provided.
The Board may issue Shares as fully paid-up	21. Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.
Acceptance of Shares	22. Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.
Deposit and call etc., to be debt payable	23. The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
Liability of Members	24. Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.
Dematerialization of securities	25.(A) Definitions: Beneficial Owner "Beneficial Owner" means a person whose name is recorded as such with a Depository. SEBI "SEBI" means the Securities and Exchange Board of India.

Title of Article	Article Number and contents
	Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996; Depositories Act “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force; Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992; Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI; Regulations “Regulations” mean the regulations made by SEBI; Security “Security” means such security as may be specified by SEBI.
Dematerialization of securities	25.(B) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.
Options to receive security certificates or hold securities with depository	25.(C) Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.
Securities in depositories to be in fungible form	25.(D) All Securities held by a Depository shall be dematerialized and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
Rights of depositories and	25.(E) (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of

Title of Article	Article Number and contents
beneficial owners	effecting transfer of ownership of Security on behalf of the Beneficial Owner; (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.
Depository To Furnish Information	25.(F) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
Service of documents	25.(G) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.
Option to opt out in respect of any security	25.(H) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
Sections 83 and 108 of the Act not to apply	25.(I) Notwithstanding anything to the contrary contained in the Articles: (1) Section 83 of the Act shall not apply to the Shares held with a Depository; (2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

Title of Article	Article Number and contents
Share certificate	26. (a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.
Limitation of time for issue of certificates	26A. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.
Renewal of share certificates	27. No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilized unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.
Issue of new certificate in place of one defaced, lost or destroyed	28. 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

Title of Article	Article Number and contents
	of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf. The provision of this Article shall mutatis mutandis apply to Debentures of the Company
The first name joint holder deemed sole holder	29. If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.
Issue of Shares without Voting Rights	30. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.
Buy-Back of Shares and Securities	31. Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 77 and SEBI (Buy back of Shares) Regulations as may be permitted by law.
	32.

Title of Article	Article Number and contents
Employees Stock Options Scheme/Plan	The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.
Sweat Equity	33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.
Postal Ballot	34. The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.
Company not bound to recognize any interest in Shares other than of registered holder	35. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
Trust recognized	36. (a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice

Title of Article	Article Number and contents
	thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. (b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.
Declaration by person not holding beneficial interest in any Shares	37. (1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act (2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act. (3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act (4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
Funds of Company not to be applied in	38. No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of

Title of Article	Article Number and contents
purchase of Shares of the Company	capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission may be paid	39. Subject to the provisions of Section 76 of the Act, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.
Brokerage	40. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
Commission to be included in the annual return	41. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

Title of Article	Article Number and contents
Interest out of capital	42. Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at

Title of Article	Article Number and contents
	the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.

DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	43. (a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business. (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act. (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act. (d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act. (e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance. (f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred. (g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of Debenture Trust Deed and inspection thereof. (h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

CALLS

Title of Article	Article Number and contents
Directors may make	44. (a) Subject to the provisions of Section 91 of the Act, the Board of Directors may

Title of Article	Article Number and contents
calls	from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call. (b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
Notice of call when to be given	45. Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
Call deemed to have been made	46. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
Directors may extend time	47. The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.
Amount payable at fixed time or by installments to be treated as calls	48. 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.
	49.

Title of Article	Article Number and contents
When interest on call or installment payable	If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof up to the time of actual payment but the Directors may waive payment of such interest wholly or in part.
Evidence in action by Company against share holder	50. On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment in anticipation of calls may carry interest	51. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall <i>mutatis mutandis</i> apply to the calls on Debentures of the Company.

LIEN

Title of Article	Article Number and contents
Partial payment not to preclude forfeiture	52. Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
Company's lien on Shares/ Debentures	53. The Company shall have first and paramount lien upon all Shares/Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.
As to enforcing lien by sale	54. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same. PROVIDED THAT no sale shall be made:- (a) Unless a sum in respect of which the lien exists is presently payable; or (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their members to execute a transfer there from on behalf of and in the name of such Members The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the

Title of Article	Article Number and contents
	proceedings in reference to the sale.
Application of proceeds of sale	55. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	56. If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Sum payable on allotment to be deemed a call	57. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
Form of notice	58. The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
In default of payment Shares to	59. If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time

