



## PRITI INTERNATIONAL LIMITED

Our Company was originally incorporated as "Priti International Limited" at Jodhpur, Rajasthan as a Public Limited Company under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated June 30, 2017 bearing Corporate Identification Number U36994RJ2017PLC058454 issued by the Registrar of Companies, Central Registration Centre. Subsequently, our Company acquired the business of Proprietorship Concern of our Promoter Priti Lohiya viz. M/s. Priti International through Business Succession Agreement dated November 11, 2017. Consequently Business of this proprietorship firm was merged into Priti International Limited. The Corporate Identification Number of our Company is U36994RJ2017PLC058454.

**Registered Office:** Plot No. F-43 Basni Ist Phase, Jodhpur, 342001, Rajasthan, India.  
**Tel. No.:** 0291- 2435699; **Fax No.:** N.A.  
**Email:** [info@pritiinternationaltd.com](mailto:info@pritiinternationaltd.com); **Website:** [www.pritiinternationaltd.com](http://www.pritiinternationaltd.com)  
**Company Secretary and Compliance Officer:** Shivani Arora

**PROMOTERS OF OUR COMPANY: GOVERDHAN DAS LOHIYA, PRITI LOHIYA, RITESH LOHIYA, GOVERDHAN DAS LOHIYA – HUF AND RITESH LOHIYA - HUF**

### THE ISSUE

INITIAL PUBLIC ISSUE OF 7,00,800 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID ("EQUITY SHARES") OF PRITI INTERNATIONAL LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 75/- PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. 65/- PER EQUITY SHARE) AGGREGATING TO RS. 525.60 LAKHS (THE "ISSUE"), OF WHICH 35,200 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 75/- PER EQUITY SHARE, AGGREGATING RS. 26.40 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 6,65,600 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 75/- PER EQUITY SHARE, AGGREGATING TO RS. 499.20 LAKHS IS HEREINAFTER REFERED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.01% AND 25.66% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE OF RS. 75/- IS 7.5 TIMES OF THE FACE VALUE OF THE EQUITY SHARES

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 283 of this Prospectus. A copy will be delivered for registration to the Registrar as required under Section 26 of the Companies Act, 2013.

THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME ("SEBI (ICDR) REGULATIONS").FOR FURTHER DETAILS PLEASE REFER THE SECTION TITLED 'ISSUE INFORMATION' BEGINNING ON PAGE 275 OF THIS PROSPECTUS.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares of our Company is Rs. 10 each and the issue price of Rs. 75/- is 7.5 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 92 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 17 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 issued through this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ('NSE EMERGE'). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an in-principle approval letter dated March 05, 2018 from National Stock Exchange of India Limited for using its name in the Issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

#### LEAD MANAGER TO THE ISSUE

##### PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

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

**Tel:** +91-22 6194 6700

**Fax:** +91-22 2659 8690

**Website:** [www.pantomathgroup.com](http://www.pantomathgroup.com)

**Email:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

**Investor Grievance Id:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

**Contact Person:** Unmesh Zagade

**SEBI Registration No:** INM000012110



#### REGISTRAR TO THE ISSUE

##### BIGSHARE SERVICES PRIVATE LIMITED

1<sup>st</sup> floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East),  
Mumbai 400059, Maharashtra, India

**Tel:** +91 22 6263 8200

**Fax:** +91 22 6263 8299

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Investor Grievance Id:** [investors@bigshareonline.com](mailto:investors@bigshareonline.com)

**Contact Person:** Nilesh Chalke

**SEBI Registration Number:** INR000001385



### ISSUE PROGRAMME

ISSUE OPENS ON: MONDAY, JUNE 11, 2018

ISSUE CLOSES ON: WEDNESDAY, JUNE 13, 2018

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

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

**SECTION I – GENERAL  
DEFINITION AND ABBREVIATION**

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

**Company Related Terms**

<b>Term</b>	<b>Description</b>
“Priti International Limited” or “PRITI”, “PIL” or “the Company” ,or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	“Priti International Limited”, a Public Limited Company incorporated under the Companies Act, 2013
AOA/ Articles/ Articles of Association	Articles of Association of “Priti International Limited”, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013.
Bankers to the Company	Such banks which are disclosed as bankers to the Company in the chapter titled “ <i>General Information</i> ” on page 64 of this Prospectus.
Board of Directors/ the Board / our Board/ Director(s)	The Board of Directors of “Priti International Limited”, including all duly constituted Committee(s) thereof.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Shivani Arora.
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each fully paid up unless otherwise specified in the context thereof
Group Companies	Such Companies as are included in the chapter titled ‘ <i>Our Group Companies</i> ’ beginning on page 160 of this Prospectus
ISIN	International Securities Identification Number being INE974Z01015
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review Certificate in our case being M/s N K Aswani & Co., Chartered Accountants
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 155 of this Prospectus.
Registered Office	The Registered office of our Company situated at Plot No. F-43 Basni, Ist Phase, Jodhpur – 342 001, Rajasthan, India.
RoC / Registrar of Companies	The Registrar of Companies, Jaipur, Rajasthan at Corporate Bhawan, C/6-7, 1 <sup>st</sup> Floor, Residency Area, Civil Lines, Jaipur – 302 001, Rajasthan, India.
Shareholders	Shareholders of our Company
Statutory Auditor / Auditor	The Statutory Auditor of our Company, being M/s. J. K. Daga & Associates, Chartered Accountants.
you, your or yours	Prospective investors in this Issue

**ISSUE RELATED TERMS**

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants
Allot/ Allotment/ Allotted	Unless the context otherwise requires, issue and/ allotment of Equity Shares of

<b>Term</b>	<b>Description</b>
	our Company pursuant to the Issue to successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	Successful Applicant(s) to whom Equity Shares of our Company have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company through ASBA in terms of the Prospectus. (All the applicants should make application through ASBA only).
Application	An indication to make an offer during the Issue Period by an Applicant pursuant to submission of an Application Form, to subscribe for or purchase our Equity Shares at Issue Price, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Collecting Intermediaries / Designated Intermediaries	<ol style="list-style-type: none"> <li>1. an SCSB, with whom the bank account to be blocked, is maintained</li> <li>2. a syndicate member (or sub-syndicate member), if any</li> <li>3. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')</li> <li>4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>5. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol>
Application Form	The form, whether physical or electronic, in terms of which the Applicant shall make an application to subscribe to the Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all Applicants to make application authorizing a SCSBs to block the application amount in the ASBA Account maintained with such SCSBs.
ASBA Account	Account maintained by an ASBA applicant with SCSBs which will be blocked by such SCSBs to the extent of the appropriate Application Amount and as defined in the Application Form.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Jodhpur.
Banker(s) to the Issue/Public Issue Banker(s)	The banks which are clearing members and registered with SEBI as Banker with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be allotted to successful applicants under the issue which is described in the chapter titled " <i>Issue Procedure</i> " beginning on page 283 of this Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the National Stock Exchange of India Limited.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Centres	Centres at which the Designated Intermediaries shall accept the Application

<b>Term</b>	<b>Description</b>
	Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1996.
Designated CDP Locations	Such centres of the CDPs where Applicant can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchanges ( <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Date	The date on which the amount blocked by the SCSBs is transferred from the ASBA Accounts to the Public Issue Account or the amount is unblocked in the ASBA Account, as appropriate, after the issue is closed, following which the equity shares shall be allotted to the successful applicants in terms of this Prospectus.
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchanges ( <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility">http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility</a>
Designated Stock Exchange	National Stock Exchange of India Limited.
Draft Prospectus	The Draft Prospectus dated February 08, 2018 issued in accordance with Section 26 of the Companies Act, 2013 and filed with National Stock Exchange of India Limited under SEBI (ICDR) Regulations.
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI.
Issue Agreement	The agreement dated January 15, 2018 between our Company and the Lead

<b>Term</b>	<b>Description</b>
	Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date after which the Designated Branches and the Registered Brokers will not accept any applications, which shall be notified in All edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard, and Jodhpur edition of the Regional newspaper Prabhat Abhinandan, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Issue Opening Date	The date on which the Designated Branches and the Registered Brokers shall start accepting applications, which shall be notified in all edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard, and Jodhpur edition of the Regional newspaper Prabhat Abhinandan, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	The price at which Equity Shares are being issued and allotted by our Company under this Prospectus being Rs. 75 per Equity Share of face value of Rs. 10 each fully paid.
Issue Proceeds	Proceeds to be raised by our Company through this Issue being Rs. 525.60 lakhs, for further details please refer chapter title “ <i>Objects of the Issue</i> ” beginning on page 83 of this Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of 7,00,800 Equity Shares of face value Rs. 10 each fully paid of Priti International Limited for cash at a price of Rs. 75 per Equity Share (the “ <i>Issue Price</i> ”) (including a premium of Rs. 65 per Equity Share) aggregating up to Rs. 525.60 Lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited
LM / Lead Manager	The Lead Manager for the Issue being Pantomath Capital Advisors Private Limited, SEBI registered Category I Merchant Banker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The reserved portion of 35,200 Equity Shares of face value of Rs. 10 each fully paid at an Issue Price of Rs. 75/- each to be subscribed by Market Maker in this Issue.
Market Making Agreement	The Market Making Agreement dated January 15, 2018 between our Company, Lead Manager and Market Maker.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 6,65,600 Equity Shares of face value Rs. 10/- each fully paid of Priti International Limited for cash at a price of Rs. 75/- per Equity Share (the “ <i>Issue Price</i> ”) aggregating up to Rs. 499.20 Lakhs.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated

<b>Term</b>	<b>Description</b>
	November 23, 2005 of Government of India published in the official Gazette of India.
Non Institutional Investors or NIIs	All Applicants, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 200,000 but not including NRIs other than Eligible NRIs
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus, to be filed with the ROC in accordance with the provisions of Section 26 of the Companies Act, 2013 containing , <i>inter-alia</i> , the issue size, the issue opening and closing dates and other information
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Agreement	An agreement entered into on January 15, 2018 between our Company, Lead Manager, Banker and Refund Banker to the Issue and Registrar to the Issue for collection of the application amounts on the terms and condition thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations 2009
Refund Account	Account from which Application monies to be refunded to the applicants
Refund Bank / Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or National Stock Exchange of India Limited having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.bseindia.com/members/MembershipDirectory.aspx">http://www.bseindia.com/members/MembershipDirectory.aspx</a> & <a href="https://www1.nseindia.com/membership/dynaContent/find_a_broker.htm">https://www1.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar / Registrar to the Issue / RTI	Registrar to the Issue being Bigshare Services Private Limited having its office at Bharat Tin Workings Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri- East, Mumbai – 400059..

<b>Term</b>	<b>Description</b>
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors/RIIs	Individual applicants (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs. 2,00,000 in this Issue.
Revision Form	The Form used by Applicants to modify the quantity of Equity Shares in any of their Application Forms or any Previous Revision Form(s)
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
Self Certified Syndicate Bank or SCSB	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA including blocking of bank account, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility">http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility</a>
SME Exchange	EMERGE Platform of National Stock Exchange of India Limited
SME Platform of NSE	The EMERGE Platform of National Stock Exchange of India Limited 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
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The Agreement dated January 15, 2018 entered into amongst the Underwriter and our Company.
Working Days	(i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a Public holiday; (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

#### **TECHNICAL AND INDUSTRY TERMS**

<b>Term</b>	<b>Description</b>
CE Marking	Conformité Européene Marking
COE	Centres of Excellence
CSO	Central Statistics Office
EPCH	The Export Promotion Council for Handicrafts
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
EV	Electric Vehicle
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board

<b>Term</b>	<b>Description</b>
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Services Tax
GST	Goods and Services Tax
GVA	Gross Value Added
IBEF	India Brand Equity Foundation
IMF	International Monetary Fund
LAC	Latin American countries
M-SIP	Modified Special Incentive Package Scheme
MYEA	Mid-Year Economic Analysis
OTC	Over the Counter
PMGKY	Pradhan Mantri Garib Kalyan Yojana
PMP	Phased Manufacturing Programme
R&D	Research and Development
RBI	Reserve Bank of India
UAE	United Arab Emirates
UDAY	Ujwal DISCOM Assurance Yojana Scheme
UK	United Kingdom
UNIDO	United Nations Industrial Development Organization
US/ U.S./ USA	United States of America
WPI	Wholesale Price Index

#### **CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
A.Y./AY	Assessment Year
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as - Category I foreign portfolio investors under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as - Category III foreign portfolio investors under the SEBI FPI Regulations
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Cm	Centimetre
CMD	Chairman and Managing Director
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the

<b>Term</b>	<b>Description</b>
	Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
CS	Company Secretary
CST	Central Sales Tax
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
F.Y./FY	Financial Year
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
Ft	Foot
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended.

<b>Term</b>	<b>Description</b>
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
Key Managerial Personnel / KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 142 of this Prospectus
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
LM	Lead Manager
Ltd.	Limited
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non Banking Finance Company
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time

<b>Term</b>	<b>Description</b>
RoC	Registrar of Companies
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	National Stock Exchange of India Limited
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US/ U.S. / USA/United States	United States of America
USD or US\$ or \$	United States Dollar, the official currency of the United States of America
UV	Ultraviolet
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value

Term	Description
WTD	Whole-time Director
YoY	Year over year

*Notwithstanding the following: -*

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 329 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “*Financial Statements*” beginning on page 163 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “*Risk Factors*” beginning on page 17 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 95 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 231 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘*Financial Statements*’ beginning on page 163 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 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the next year. All references to a particular fiscal year are to the 12 month period ended March 31<sup>st</sup> of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled ‘*Financial Statements*’ beginning on page 163 of this Prospectus.

### CURRENCY OF PRESENTATION

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

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

### INDUSTRY & MARKET DATA

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

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified by the Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section – “*Risk Factors*” on page 17 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

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

## FORWARD LOOKING STATEMENT

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

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the sectors/areas in which we operate;
- Factors affecting the Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 17 and 231 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, Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## SECTION II – RISK FACTORS

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

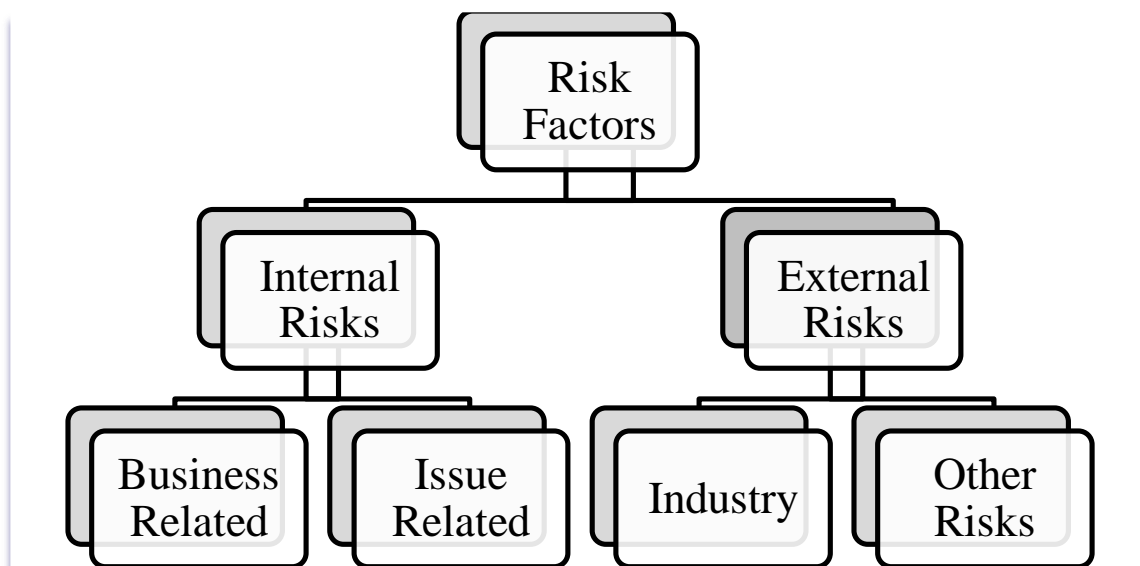
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 117, “Our Industry” beginning on page 97 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 231 of this 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, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

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



## INTERNAL RISKS

### BUSINESS RELATED RISKS

- Our Promoters and Directors are involved in certain tax related proceedings and which are currently pending at various stages. Further, one of our directors who is also a promoter of our company is involved in a criminal proceeding as a Complainant and has filed an FIR. Any adverse decision in any such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations.*

Our Promoters and directors are involved in certain Income Tax Proceedings. They have been issued notices under Income Tax Act, 1961 and related proceedings are pending with relevant statutory authorities at various jurisdictions. Further, one of our directors who is also a promoter has filed an FIR bearing No. 0140/2017 on June 21, 2017 at Shastri Nagar Police station, District Jodhpur City (West) under Section 154 of the Code of Criminal Procedure against two unknown persons. The matter is currently pending.

Also, we cannot assure you that, we, our promoters, our directors or may not face legal proceedings in future; any adverse decision in such legal proceedings may impact our business and results of operations. For further details in relation to legal proceedings involving our Company, Promoters, Directors, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 252 of this Prospectus.