Title of Article	Article Number and contents
be forfeited	thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	60. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	61. Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owing at the time of forfeiture and interest	62. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	63. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
Power to annul forfeiture	64. The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Title of Article	Article Number and contents
Declaration of forfeiture	65 (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary (b) of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. (c) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off. (d) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share. (e) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment. (f) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares
Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum	66. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Cancellation of shares certificates in respect of forfeited Shares	67. Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

Title of Article	Article Number and contents
Evidence of forfeiture	68. The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
Validity of sale	69. 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.
Surrender of Shares	70. The Directors may subject to the provisions of the Act, accept surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
No transfers to minors etc.	71. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Instrument of transfer	72. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Title of Article	Article Number and contents
Application for transfer	73. (a) An application for registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee. (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
Execution of transfer	74. The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.
Transfer by legal representatives	75. A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
Register of Members etc when closed	76. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
Directors may refuse to register	77. Subject to the provisions of Section 111, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may

Title of Article	Article Number and contents
transfer	refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
Death of one or more joint holders of Shares	78. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.
Titles of Shares of deceased Member	79. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.
Notice of application when to be given	80. 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 110 of the Act.

Title of Article	Article Number and contents
Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	81. Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".
Refusal to register nominee	82. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without being registered as a Member	83. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.
No fee on transfer or transmissions	84. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.
Transfer to be presented with evidence of title	85. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Title of Article	Article Number and contents
Company not liable for disregard of a notice prohibiting registration of transfer	86. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

SHARE WARRANTS

Title of Article	Article Number and contents
Power to issue share warrants	87. The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 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.
Deposit of share warrants	88. (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.

Title of Article	Article Number and contents
	(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.
Privileges and disabilities of the holders of share warrant	89. (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.
Issue of new share warrant coupons	90. 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.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Share may be converted into stock	91. The Company may, by Ordinary Resolution: Convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.
Transfer of stock	92. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
Right of stock holders	93. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the

Title of Article	Article Number and contents
	Company, and other matters, as if they held them in Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
Regulation applicable to stock and share warrant	94. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	95. Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
The payment or repayment of moneys borrowed	96. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other

Title of Article	Article Number and contents
	securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Bonds, Debentures, etc. to be subject to control of Directors	97. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.
Terms of issue of Debentures	98. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
Mortgage of uncalled capital	99. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.
Indemnity may be given	100. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or about to incur any liability as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

MEETING OF MEMBERS

Title of Article	Article Number and contents
Statutory meeting	101. The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six

Title of Article	Article Number and contents
	months from the date on which the Company shall be entitled to commence business.
Annual General Meeting	102. (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. (b) An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. (c) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time with which any Annual General Meeting may be held. (d) Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting. (e) The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. (f) Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. (g) At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. (h) The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.
Report statement	103. The Company shall in every Annual General Meeting in addition to any other Report

Title of Article	Article Number and contents
and registers to be laid before the Annual General Meeting	or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.
Extra-Ordinary General Meeting	104. All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.
Requisitionists' Meeting	105. (1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:- (a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting. (b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting. (2) The number of Members necessary for a requisition under clause (1) hereof shall be: (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or (b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lakh in all. (3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any

Title of Article	Article Number and contents
	manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter. (4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless: (a) A copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company. i. In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting; ii. In the case of any other requisition, not less than two weeks before the Meeting, and (b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company's expenses in giving effect thereto. PROVIDED THAT if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes thereof. (5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Company Law Board is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter. (6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.
Extra-Ordinary General Meeting by Board and by	106. (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.

Title of Article	Article Number and contents
requisition When a Director or any two Members may call an ExtraOrdinary General Meeting	(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.
Contents of requisition, and number of requisitionists required and the conduct of Meeting	107. (1) In case of requisition the following provisions shall have effect: (a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company. (b) The requisition may consist of several documents in like form each signed by one or more requisitionists. (c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter. (d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (c) shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled. (e) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called: (i) by the requisitionists themselves; or (ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) whichever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the

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	case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act. (2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them: (a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but (b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period. (3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them. (4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
Length of notice of Meeting	108. (1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing. (2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto: (i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and (ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting. PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the

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	others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.
Contents and manner of service of notice and persons on whom it is to be served	109. (1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat. (2) Subject to the provisions of the Act notice of every General Meeting shall be given; (a) to every Member of the Company, in any manner authorized by sub-sections (1) to (4) Section 53 of the Act; (b) to the persons entitled to a Share in consequence of the death or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and (c) to the Auditor or Auditors for the time being of the Company in any manner authorized by Section 53 of the Act in the case of Members of the Company PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company. (3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.
Special and ordinary business and explanatory	110. (1) (a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business

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statement	relating to (i) the consideration of the accounts, balance sheet, the reports of the Board of Directors and Auditors; (ii) the declaration of dividend; (iii) the appointment of Directors in the place of those retiring; and (iv) the appointment of, and the fixing of the remuneration of the Auditors, and (b) In the case of any other meeting, all business shall be deemed special. (2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director. PROVIDED THAT where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company. (3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
Omission to give notice not to invalidate proceedings	111. The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.

MEETING OF MEMBERS

Title of Article	Article Number and contents
Notice of business to be given	112. No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.

Title of Article	Article Number and contents
Quorum	113. Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.
If quorum not present when Meeting to be dissolved and when to be adjourned	114. If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.
Resolution passed at adjourned Meeting	115. Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
Chairman of General Meeting.	116. At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.
Act for resolution	116(A) Any act or resolution which, under the provisions of these Articles or of the Act, is

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sufficiently done or passed by Ordinary Resolution unless otherwise required	permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.
Business confined to election of Chairman whilst the Chair is vacant	117. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
Chairman may adjourn Meeting	118. (a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place. (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place (c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting. (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting
How questions are decided at Meetings	119. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
Chairman's declaration of result of voting on show of hands	120. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
Demand of poll	121. Before or on the declaration of the result of the voting on any resolution on a show

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	of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
Time of taking poll	122. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
Chairman's casting vote	123. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Appointment of scrutinizers	124. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutinizers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizers from office and fill vacancies in the office of the scrutinizers arising from such removal or from any other cause.
Demand for poll not to prevent transaction of other business	125. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
Special notice	126. Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, the notice of the intention to move the resolution shall

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	be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	127. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	128. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Number of votes to which Member entitled	129. Subject to the provisions of Article 127, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorized) have one vote and on a poll, when present in person (including a body corporate by a duly authorized representative), or by an agent duly authorized under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he

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	has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.
Votes of Members of unsound mind	130. A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
Votes of joint Members	131. If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorized under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorized under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
Representation of body corporate	132. (a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorize such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorized by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives'

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	appointment and his right to vote thereat. (b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.
Votes in respects of deceased or insolvent Members	133. Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
Voting in person or by proxy	134. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorized in accordance with Section 187 of the Act.
Rights of Members to use votes differently	135. On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses
Proxies	136. Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. PROVIDED that a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.

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Proxy either for specified meeting or for a period	137. An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
No proxy to vote on a show of hands	138. No proxy shall be entitled to vote by a show of hands.
Instrument of proxy when to be deposited	139. The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
Form of Proxy	140. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorized by it.
Validity of votes given by proxy notwithstanding revocation of authority	141. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to	142. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is

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vote	given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any Meeting to be the judge of Validity of any value	143. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	144. If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Title of Article	Article Number and contents
Number of Directors	145. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.
Appointment of Directors	146. The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.
Debenture Directors	147. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between

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	the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.
Nominee Director or Corporation Director	148. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/their places. The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company. (b) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off. (c) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes. (d) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee

Title of Article	Article Number and contents
	Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation.. Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.
Special Director	149. (a) In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter. (b) The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office. (c) It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.

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Limit on number of non-retiring Directors	150. The provisions of Articles 147, 148 and 149 are subject to the provisions of Section 255 of the Act and number of such Directors appointed shall not exceed in the aggregate one third of the total number of Directors for the time being in office.
Alternate Director	151. The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.
Directors may fill in vacancies	152. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.
Additional Directors	153. Subject to the provisions of Section 260 of the Act, the Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only up to the date of the next Annual General Meeting and shall be eligible for election at such Meeting.
Qualification shares	154. A Director need not hold any qualification shares.