Except as mentioned above, there are no legal proceedings by or against our Company, Directors and Promoters. A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
<b>Company</b>							
By the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>							
By the Promoter	1	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	7	Nil	Nil	Nil	0.18

<b>the Promoter</b>							
<b>Group Companies</b>							
<b>By Group Companies</b>	N.A.*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Against Group Companies</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Directors other than promoters</b>							
<b>By the Directors</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Against the Directors</b>	Nil	Nil	2	Nil	Nil	Nil	0.03
<b>Subsidiaries</b>							
<b>By the Subsidiaries</b>	N.A.*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Against the Subsidiaries</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\*N.A. = Not Applicable

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

Our business is working capital intensive primarily on account of high debtor days and inventory levels. A significant portion of our working capital is utilized towards trade receivables and inventories. Summary of our working capital position, based on the restated financials of Priti International (the proprietorship of Our Promoter Priti Lohiya which was acquired by Our Company through Business Succession vide agreement dated November 11, 2017) is given below:-

Particulars	For the year ended March 31,	
	2017	2016
<b>A. Current Assets</b>		
Inventories	229.67	372.82
Trade Receivables	322.63	242.90
Cash and Bank Balances	26.57	14.45
Other Current Assets	117.29	68.94
<b>Sub-total (A)</b>	<b>696.16</b>	<b>760.96</b>
<b>B. Current Liabilities</b>		
Trade Payables	196.25	207.70
Other Current Liabilities	205.51	147.20
Other Current Liabilities and Short Term Provisions	11.75	13.11
<b>Sub-total (B)</b>	<b>413.51</b>	<b>368.01</b>
<b>Working Capital (A-B)</b>	282.65	392.95
<b>Inventories as % of total current assets</b>	32.99%	48.75%
<b>Trade receivables as % of total current assets</b>	46.34%	31.92%

Our Company intends to continue growing by expanding our operations and geographical reach. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For

further details regarding working capital requirements, please refer to the chapter titled “*Objects of the Issue*” beginning on page 83 of this Prospectus.

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

Our Company was incorporated as Priti International Limited on June 30, 2017 under the provisions of Companies Act, 2013. Prior to the incorporation of our company, the Promoters of our Company were carrying out the operations as a sole proprietorship in the name and style of M/s. Priti International which was taken over by our Company with effect from November 11, 2017 for a total consideration of Rs. 154.39 Lakhs vide a Business Succession Agreement. Thus we have very limited operating history from which one can evaluate our business, future prospects and viability. For further details relating to the history of our Company, please refer to the chapters titled “*Our History and Certain Other Corporate Matters*”, “*Our Business*” and “*Financial Statements*” beginning on pages 138, 117 and 163 respectively of this Prospectus.

Further, prior to incorporation, the provisions of the Companies Act were not applicable to us. However, after incorporation, our Company will have to comply with the provisions of the Companies Act such as appointment of Key Management Personnel, Independent Directors, constitution of various management committees, preparation of financial statements as per the Schedule III, prior approval for entering into related party transactions, taking unsecured loan and giving unsecured loan, etc. Though our Company is taking all the possible endeavour to comply with the provisions of the Companies Act but in case of our inability to do so or any delay, we may be subject to penal actions from the concerned authorities which may have an adverse effect on our financial position and reputation.

**4. *The Company is yet to place orders for 100% of the machinery and equipments required for upgradation of our facility. Any delay in placing orders, procurement of equipments may delay our implementation schedule and may also lead to increase in price of these equipments.***

We are yet to place orders for machinery and equipments worth Rs 70.00 lakhs as detailed in the chapter titled, “*Objects of the Issue*” beginning on page 83 of this Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s views of the desirability of current plans, change in supplier of equipments or equipments depending on the contracts bided and actually awarded, changes in rates of foreign exchange, among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machinery, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of the Project, which would have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 83 of this Prospectus.

**5. *Delay in installation of Plant and Machinery may subject our Company to risks related to time and cost overrun which may have a material adverse effect on our business, results of operations and financial condition.***

We propose to install Plant and Machinery. For further details regarding to our proposed Plant and Machinery, please refer the chapter titled our “*Objects of the Issue*” and “*Our Business*” on page 83 and 117 respectively of this Prospectus.

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

In the event that the risks and uncertainties discussed above or any other unanticipated risks, uncertainties, contingencies or other events or circumstances limit or delay our efforts to use the Net Proceeds to achieve the planned growth in our business, the use of the Net Proceeds for purposes identified by our management

may not result in actual growth of our business, increased profitability or an increase in the value of your investment in our Equity Shares.

**6. *We do not own the land where our registered office and manufacturing facilities are situated.***

We operate from our registered office situated at Plot No. F-43 Basni 1st Phase, Jodhpur, 342001, Rajasthan, India and from our manufacturing facilities Unit 1 - Khasara No. 20/2, Boranada, Opposite Meera Sansthan, Jodhpur - 342001, Rajasthan, India and Unit 2 - Plot No. F-43, Basni 1st Phase, Jodhpur - 342005, Rajasthan, India. The land on which our registered office and our manufacturing facilities are situated, are taken on lease and lease agreements are duly entered. If we are unable to renew these leases or if they are not renewed on favorable conditions, it may affect our operations adversely. Also if we do not comply with certain conditions of the lease agreements, it may lead to termination of the leases. In the event of non-renewal or termination of the leases, we may have to vacate our current manufacturing facility or office premises and shift the same to new premises. There can be no assurance that we shall be able to find a suitable location, or one at present terms and conditions. Any additional burden due to shifting of premises, or increased rental expenses, may adversely affect our business operations and financial conditions. For details on properties taken on lease/rent by us please refer to the heading titled “*Land & Property*” in chapter titled “*Our Business*” beginning on page 117 of this Prospectus.

**7. *We may suffer loss of business due to duplication of our products/designs by our competitors.***

Our success highly depends upon the adaptability of designs as per the latest trends and the acceptance of the product in the market. If any of our designs hit the market and receive over whelming response, our competitors may tend to copy our design to increase their market share and revenues and take due advantage; thus hampering our market. Further, if we fail to adopt our design as per the latest trend, our Company may suffer loss of revenue due to reduction in sales. Since our designs are not registered, we may not be able to claim our rights over it and could suffer loss of income thereby affecting our operations and our results of operations.

**8. *Our results of operations may be materially affected if we fail to anticipate and respond to latest trends in the market and consumer preferences in a timely manner.***

Our results of operations depend upon the continued demand by consumers for our products. We believe that our success depends in largely upon our ability to anticipate, gauge and respond in a timely manner to changing trends in the market and consumer demands and preferences. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products on a timely basis, we may lose customers or become subject to greater pricing pressure. A decline in demand for our products or a misjudgment on our part could, among other things, lead to lower sales, excess inventories and higher markdowns, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

**9. *The success of our demonstrations at the international product exhibitions determines our order books and new customers.***

Our marketing strategy majorly comprises of participation in fairs and product exhibitions in various geographies internationally to reach to new customers. We receive orders from our existing and new customers on the basis of our ability to demonstrate and explain the type, quality and usage of the products in such fairs and exhibitions. There is no assurance that we receive orders for all the products demonstrated at the exhibitions. Thus the performance of our team at these exhibitions plays an important role in getting new business for our Company. If our team is not able to perform well in the exhibitions, our order book may be significantly affected which may impact our financial conditions and results of operations.

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

We export majority of our products and receive sale proceeds in foreign currency. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Further, none of the transactions in foreign currency are hedged by our company. After receiving the foreign currency in the bank account, the same is realized on need basis, at the exchange rate prevailing at

that time. Fluctuations in the exchange rates may affect our Company to the extent of transactions in foreign currency terms. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

- 11. *Our top 10 customers and top 5 customers contribute around 92.97% and 74.64% of our total revenues from operations respectively for the period ended December 31, 2017. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top 10 customers and top 5 customers contribute around 92.97% and 74.64% of our total revenues from operations respectively for the period ended December 31, 2017. Any decline in our quality standards, growing competition and any change in the demand, may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time.

- 12. *We are dependent upon few suppliers for timely supply of raw materials for our manufacturing facilities.***

For the year ended December 31, 2017, purchases from the top 10 suppliers of our Company contributed more than 64.27 % of its total purchases. In the event of a delay, inadequacy or default in deliveries by any of our vendors, we may not be able to source our raw material on an adequate and timely basis or on commercially acceptable terms. A major disruption to the timely and adequate supplies of our raw materials could adversely affect our business, results of operations and financial condition. Any problems faced by our suppliers in their manufacturing facilities resulting in delays or non-adherence to quality requirements could adversely impact our ability to meet our customer's requirements in time and our operations would be affected to the extent we are unable to line up supplies from alternate suppliers.

- 13. *Our Company's failure to maintain the quality standards of the products or keep pace with the technological developments could adversely impact our business, results of operations and financial condition.***

Our products depend on customer's expectations and choice of the customer and recent trends in the industry. In case of our export operations, our products depend on recent inventions and developments as we market the products as per the market trends. Any failure to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations. Also, rapid change in our customers' expectation on account of changes in technology or introduction of new products or for any other reason and failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition. While, we believe that we have always introduced new products based on consumers need to cater to the growing demand of our customers, our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results.

- 14. *We generally do business with our customers on purchase basis and do not enter into long-term contracts with them.***

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

15. ***Our Company exports its products to countries including Spain, Belgium, Holland, Netherlands, Turkey, England, China, Greece, Germany etc. Any adverse events affecting these countries could have a significant adverse impact on our results from operations.***

We derive a considerable amount of revenue from operations from export sales. Our Company exports its products to many countries namely Spain, Belgium, Holland, Netherlands, Turkey, England, China, Greece, Germany etc. Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries, etc. would directly impact our revenues and results from operations. In the event of change in policies or laws in these regions with respect to quality standards, branding or restrictions on usage of certain products/raw materials from our country, we may be required to change or update our mode of operations or products which may consequently affect our financial condition and business operations. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

16. ***Our cost of production is exposed to fluctuations in the prices of raw materials.***

Our Company is dependent on third party suppliers for procuring the raw material like raw and waste iron, copper, aluminium and other metals and wooden materials. We are exposed to fluctuations in the prices of these raw materials as well as their unavailability, as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our production and delivery schedules, which may result in the loss of our customers and revenues.

17. ***Certain intermittent processes in the manufacturing of our products are outsourced to third party contractors.***

In the manufacturing of furniture and handicrafts, certain intermittent activities such as painting, dyeing, cutting, finishing, washing etc. are outsourced to third party contractors. We do not have any long term service or manufacturing contracts with these contractors. Further there can be no assurance that such parties shall continuously provide their services or would not cater to demand of competitors. Any disruptions in their operations caused by any reason may significantly affect our business operations which in turn may have an adverse effect on our business, results of operations, cash flows and financial condition. Further, any withdrawal of services from such manufacturers or supply of services to competitors at better rates may adversely affect our result of operations and future prospects.

18. ***Our Company has negative cash flows from its operating activities and investing activities for the period ended December 31, 2017, details of which are given below. Sustained negative cash flows could impact our growth and business.***

Our Company had negative cash flows from our operating activities and investing activities for the period ended December 31, 2017 as per the Restated Financial Statements and the same are summarized as under:

Amount (Rs. in Lakhs)

Particulars	For The Period Ended December 31, 2017
Cash Flow from / (used in) Operating Activities	<b>(196.54)</b>
Cash Flow from / (used in) Investing Activities	<b>(152.39)</b>
Cash Flow from / (used in) Financing Activities	<b>384.14</b>

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

We also operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier of a critical raw material, which may adversely affect our business, results of operations and financial condition.

**19. *If we fail to develop technologies, processes or products needed to support consumer demand, we may lose significant market share or be unable to recover associated costs.***

Our ability to sell handicraft products in export markets may be significantly impacted if we do not develop or make available technologies, processes, or products that competitors may be developing and consumers demanding. This includes but is not limited to changes in the design of and materials used to manufacture handicraft products. Technologies may also be developed by competitors that better distribute products to consumers, which could affect our customers. Additionally, developing new products and technologies require significant investment and capital expenditures and accurate anticipation of market trends. If we fail to develop new products that are appealing to our customers, or fail to develop products on time and within budgeted amounts, we may be unable to recover our operating costs. If we cannot successfully use new production or equipment methodologies we invest in, we may also not be able to recover those costs, whether because we lose market share in export markets.

**20. *Any disruption in production at, or shutdown of, our any of our manufacturing facility could adversely affect our business, results of operations and financial condition.***

We have two manufacturing facilities situated at Basni and Boranada in Jodhpur, Rajasthan. All of our products are manufactured from these facilities only. In the event any natural calamity in these areas, our ability to manufacture our products may be adversely affected. Apart from natural calamities, our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risks arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations may be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

**21. *We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of 'Priti International Limited' from 'M/s Priti International' pursuant to business acquisition and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. We were a proprietary concern in the name of "M/S. PRITI INTERNATIONAL". Our Company i.e. PRITI INTERNATIONAL LIMITED has acquired the business of M/s PRITI INTERNATIONAL in the year 2017. We shall be taking necessary steps for transferring the approvals in name of our company from Proprietary concern. In case we fail to transfer/obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business.

We have made an application for registration of Trademark with the Registrar of Trademarks, Trademark Registry, Government of India and it is currently pending. The Employees Provident Fund Registration Certificate is currently in the name of M/s. PRITI INTERNATIONAL. Further, an application for change in name from M/S. PRITI INTERNATIONAL to PRITI INTERNATIONAL LIMITED for the same has been made and is currently pending. Our Company is yet to apply for License to Work Factory under Factories Act, 1948, Employees State Insurance Registration Certificate; Consent to Establish with the Rajasthan Pollution Control Board and Consent to Operate under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and

Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008.

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

For further details, please refer the chapter titled “Government and Other Statutory Approvals” on page 259 of this Prospectus.

**22. *The Promoter Group of our Company does not include certain relatives of our Promoter and/or entities in which these persons may have any interest.***


The Promoter Group of our Company does not include certain relatives of our Promoter and/or any entities in which they jointly or severally may have an interest. The Promoter Group of our Company does not include Shyam Sundar Lohiya, Damodar Das Lohiya, Gopal Das Lohiya, Sampti Bhootra, Manak Devi Jaisalmeria, Kamal Jaisalmeria, Arun Jaisalmeria, Sohan Bhootra, Anand Bhootra and Premesh Bhootra and/or any entity(ies) in which they severally or jointly may have an interest. They have refused to provide any information pertaining to them or any such entities.

The aforesaid relatives fall under the definition of “immediate relatives” as per the SEBI ICDR Regulations but, as such, do not form part of the “Promoter Group” and nor does they hold any equity shares in our Company except Sohan Bhootra and Premesh Bhootra. A declaration has been provided by the Promoters excluding the above person/entities from Promoter Group. Further, our Promoter has submitted that information related to business/financial interest held by the said relatives is not accessible for the purpose of disclosure in the Prospectus.

Thus these immediate relatives are treated as disassociated from the promoter group though there are no formal disassociation agreements with them. Therefore, the disclosures made in this Prospectus are limited to the extent of information that has been made available in relation to Promoter Group. For further details, please refer to chapters titled — “Our Promoter and Promoter Group” beginning on page 155 of this Prospectus.

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

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

Currently, we have applied for registration of our logo  and it is pending. There is no guarantee that the application for registration of our said logo will be accepted in favour of the Company. This may affect our ability to protect our trademark in the event of any infringement of our intellectual property. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our corporate name or logo.

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

intellectual property, causing damage to our business prospects, reputation and goodwill. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects.

For further details, please refer the chapter titled “*Government and Other Statutory Approvals*” on page 259 of this Prospectus.

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

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

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

**25. *We could become liable to our customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

**26. *Our Company has not created provision for gratuity in the financial statements.***

The Company is required to assess its liability for gratuity based on actuarial valuation done as per Accounting Standard 15 and make provision for the same each year accordingly. However, no provision for gratuity has been created in the books of accounts of our Company. This may adversely affect the profitability of the Company at the time of discharge of such gratuity liability in future.

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

Our Promoters' average cost of acquisition of Equity Shares in our Company is lower than the Issue Price as may be decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to section “*Prominent Notes*” under chapter “*Capital Structure*” beginning on page 71 of this Prospectus, respectively.

**28. *Our Peer Reviewed Auditor has included an observation in his report with regards to Segment reporting.***

We deal in manufacturing of various handicraft products and marketing of the same. Considering the nature of the Business and Financial Reporting of the Company, we operate in two products Segments, i.e. Handicraft Products Segment and Wooden Furniture Products Segment. The company has not maintained separate data for the purpose of the Segmental Reporting due to lack of awareness of such reporting requirements. Hence in absence of the said data, peer reviewed auditor is unable to report on the same. However, management of the Company has assured that they shall maintain such data henceforth considering the reporting requirement.

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

We primarily cater our products in international market through Exports. However, we do not have any offshore office as a result of which we may not be able to capitalize on opportunities offered by the evolving handicraft sector and our customers in a timely manner. The business operations of our Company are handled from registered office and manufacturing facilities located in Jodhpur. Apart from this, our Company does not have any place of business overseas either in the nature of liaison office or corporate office. Due to this, we may not be able to expand our business effectively in the international market, thereby affecting the results of operations and profitability.

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

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

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

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

**32. *We may not be successful in implementing our business strategies.***

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

**33. *Our Company do not get the products insured against possible damages during export outside India which may make create liability for making the damages good.***

Our Company exports products outside India through sea route in containers. However, the products are not insured against any possible loss due to damages or other loss. If our products get damaged enroute, we may

be held liable by our customers for making the damages good. In case of material damage, the quantum of loss could be big which may lead to material adverse effect on our business and results of operations.

- 34. *Our Company has no formal supply agreement or contract with our vendors/suppliers for the uninterrupted supply of major raw materials. Our business may be adversely affected if there is any disruption in the raw material supply.***

We do not have any formal agreements with our vendors/suppliers as we operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. In the event of any disruption in the raw materials supply or the non-availability of raw materials, the production and dispatch schedule may be adversely affected impacting the sales and profitability of the Company. In the event the prices of such raw materials were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our raw materials, on the terms acceptable to us, which could materially affect our business, results of operations and financial condition. Our management believes that we maintain good relations with our suppliers and we shall also not face any challenge in finding new suppliers if required.