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Directors' sitting fees	155. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.
Extra remuneration to Directors for special work	156. Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided. Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either: - by way of monthly, quarterly or annual payment with the approval of the Central Government; or - by way of commission if the Company by a Special Resolution authorized such payment.
Traveling expenses incurred by Directors on Company's business	157. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.
Director may act notwithstanding vacancy	158. The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the

Title of Article	Article Number and contents
	purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.
Board resolution necessary for certain contracts	159. (a) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company: (a) For the sale, purchase or supply of goods, materials or services; or (b) for underwriting the subscription of any Share in or debentures of the Company; (c) nothing contained in clause (a) of sub-clause (1) shall affect:- (i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or (ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business. PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts. (b) Notwithstanding any contained in sub-clause (1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into. (c) Every consent of the Board required under this Article shall be accorded by a

Title of Article	Article Number and contents
	resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which was entered into. (d) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board. (e) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realized by any such contract or the fiduciary relation thereby established.
Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Whole-time Director	160. When the Company:- (a) enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.
Directors of interest General notice of disclosure	161. (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act. (b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 299(3)(a) shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.
Directors and Managing Director may contract with	162. Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise,

Title of Article	Article Number and contents
Company	nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.
Disqualification of the Director	163. A person shall not be capable of being appointed as a Director of the Company if:- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force; (b) he is an undischarged insolvent; (c) he has applied to be adjudged an insolvent and his application is pending; (d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed form the date of expiry of the sentence; (e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or (f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force, unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

Title of Article	Article Number and contents
Vacation of office by Directors	164. The office of Director shall become vacant if:- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or (b) he applies to be adjudged an insolvent; or (c) he is adjudged an insolvent; or (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or (e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or (f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or (g) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or (h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or (i) he becomes disqualified by an order of the Court under Section 203 of the Act; or (j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or (k) if by notice in writing to the Company, he resigns his office, or (l) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
Vacation of office by Directors (contd.)	165. Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 164 hereof, the disqualification referred to in these clauses shall not take effect:

Title of Article	Article Number and contents
	(a) for thirty days from the date of the adjudication, sentence or order; (b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.
Removal of Directors	166. (a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office. (b) Special Notice as provided by these Articles or Section 190 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed. (c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting. (d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so: (i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and (ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late\or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting:

Title of Article	Article Number and contents
	Provided that copies of the representation need not be sent or read out at the Meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter. (e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 152 or Section 262 of the Act be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid. (f) If the vacancy is not filled under sub-clause (e) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 152 or Section 262 of the Act, and all the provisions of that Article and Section shall apply accordingly Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors. (g) Nothing contained in this Article shall be taken:- (i) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or (ii) as derogating from any power to remove a Director which may exist apart from this Article.
Interested Directors not to participate or vote in Board's proceedings	167. No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:- (a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company; (b) any contract or arrangement entered into or to be entered into with a public

Title of Article	Article Number and contents
	company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely; (i) in his being: (a) a director of such company; and (b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or (ii) in his being a member holding not more than two percent of its paid-up share capital.
Director may be director of Companies promoted by the Company	168. A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.
Appointment of Sole Selling Agents	169. The appointment, re-appointment and extension of the term of a sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any Rules or Notifications issued by the competent authority in accordance with that Section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable. The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.

ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number and contents
Rotation of Directors	170. Not less than two third of the total number of Directors shall: (a) Be persons whose period of the office is liable to termination by retirement by rotation and (b) Save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

Title of Article	Article Number and contents
Retirement of Directors	171. Subject to the provisions of Articles 149 and 151, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.
Retiring Directors	172. Subject to the provisions of Section 256 of the Act and Articles 147 to 154, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 185, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
Appointment of Technical or Executive Directors	173. (a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors. (b) Subject to the provisions of Section 262 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.
Ascertainment of Directors retiring by rotation and filling of vacancies	174. Subject to Section 256 of the Act, the Directors retiring by rotation under Article 172 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.
	175.

Title of Article	Article Number and contents
Eligibility for re-election	A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the Meeting at which he retires.
Company to fill vacancies	176. At the General Meeting, at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
Provision in default of appointment	177. (a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. (b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless: (i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost. (ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed. (iii) he is not qualified or is disqualified for appointment. (iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or (c) The proviso to the sub-section (2) of section 263 of the Act is applicable to the case.
Company may increase or reduce the number of Directors or remove any Director	178. Subject to the provisions of Section 252, 255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.
	179.

Title of Article	Article Number and contents
Appointment of Directors to be voted individually	(a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it. (b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply. (c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.
Notice of candidature for office of Directors except in certain cases	180. (1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director. (2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place (3) Every person (other than Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed. (4) A person other than: (a) a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or

Title of Article	Article Number and contents
	(b) an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.
Disclosure by Directors of their holdings of their Shares and debentures of the Company	181. Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.
Votes of Body Corporate	182. A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.