- 35. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.***

As on date of this Prospectus, we have not made any alternate arrangements for meeting our capital requirements for some of the objects of the issue i.e. Purchase of Plant & Machinery, working capital, etc. We meet our capital requirements through our bank finance, debts, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "*Objects of the Issue*" beginning on page 83 of this Prospectus.

- 36. *We do not have documentary evidence for the educational qualification and experience details of Ritesh Lohiya who is our Promoter, Director and Key Management Personnel.***

The brief profiles of Promoters, Directors and Key Management Personnel are required to be included in the chapter "Our Management – Brief Biographies of Directors", "Our Management – Key Management Personnel" and "Our Promoters and Promoter Group" in the Prospectus. In case of Ritesh Lohiya who is our Promoter, Director and Key Management Personnel, Supporting documents required for details to be stated under brief profile such as educational & qualification certificates, experience certificates are not available. The information included in these abovementioned chapters is based on the details provided by Ritesh Lohiya in the respective capacity of Promoter, Director and Key Management Personnel. Further, for such information provided by him, we have relied on information and affidavits given by him; certifying the authenticity of the information provided. We cannot assure you that all such information included in relation to him is true and correct.

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

Our insurance policies consist of, among others, standard fire and special perils, earthquake, etc. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, losses due to terrorism, etc. Further there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

38. ***Within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 83 of this Prospectus, our Company’s management will have flexibility in applying proceeds of the 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 fresh Issue Proceeds towards purchase of Plant & Machinery, working capital requirements and general corporate purposes. We intend to deploy the Net Issue Proceeds in Financial Year 2017-18 and such deployment is based on certain assumptions and strategies 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 83 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 the Issue*” beginning on page 83 of this Prospectus, the management will have flexibility in applying the proceeds received by our Company from the Issue. However, the company shall comply with Section 27 of the Companies Act, 2013 before varying the Objects of the Issue. The Audit Committee will monitor the utilisation of the proceeds of this Issue.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 162 of this Prospectus.

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

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

41. ***In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and Key Managerial Personnel are interested in our Company to the extent of their shareholding, dividend entitlement, if any, loan availed by our Company, etc.***

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding, dividend entitlement, if any; loan availed from them by our Company, etc.

For further information, see “*Capital Structure*” and “*Our Management*” and “*Related Party Transactions*” beginning on pages 71, 142 and 161, respectively, of this Prospectus.

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

Our success is substantially dependent on the expertise and services of our Promoters, Directors and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

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

After completion of the Issue, our Promoters and members of the Promoter Group will collectively own 72.99% of our equity share capital. As a result, our Promoters, 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 also have the effect of delaying, preventing or deterring a change in control of our Company.

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

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

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

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

After incorporation, our Company has entered into transactions with certain of our related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to "Annexure XXIV Related Party Transactions" in Section "Financial Statements as restated" beginning on page 163 of this Prospectus.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. 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 may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**47. *We have issued Equity Shares in the last twelve months, the price of which is lower than the Issue Price.***

Our Company has issued 15,93,860 Equity Shares of face value of Rs. 10/- each during the last twelve months at a price which is lower than the issue price.

<b>Date of Allotment / Fully Paid-up</b>	<b>No. of Equity Shares allotted</b>	<b>Face value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Nature of consideration</b>	<b>Nature of Allotment</b>
June 29, 2017	50,000	10	10	Cash	Subscription to Memorandum
November 18, 2017	15,43,860	10	10	Other than Cash	Issue of shares pursuant to Acquisition of Business of M/s. Priti International

For further details of Equity Shares issued, please refer to chapter titled, “*Capital Structure*” beginning on page 71 of this Prospectus.

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

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

**ISSUE RELATED RISK**

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

The Issue Price of our Equity Shares will be determined by our company in consultation with the Lead Manager (LM). This price is based on numerous factors (For further information, please refer chapter titled “*Basis for Issue Price*” beginning on page 92 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.

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

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

**EXTERNAL RISK FACTORS**

**INDUSTRY RISKS**

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

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business

or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

## **OTHER RISKS**

### **52. *You may be subject to Indian taxes arising out of capital gains on the sale of the 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 realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Further, any gain realised 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 in India, if securities transaction tax has been paid on the transaction. Any gain realised on the sale of shares held for more than 36 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of equity shares held for a period of 36 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, may be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

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

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

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

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

As stated in the reports of the Auditor included in this Prospectus under chapter "Financial Statements as restated" beginning on page 163, the financial statements included in this Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “*Key Industry Regulations and Policies*” on page 128 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

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

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

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

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

56. ***We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Handicraft industry contained in the Prospectus.***

While facts and other statistics in this Prospectus relating to India, the Indian economy and the Handicraft industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “*Our Industry*” beginning on page 97 of this Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and

market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**57. *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.

**58. *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.

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

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

**60. *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.

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

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

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

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

## PROMINENT NOTES

1. Public Issue of 7,00,800 Equity Shares of face value of Rs.10/- each of our Company for cash at a price of Rs. 75/- per Equity Share (including a share premium of Rs. 65/- per equity share) ("Issue Price") aggregating upto Rs. 525.60 Lakhs, of which 35,200 Equity Shares of face value of Rs. 10/- each will be reserved for subscription by Market Maker to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Net Issue of 6,65,600 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 27.01 % and 25.66 %, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Lead Manager (LM) or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "General Information" beginning on page 64 of this Prospectus.
3. The pre-issue net worth of our Company was Rs. 400.11 Lakhs as at December 31, 2017. The book value of each Equity Share was Rs. 21.13 as at December 31, 2017 as per the restated financial statements of our Company. For more information, please refer to section titled "Financial Statements" beginning on page 163 of this Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in Rs.)
Priti Lohiya	15,58,360	10.00
Goverdhan Das Lohiya HUF	1,12,074	74.94
Ritesh Lohiya HUF	1,18,366	74.95
Ritesh Lohiya	84,232	63.58
Goverdhan Das Lohiya	14,800	10.00

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

5. Our Company has entered into related party transactions since incorporation. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer Annexure XXIV "Related Party Transactions" under chapter titled "Financial Statements as restated" beginning on page 163 of this Prospectus.
6. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled "Issue Structure" beginning on page 281 of this Prospectus.
7. Except as disclosed in the chapter titled "Capital Structure", "Our Promoters and Promoter Group", "Our Management" and "Related Party Transactions" beginning on pages 71, 155, 142 and 161 respectively, of this Prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled "Capital Structure" beginning on page 71 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.

10. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 92 of this Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus with the Stock exchange.
12. Our Company was originally incorporated as “Priti International Limited” at Jodhpur, Rajasthan as a Public Limited Company under the provision of Companies Act, 2013 vide Certificate of Incorporation dated June 30, 2017 bearing Corporate Identification Number U36994RJ2017PLC058454 issued by the Registrar of Companies, Rajasthan. Our Company acquired the business of Proprietorship Concern of our Promoter Priti Lohiya viz. M/s. Priti International through Business Succession Agreement dated November 11, 2017. Consequently, Business of this proprietorship firm was merged into Priti International Limited. The Corporate Identification number of our Company is U36994RJ2017PLC058454.  
  
For details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page 138 of this Prospectus.
13. As on the date of this Prospectus our company does not have any Group Company.

### **SECTION III- INTRODUCTION SUMMARY OF INDUSTRY**

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 17 and 163 respectively of this Prospectus before deciding to invest in our Equity Shares.*

#### **INTRODUCTION TO THE INDIAN HANDICRAFT INDUSTRY**

India is a country of rich culture, history and traditions. India is one of the major producer and supplier of Handicrafts products in the world. Before the industrial development, this art and industry was a potential economic advantage for the country.

During recent years, the importance of handicrafts has surged due to their cultural and financial values. The small scale industries - including handicrafts can play a major role in the development of the economy of both developed and the developing countries equally. The 90-95% of the total industrial products of the world are produced in small workshops run by less than 100 people. For instance, Japan, which is at the peak of the economic development, has considered 84% of the its industries as small and medium scale industries. In countries like India, handicrafts are as high as the mechanized products in quality and volume, and are a major source of their foreign earnings.

The Indian handicrafts industry is highly labour intensive, cottage based and decentralized. The industry is spread all over the country mainly in rural and urban areas. Most of the manufacturing units are located in rural and small towns, and there is huge market potential in all Indian cities and abroad. Handicraft industry is a major source of income for rural communities employing over six million artisans including a large number of women and people belonging to the weaker sections of the society.

The Handicraft sector is highly creative sector and produces large variety of crafts products. This industry is localized segment of the domestic and international market. In India the production of craft products are done on both large and small scale. Because of low capital investment people can start their business on small scale. Through this flexibility the demand and supply can be managed.

There is huge demand for the Indian Handicraft products in both national and international markets. To match the demand and supply with quality, there is need to have greater technological support and innovativeness with the uniqueness in industry.

*(Source: Indian Handicraft Industry at a Glance in 2015-16- [www.indianmirror.com](http://www.indianmirror.com))*

#### **STATISTICAL OVERVIEW OF THE INDIAN HANDICRAFT INDUSTRY**

India is one of the important suppliers of handicrafts to the world market. The Indian handicrafts industry is highly labour intensive cottage based industry and decentralized, being spread all over the country in rural and urban areas. Numerous artisans are engaged in crafts work on part-time basis. The industry provides employment to over six million artisans (including those in carpet trade), which include a large number of women and people belonging to the weaker sections of the society

The handicrafts sector is important for the Indian economy as it is one of the largest employment generators and accounts for a significant share in the country’s exports. The state and regional clusters contribute significantly to handicrafts export. The Indian handicrafts industry is fragmented, with more than seven million regional artisans and more than 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets.

Handicraft exports from India increased by 11.07 per cent year-on-year during April 2016-March 2017 to US\$ 3.66 billion. During this period, the exports of various segments registered positive growth like Shawls as

Artwares (26.79 per cent), Hand printed Textiles & Scarves (25.96 per cent), Artmetal wares (19.04 per cent), Agarbatis and attars (6.76 per cent) and Embroidered & Crocheted goods (5.85 per cent). Indian handicrafts are exported across geographies, with the top 10 destinations being the US, the UK, the UAE, Germany, France, Latin American countries (LAC), Italy, the Netherlands, Canada and Australia.

The EXPORT PROMOTION COUNCIL FOR HANDICRAFTS (EPCH) is the apex government body and operates under the administrative control of the Ministry of Textiles, Government of India. EPCH has the distinction of being considered a ‘model council’, a self-sustaining body that self-finances all its promotional activities.

(Source: Export Promotion Council for Handicrafts- [www.ibef.org](http://www.ibef.org))

## **GLOBAL ECONOMIC OVERVIEW**

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India’s capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world’s “political carrying capacity for globalisation” may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends— documented widely— about stagnant or declining trade at the global level. This changed outlook will affect India’s export and growth prospects.

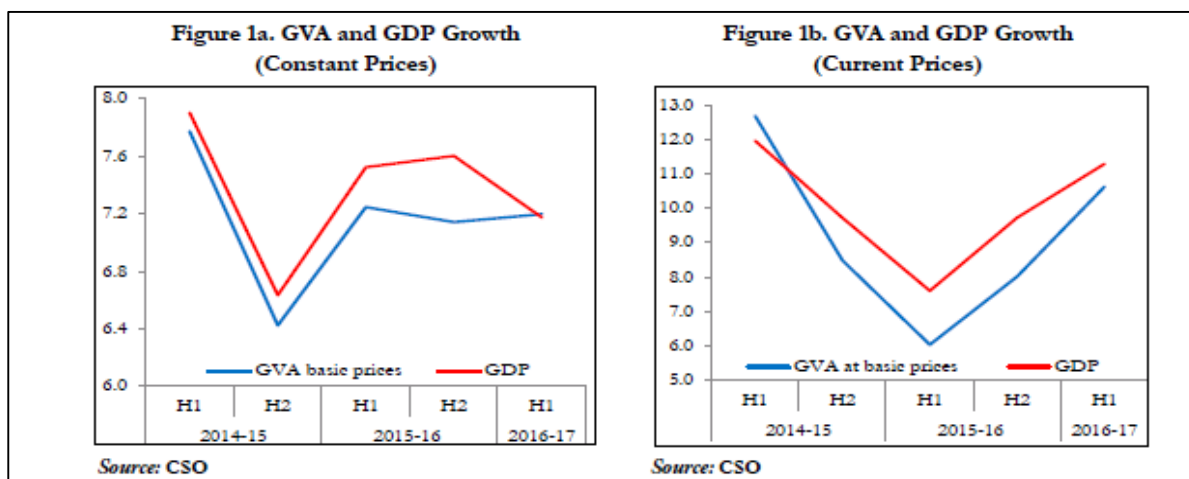
Third, developments in the US, especially the rise of the dollar, will have implications for China’s currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China’s ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY**

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms’ spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).

The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services— dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).



Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI’s target of 5 percent, a trend likely to be assisted by demonetisation.

### **External Sector**

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

### **Fiscal Position**

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in

demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **OUTLOOK FOR 2017-18**

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

As discussed earlier, India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses were in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60-65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geopolitics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's

exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

### **Fiscal outlook**

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

### **The macroeconomic policy stance for 2017-18**

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct itself even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employers'

Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income. But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

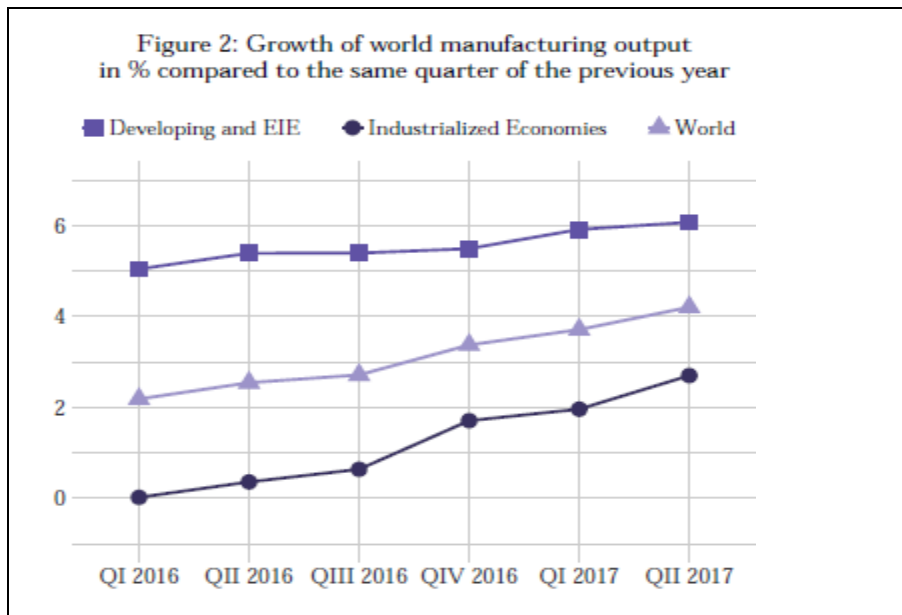
(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## GLOBAL MANUFACTURING SECTOR

### World Manufacturing Growth in quarter II, 2017

World manufacturing in the second quarter of 2017 has continued to show signs of expansion, following an upward trend observed throughout 2016 and improved growth rates in the first quarter of 2017. Both industrialized and developing and emerging industrial economies gained further strength in manufacturing production and confirmed their healthy dynamic growth.

Although the pace of growth indicates similar trends in both country groups (Figure 2), developing economies continuously performed better than industrialized ones. The current growth prospects are improving further on account of rising consumer spending and promising investment plans, which are favourably directed towards developing economies. Changing business conditions are driving industrial production growth and confidence for the overall outlook has been increasing. Moreover, the risks for global growth witnessed last year, such as political instability in Europe, unpredictability of the Brexit aftermath, the rising trade protectionism following the US election and an abrupt slowdown in China have certainly diminished, although they have not disappeared completely.



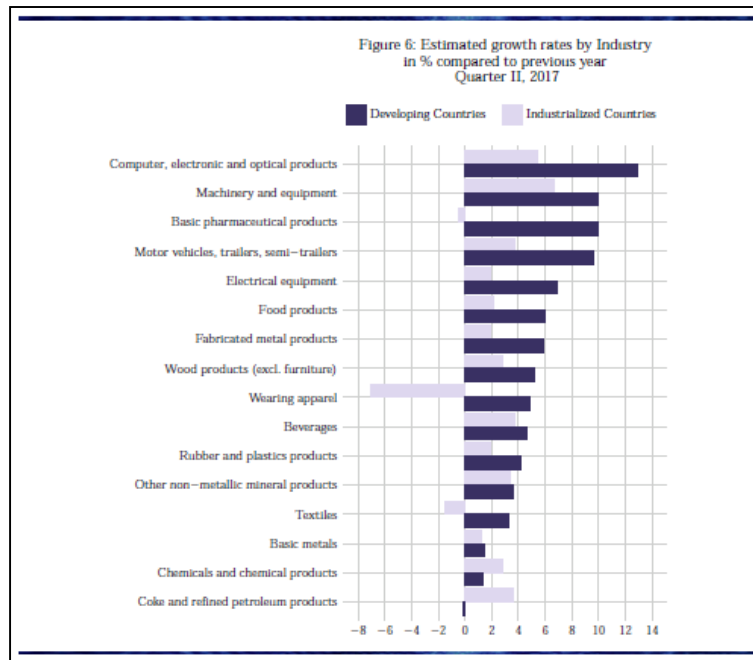
(Source: *World Manufacturing Production, Statistics for Quarter II, 2017*, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org))

Optimistic results reported in the first quarter have carried over into the second quarter of this year. Global manufacturing output rose by 4.2 per cent in the second quarter of 2017 compared to the same period of the previous year, building on the robust 3.7 per cent increase observed at the beginning of 2017. The major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, Italy and France, thrived in the second quarter of 2017. The growth prospects of China, the world's largest manufacturer, remained unchanged.