MANAGING DIRECTOR

Title of Article	Article Number and contents
Powers to appoint Managing Director	183. Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole-time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or

Title of Article	Article Number and contents
	them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. (a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956. (b) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be, while he continues to hold that office, subject to retirement by rotation.
Remuneration of Managing Director	184. Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.
Special position of Managing Director	185. Subject to any contract between him and the Company, a Managing or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
Powers of Managing Director	186. The Director may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.
	187. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.
	188.

Title of Article	Article Number and contents
	Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign, accept and endorse cheques on behalf of the Company.
	189. 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.
	190. 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.
Appointment and powers of Manager	190A The Board may, from time to time, appoint any person as Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient.

WHOLE TIME DIRECTOR

Title of Article	Article Number and contents
Power to appoint Whole-Time Director and/or Whole-time	191. Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/persons nominated under

Directors	Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine and thinks fit. The Board may by ordinary resolution and/or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers, authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period or periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and/or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors/persons nominated under Article 192 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.
To what provisions Whole time Directors shall subject	192. Subject to the provisions of Section 255 of the Act and these Articles, a Whole Time Director or Whole Time Directors shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/they shall be subject to the same provision as to resignation and removal as the other Directors and he/they shall <i>ipso facto</i> and immediately ceases or otherwise cease to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act in any Annual General Meeting and shall be re-appointed as a Director or Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.
Seniority of Whole Time Director and Managing Director	193. If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article, the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meeting of	194. The Directors may meet together as a Board for the dispatch of business from time

Title of Article	Article Number and contents
Directors	to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and at least four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.
Quorum	195. (a) Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of directors who are not interested present at the Meeting being not less than two shall be, the quorum during such time. (b) For the purpose of clause (a) (i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and (ii) "Interested Directors" mean any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.
Procedure when Meeting adjourned for want of quorum	196. If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.
Chairman of Meeting	197. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the

Title of Article	Article Number and contents
	Director shall choose one of their members to be Chairman of such Meeting.
Question at Board meeting how decided	198. Subject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.
Powers of Board meeting	199. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.
Directors may appoint Committee	200. The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.
Meeting of the Committee how to be governed	201. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.
Circular resolution	202. (a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 201 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held. (b) A resolution shall be deemed to have been duly passed by the Board or by a

Title of Article	Article Number and contents
	Committee thereof by circulation if the resolution has been circulated in together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.
Acts of Board or Committee valid notwithstanding defect in appointment	203. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

Title of Article	Article Number and contents
General powers of management vested in the Board of Directors	204. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting :- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking; (b) remit, or give time for the repayment of, any debt due by a Director, (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time; (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body; (i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount up to which moneys may be borrowed by the Board under clause (d) of as the case may be total amount which may be

Title of Article	Article Number and contents
	contributed to charitable or other funds in a financial year under clause (e) (ii) Provided further that the expression “temporary loans” in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.
Certain powers to be exercised by the Board only at Meetings	205. (1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board; (a) the power to make calls, on shareholders in respect of money unpaid on their Shares, (b) the power to issue Debentures, (c) the power to borrow moneys otherwise than on Debentures, (d) the power to invest the funds of the Company, and (e) the power to make loans Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c),(d) and (e) to the extent specified below. (2) Every resolution delegating the power referred to in sub-clause (1)(c) above shall specify the total amount outstanding at any one time, up to which moneys may be borrowed by the delegate. (3) Every resolution delegating the power referred to in sub-clause (1)(d) above shall specify the total amount up to which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate. (4) Every resolution delegating the power referred to in sub-clause (1)(e) above shall specify the total amount up to which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.
Certain powers of	206. Without prejudice to the general powers conferred by the last preceding Article and

Title of Article	Article Number and contents
the Board	so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power: (1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act. (3) Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. (5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit. (6) To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed. (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees. (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made

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	thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon. (9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies. (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company. (11) Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realize such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name. (12) To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon. (13) To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose. (14) To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of the working expenses of the Company. (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise

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	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. (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper. (17) To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, laborers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without

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	prejudice to the general powers conferred by this sub-clause. (18) To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager. (19) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments. (20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorize the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation. (21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them. (22) Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and

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	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. (23) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants. (24) To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India. (25) To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. (26) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. (27) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. (28) To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. (29) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. (30) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on freehold sample of all or any of the lands of the Company for the

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	time being held under lease or for an estate less than freehold estate. (31) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. (32) To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit. (33) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid. (34) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

MANAGEMENT

Title of Article	Article Number and contents
Prohibition of simultaneous appointment of different categories of managerial personnel	207. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely :- a) Managing Director and b) Manager.

MINUTES

Title of Article	Article Number and contents
Minutes to be made	208. (1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered. (2) Each page of every such books shall be initialed or signed and the last page of

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	the record of proceedings of each Meeting in such books shall be dated and signed: (a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting. (b) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.
Minutes to be evidence of the proceeds Books of minutes of General Meeting to be kept	209. (a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein. (b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 196 of the Act and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.
Presumptions	210. Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

THE SECRETARY

Title of Article	Article Number and contents
Secretary	211. The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies

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	(Appointment and Qualifications of Secretary) Rules, 1988.
The Seal, its custody and use	212. (a) Seal The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. (b) Common Seal for use outside India The Board may for the purpose of use of the Common Seal outside India, cause a facsimile of the Common Seal to be made and authorize the use of it in the manner provided under Section 50 of the Companies Act, 1956 (c) Safe Custody of Seal The Common Seal shall be in the safe custody of the Director or the Secretary for the time being of the Company. (d) Affixing of Seal on deeds and instruments' On every deed or instrument on which the Common Seal of the Company is required to be affixed, the Seal be affixed in the presence of a Director or a Secretary or any other person or persons Authorized in this behalf by the Board, who shall sign every such deed or instrument to which the Seal shall be affixed. (e) Affixing of Seal on Share Certificates Notwithstanding anything contained in Clause (d) above, the Seal on Share Certificates shall be affixed in the presence of such persons as are Authorized from time to time to sign the Share Certificates in accordance with the provisions of the Companies (Issue of Share Certificates) Rules in force for the time being. (f) Removal of Common Seal outside the office premises The Board may authorize any person or persons to carry the Common Seal to any place outside the Registered Office for affixture and for return to safe custody to the Registered Office.

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	213. (a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid

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	but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares; (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.
The Company at General Meeting may declare dividend	214. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
Dividends out of profits only	215. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
Interim Dividend	216. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	217. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.
Capital paid-up in advance to carry interest, not the right to earn dividend	218. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in	219. All dividends shall be apportioned and paid proportionately to the amounts paid or

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proportion to amounts paid-up	credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	220. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	221. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	222. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how remitted	223. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	224. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
Reserves	225. The Directors may, before recommending or declaring any dividend set aside out of

Title of Article	Article Number and contents
	the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
Dividend to be paid within time required by law.	226. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
Unpaid or unclaimed dividend	227. (a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Si. Vi. Shipping Corporation Limited____ (year)Unpaid Dividend Account". (b) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act. (c) No unclaimed or unpaid dividend shall be forfeited by the Board.
Set-off of calls	228. Any General Meeting declaring a dividend may on the recommendation of the

Title of Article	Article Number and contents
against dividends	Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.
Dividends in cash	229. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
Capitalization	230. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) That is desirable to capitalize any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and (b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion. (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards; (a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or (b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or (c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b) (3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.
Board to give effect	231. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.

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Fractional certificates	232. (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 and (b) Generally do all acts and things required to give effect thereto. (2) The Board shall have full power: (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares. (3) Any agreement made under such authority shall be effective and binding on all such Members. (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

ACCOUNTS

Title of Article	Article Number and Contents
Books to be kept	233. (1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to: (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place (b) all sales and purchases of goods by the Company

	(c) the assets and liabilities of the Company and (d) if so required by the Central Government, such particulars relating to utilization of material or labour or to other items of cost as may be prescribed by the Government Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place. (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarized returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.
Inspection by Members	234. No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorized by the Board.
Statements of accounts to be furnished to General Meeting	235. The Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219	236. (1) The Company shall comply with the requirements of Section 219 of the Act. (2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting. (3) A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will

	be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.
Accounts to be audited	237. Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.
Appointment of Auditors	238. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act. (2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor. (3) At every Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless: (a) he is not qualified for re-appointment; (b) he has given to the Company notice in writing of his unwillingness to be re-appointed; (c) a resolution has been passed at that Meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or (d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with. (4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy. (5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government. (6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting. (7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a

	Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof, to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.
Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	239. Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.