As depicted in Figure 2, steady progress over several consecutive quarters characterizes all country groups and the prospects for sustained global industrial growth in the coming periods are good.

### Findings by industry Group

The growth rates for selected industries are presented below.



(Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org) )

## MANUFACTURING SECTOR IN INDIA

### Introduction:

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the ‘Make in India’ program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020\*. The Gross Value Added (GVA) at basic constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the 2nd provisional estimate of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

### Investments:

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

### Government Initiatives:

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

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

The Government of India has introduced several policy measures in the Union Budget 2017-18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.

The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.

The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.

The Ministry of Heavy Industries and Public Enterprises, Government of India, has approved the setting up of four Centres of Excellence (CoE) in areas of textile machinery, machine tools, welding technology and smart pumps, which will help raise the technology depth of the Indian Capital Goods Industry.

The Ministry of Defence, Government of India, approved the “Strategic Partnership” model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.

The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

### **Road Ahead:**

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

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2 trillion along with a population of 1.2 billion people, which will be a big draw for investors.

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

Exchange Rate Used: INR 1 = US\$ 0.015 as on October 30, 2017

\*According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Manufacturing Sector in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **INDIAN HANDICRAFT INDUSTRY**

### **Introduction**

The handicrafts sector is important for the Indian economy as it is one of the largest employment generators and accounts for a significant share in the country's exports. The state and regional clusters contribute significantly to handicrafts export. The Indian handicrafts industry is fragmented, with more than seven million regional artisans and more than 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets.

### **Key Markets And Export Destinations**

Handicraft exports from India increased by 11.07 per cent year-on-year during April 2016-March 2017 to US\$ 3.66 billion. During this period, the exports of various segments registered positive growth like Shawls as Artwares (26.79 per cent), Hand printed Textiles & Scarves (25.96 per cent), Artmetal wares (19.04 per cent), Agarbatis and attars (6.76 per cent) and Embroidered & Crocheted goods (5.85 per cent).

Indian handicrafts are exported across geographies, with the top 10 destinations being the US, the UK, the UAE, Germany, France, Latin American countries (LAC), Italy, the Netherlands, Canada and Australia.

### **EXPORT PROMOTION COUNCIL FOR HANDICRAFTS**

The EXPORT PROMOTION COUNCIL FOR HANDICRAFTS (EPCH) is the apex government body and operates under the administrative control of the Ministry of Textiles, Government of India. EPCH has the distinction of being considered a 'model council', a self-sustaining body that self-finances all its promotional activities.

India is one of the important suppliers of handicrafts to the world market. The Indian handicrafts industry is highly labour intensive cottage based industry and decentralized, being spread all over the country in rural and urban areas. Numerous artisans are engaged in crafts work on part-time basis. The industry provides employment to over six million artisans (including those in carpet trade), which include a large number of women and people belonging to the weaker sections of the society.

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Although exports of handicrafts appear to be sizeable, India's share in world imports is miniscule. It is a sector that is still not completely explored from the point of view of hidden potential areas. India, a country with 26 states and 18 languages and more than 1500 dialects offers an enormous range of handicrafts from each of the states. Major centres in Uttar Pradesh are Moradabad also known as the "Peetalnagari" (City of Brass), Saharanpur for its wooden articles, Ferozabad for Glass. The North Western state of Rajasthan has to offer the famous Jaipuri quilts, Bagru and Sanganer printed textiles and wooden and wrought iron furniture from Jodhpur. The coastal state of Gujarat comes with embroidered articles from Kutch. Narsapur in Andhra Pradesh is famous for its Lace and Lace goods. But this is only a small part of the total product range. India offers much more.

Handicrafts are classified into two categories:

- Articles of everyday use
- Decorative items

The craftsmen use different media to express their originality. The diversity of the handicrafts is expressed on textiles, metals – precious and semi-precious, wood, precious and semi-precious stones, ceramic and glass.

#### **Textile based handicrafts:**

Hand printed textiles including block and screen printing, batik, kalamkari (hand printing by pen) and bandhani (tie and die) are used in products ranging from bed-covers to sheets, dress material to upholstery and tapestry. The famous embroidered articles of silk and cotton, often embellished with mirrors, shells, beads, and metallic pieces are also found in India. Embroidery is done too on leather, felt and velvet etc. This segment of the industry accounts for almost half a million strong employment in addition to a large number of designers, block makers, weavers and packers involved in the trade.

#### **Woodwork:**

Wooden articles in India range from the ornately carved to the absolutely simple. One can find toys, furniture, decorative articles, etc. bearing the art and individuality of the craftsman. India is known particularly for its lacquered wood articles.

#### **Craft concentration Areas:**

A wide range of handicrafts are produced all over Indian artmetalware / EPNS ware, wood carvings and other wooden artwares, imitation jewellery, hand printed textiles, shawls as artwares, embroidered goods, lace and lace goods, toys, dolls, crafts made of leather, lacquer ware, marble crafts etc. Although it is difficult to limit a specific place for the particular craft, the following places are listed for their particular crafts.

Artmetalware	Moradabad, Sambhal, Aligarh, Jodhpur, Jaipur, Delhi, Rewari, Thanjavur, Madras, Mandap, Beedar, Kerala & Jagadhari, Jaselmer
Wooden Artwares	Saharanpur, Nagina, Hoshiarpur, Srinagar, Amritsar, Jaipur, Jodhpur, Jagdalpur, Bangalore, Mysore, Chennapatna, Madras, Kerala & Behrampur (WB)
Handprinted Textiles & Scarves	Amroha, Jodhpur, Jaipur, Farrukhabad, Sagru & Sanganer
Embroidered goods	Kutch (Gujarat), Jaisaimer, Baroda, Lucknow, Jodhpur, Agra, Amritsar, Kullu, Dharmshala / Chamba & Srinagar
Marble & Soft Stone Crafts	Agra, Madras, Baster, Jodhpur
Papier Mache Crafts	Kashmir, Jaipur
Terracotta	Agra, Madras, Baster, Jodhpur
Zari & Zari Goods	Rajasthan, Madras, Baster
Imitation Jewellery:	Delhi, Moradabad, Sambhal, Jaipur, Kohima (Tribal)
Artistic Leather Goods	Indore, Kolhapur, Shanti Niketan (WB)

### Selected crafts pockets for achieving export goal:

Although each crafts pockets has its particular problems, a few selected craft pockets are identified based on their past performance for immediate remedial attention to stimulate a quantum in exports of handicrafts in the coming years.

Moradabad(UP)	For Artmetalwares and imitation jewellery
Saharanpur (UP)	For Wooden handicrafts & Wrought iron handicrafts
Jodhpur (Raj.)	For Wooden, Wrought Iron and Sea Shell handicrafts
Narsapur (A.P.)	For Lace and Lace goods

(Source: Handicraft in India, Shodh Ganga [www.shodhganga.com](http://www.shodhganga.com))

### COUNTRY-WISE EXPORTS OF HANDICRAFTS

The major buyers for handicrafts (other than carpets) are as under:

Art Metal wares	U.S.A., Germany, U.K. & Italy
Wood Wares	U.S.A., U.K., Germany & France
Hand Printed & Textiles & Scarves	U.S.A., U.K. , Germany & Canada
Embroidered & Crocheted Goods	U.S.A., Saudi Arabia, U.K., Germany
Shawls as Artwares	Saudi Arabia, U.S.A. Japan & U.K
Zari & Zari goods	U.K. U.S.A., Japan & Saudi Arabia
Imitation Jewellery	U.S.A., U.K., Saudi Arabia & Germany
Miscellaneous Handicrafts	U.S.A., Germany, U.K. & France

(Source: Handicraft in India, Shodh gang a [www.shodhganga.com](http://www.shodhganga.com))

### THE GLOBAL HANDICRAFT AND GIFTWARE MARKET

With over 82 million inhabitants, Germany is the largest market for giftware and handicrafts items in Europe. A member of and situated within the European Union, Germany is supplied with giftware and handicrafts from Germany as well as the surrounding European countries such as France, Italy, Switzerland and the United Kingdom and from all other parts of the world: Russia, Latin America, Africa and Asia.

The size of the total German giftware and handicrafts market varies according to the definition of giftware and handicrafts. With its present size around DM 29.5 billion it corresponds to a broad definition of giftware and handicrafts that includes the following items: home furnishings, art metal ware, table accessories, Christmas decoration, woodware and furniture, imitation jewellers, artificial flowers/plants, scents/cosmetics, sweets, toys/computer games, books, discs/videos, watches/jewellery, certain apparel/textile items and others. The German giftware and handicrafts market grew from DM 29.1 billion in 1998 to DM 29.5 billion in 1999, but experienced a slight decline in the first quarter of 2000.