DOCUMENTS AND NOTICES

Title of Article	Article Number and Contents
To whom documents must be served or given	240. Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company
Members bound by documents or notices served on or given to previous holders	241. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.
Service of documents on the Company	242. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.
Authentication of documents and	243. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director,

proceedings	or the Secretary or other authorized officer of the Company and need not be under the Seal of the Company.

REGISTERS AND DOCUMENTS

Title of Article	Article Number and Contents
Registers and documents to be maintained by the Company	244. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following: (a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act (b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act. (c) Register and index of Members and debenture holders as required by Sections 150, 151 and 152 of the Act. (d) Foreign register, if so thought fit, as required by Section 157 of the Act (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act. (f) Register of Directors and Secretaries etc. as required by Section 303 of the Act. (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act. (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act. (i) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act. (j) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.
Inspection of Registers	245. The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business

Title of Article	Article Number and Contents
	hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

WINDING UP

Title of Article	Article Number and Contents
Distribution of assets	246. If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
Distribution in specie or kind	247. (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit. (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act. (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the

Title of Article	Article Number and Contents
	Liquidator shall, if practicable act accordingly.
Right of shareholders in case of sale	248. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.
Directors and others right to indemnity	249. Subject to the provisions of Section 201 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, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.
Director, officer not responsible for acts of others	250. Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

Title of Article	Article Number and Contents
Secrecy Clause	251. Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
No Member to enter the premises of the Company without permission	252. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or are to be entered into by our Company:

1. Mandate letter dated September 24, 2013 issue by our Company to the Lead manager.
2. Issue Agreement dated January 16, 2014 between our Company and the Lead Manager.
3. Agreement dated January 3, 2014 between our Company and the Registrar to the Issue.
4. Escrow agreement dated January 31, 2014 among our Company, the Lead Manager, the Escrow Collection Banks, and the Registrar to the Issue.
5. Underwriting agreement dated January 16, 2014 between our Company, Lead Manager and Market Maker.
6. Market Making Agreement dated January 16, 2014 between our Company, the Lead Manager and the Market Maker.
7. Agreement among NSDL, our Company and the Registrar to the Issue dated January 22, 2014
8. Agreement among CDSL, our Company and the Registrar to the Issue dated December 28, 2013.

MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
2. Resolution of the Board dated November 26, 2013 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated December 21, 2013 authorizing the Issue.
4. Statement of Tax Benefits dated December 25, 2013, issued by Peer Reviewed Auditors, Gheewala & Co.
5. Report of the Peer Reviewed Auditors, Gheewala & Co, Chartered Accountants on the Restated Financial Statements for the Financial Year ended as on March 31, 2012, 2013, and period ended 30th September, 2013 of our Company.
6. Consents of Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, the Lead Manager, Registrar to the Issue, Bankers to the Issue/Escrow Collection Banks, Refund Banker to the Issue, to act in their respective capacities.
7. Copy of approval from BSE *vide* letter dated February 5, 2014 to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
8. Due Diligence Certificate dated January 16, 2014 to Stock Exchange from the Lead Manager.

These contracts, copies of which will be attached to the copy of Prospectus to be delivered to the RoC for registration and also the documents for inspection referred to hereinabove, may be inspected at the

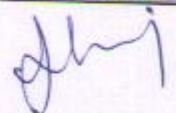
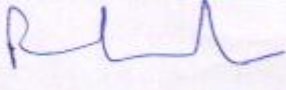
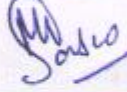
Registered Office of our Company located at Office Block, 1st Floor, Plot No. 237/2 & 3, Sub Plot No, A/25, Central Park Society, GIDC, Pandesara, Surat, Gujarat – 394221, India, from date of filing the Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

Signed by the Directors of our Company

Name	Designation	Signature
Mr. Manoj Kumar Sarawagi	Chairman & Executive Director	
Mr. Sanjay Kumar Sarawagi	Executive Director	
Mr. Rakesh Kumar Sarawagi	Executive Director	
Mr. BinodKejriwal	Non-Executive Independent Director	
Mr. Mahesh Kumar Saboo	Non-Executive Independent Director	
Mr. GururajKaujalgi	Non-Executive Independent Director	

Date: February 10, 2014
Place: Surat

Note: Companies Act 1956, herein, means the 1956 Act or such other replaced provision of Companies Act 2013, as may be applicable.