The substantial supply of giftware and handicrafts has transformed the German giftware and handicrafts market into a fiercely price-competitive market place. Nevertheless, innovative and new to market giftware and handicrafts items place still have good market prospects. It is essential for the German giftware and handicrafts marketers to find new products to stay competitive. Although German consumers may be willing to pay a high price for exclusive items they are very price conscious and want value for money. Among traditional gift items, candles, festive items, including Christmas decoration, exclusive gift boxes and gift-wrap, ribbons, nostalgic calendars and all types of scented items have best prospects. The German market shows a strong demand for low-priced candles. Thus imports from Poland and China have increased substantially. The average growth for the overall giftware and handicrafts is estimated at 1-2 percent over 1999-2000.

### **SALES VOLUME OF SPECIFIC SUB-SECTORS (ESTIMATES):**

Some estimates of individual giftware and handicrafts subsector volume sales are provided as follows:

#### **Seasonal:**

Market insiders estimate the total volume of the seasonal items market, including Christmas, Easter, Valentine's Day and the German counterpart of Thanksgiving, at DM 7.7 billion. In 1997, about DM 3 billion were spent alone for Christmas decoration, Christmas floristic items and Christmas trees only. Christmas items are usually imported from China, Taiwan, Thailand, Philippines and India. However, Indian Christmas decorations as candle stands or Christmas tree hangings and soft toys find a ready market in Germany if they are moderately priced

#### **Hobby and art supplies:**

The present market volume of hobby and art supplies in Germany is estimated at about DM 3 billion, while the total European market should amount to DM 12 billion. Insiders believe that this specific market segment still offers some potential for new products. A recent survey shows that apart from their school days, most of the Germans who do regular DIY or hobby work are between 60 and 69 years (10.8 percent of the German adults) old. With the fast ageing of the German population a stronger demand for hobby and crafts is likely.

#### **Market Access:**

EU member states and Asian countries, China and India in particular, are major suppliers of giftware and handicrafts to the German market. Indian firms making a first approach to the German market are advised to have comprehensive product literature and data sheets professionally translated into German. Although English is widely understood, a well-prepared translation gives an important marketing edge, particularly in the initial presentation. Indian firms should preferably appoint an agent or distributor who can maintain a stock sufficient to answer short-notice orders.

#### **Product Standards:**

In view of the wide field of products that could be considered as giftware and handicrafts, it is difficult to name standards. Compliance with EU standards and regulations is strongly suggested. There are, however, only few product groups in the giftware and handicrafts field that have to follow standards. It is essential that CE-labelling be observed where required. The CE-mark (including conformity statement and technical documentation) is mainly required for toys (88/378/EEC standard). While the quality regulations for candles are obligatory assuring a certain level of quality, the toy regulation and the electronic standards have to be observed because of safety considerations:

(Source: Handicraft in India, Shodh gang [www.shodhganga.com](http://www.shodhganga.com))

### **SWOT ANALYSIS OF THE INDIAN HANDICRAFTS INDUSTRY**

#### **STRENGTHS**

- Abundant and cheap labour hence can compete on price
- Low capital investment and high ratio of value addition
- Aesthetic and functional qualities
- Wrapped in mist of antiquity
- Handmade and hence has few competitors
- Variety of products which are unique

- Exporters willing to handle small orders
- Increasing emphasis on product development and design up gradation

### **WEAKNESSES**

- Inconsistent quality
- Inadequate market study and marketing strategy
- Lack of adequate infrastructure and communication facilities
- Capacity to handle limited orders
- Untimely delivery schedule
- Unawareness of international standards by many players in the market

### **OPPORTUNITIES**

- Rising appreciation for handicrafts by consumers in the developed countries
- Widespread novelty seeking
- Large discretionary income at disposal of consumer from developed countries
- Growth in search made by retail chains in major importing countries for suitable products and reliable suppliers. Opportune for agencies to promote marketing activities
- Use of e-commerce in direct marketing

### **THREATS**

Decline in India's share due to:

- Better quality products produced by competitors from Europe, South Africa, South Asia, etc.
- Better terms of trade by competing countries
- Consistent quality and increasing focus on R&D by competing countries
- Better packaging
- Stricter international standards

(Source: Handicraft in India, Shodh gang [www.shodhganga.com](http://www.shodhganga.com))

## SUMMARY OF OUR BUSINESS

In this section, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to Priti International Limited. Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled — “*Forward-Looking Statements*” beginning on page 16 of this Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section — “*Risk Factors*” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The following information is qualified in its entirety by, and should be read together with, other information included in this Prospectus, including the information contained in the section titled — “*Risk Factors*” beginning on page 17 of this Prospectus.

### OVERVIEW

Our Company was originally incorporated as “Priti International Limited” at Jodhpur, Rajasthan as a Public Limited Company under the provision of Companies Act, 2013 vide Certificate of Incorporation dated June 30, 2017 bearing Corporate Identification Number U36994RJ2017PLC058454 issued by the Registrar of Companies, Rajasthan. Our Company acquired the business of Proprietorship Concern of our Promoter Priti Lohiya viz. M/s. Priti International through Business Succession Agreement dated November 11, 2017. Consequently, Business of this proprietorship firm was merged into Priti International Limited. The Corporate Identification number of our Company is U36994RJ2017PLC058454.

We are primarily engaged in manufacturing and exporting of Handicraft Products. We also deal in manufacturing of wooden, metal and textile based furniture and handicrafts products, upcycling and recycling of various kinds of raw, unusable and waste metal and wooden articles. Our products range from solid wooden and metal furniture articles, home furnishing items, creative wooden and metal articles for various uses, textile based products like cushions, pillow covers, rugs and carpets, handbags, travel bags and backpacks, pet products, etc.

Our company is promoted by Goverdhan Das Lohiya, Priti Lohiya, Ritesh Lohiya, Goverdhan Das Lohiya HUF and Ritesh Lohiya HUF. Our promoter, Priti Lohiya commenced the business of handicraft products in the name and style M/s. Priti International, a proprietary concern in year 2002 at facilities located at Basni and Boranada in Jodhpur, Rajasthan. The running business of M/s. Priti International was acquired by Priti International Limited on November 11, 2017 vide Business Succession Agreement. Our promoters play an active role in the day to day affairs of the company.

Our financial performance (based on the restated financials of M/s. Priti International i.e. the erstwhile proprietorship of Our Promoter Priti Lohiya) reflects decline in total revenue from Rs. 2,055.28 lakhs in the FY 2014-15 to Rs. 2033.48 lakhs in the FY 2016-17. Similarly, our EBITDA decreased from Rs. 545.39 lakhs in the FY 2014-15 to Rs. 219.50 lakhs in the FY 2016-17. Further, our EBITDA margin decreased from 26.54% in FY 2014-15 to 10.79% in the FY 2016-17 and our profit after tax decreased from Rs. 339.15 lakhs in the FY 2014-15 to Rs. 111.29 lakhs in the FY 2016-17. We majorly cater our products in the international market. We export our products to wholesalers and retailers from countries such as Spain, Belgium, Holland, Netherlands, Turkey, England, China, Greece, Germany etc. Apart from them, we also export our products to customers working on some specific projects e.g. newly constructed hotels, restaurants, bars & pubs, etc.

The main factors which differentiate our products from those of our competitors are the uniqueness and creativity which we incorporate in our products. Each of the products are designed with the thought of creating a lasting impression on the minds of its users.

## OUR COMPETITIVE STRENGTHS

### 1. Experienced Management team:

Our operations commenced under the guidance of our individual Promoters Goverdhan Das Lohiya Ritesh Lohiya and Priti Lohiya, who have successfully managed various phases of expansion and growth of our business and operations. They look after overall management of the Company and have experience of over a decade in the industry in which our company operates. They have been instrumental in formulating growth strategy for our Company. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Additionally, our top level executives are well versed with our industry and the business undertaken by our Company. Our Company imparts time to time training to improve the skills of the employees. Our Individual Promoters are supported by a dedicated employee team with several years of industry experience in their respective domains. For further details regarding our Key Managerial Personnel, please refer to the chapter titled — “*Our Management*” beginning on page 142 of this Prospectus.

### 2. Scalable Business Model:

Our Business model is customer centric and order driven, and requires optimum utilisation of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets and products both by exploring customer needs, marketing expertise and by maintaining the consistent quality output. We believe that our business model is scalable.

### 3. Global Presence:

Our Company caters its products majorly in export markets. Currently our Company caters to customers located at countries such as Spain, Belgium, Holland, Netherlands, Turkey, England, China, Greece, Germany etc. We have generated export revenue of Rs. 318.83 lakhs for the period ended December 31, 2017. Our footsteps in international market will help us to expand our business operations overseas. Our marketing strategy majorly comprises of participation in fairs and product exhibitions in various geographies internationally to reach to new customers.

### 4. Locational Advantage:

We are strategically located in Jodhpur, Rajasthan which is amongst the top exporters of handicrafts in India. Our manufacturing facilities are located in prominent industrial areas in Jodhpur which are known for handicrafts products. Thus we can attract more business and increase our customer base.

## OUR BUSINESS STRATEGY

Our Company always strives to follow the principal strategies laid down by the management to leverage our competitive strengths and grow our business:

### 1. Create a domestic presence and expand international presence

We cater our products majorly in the international markets. We intend to create our domestic presence for our products while expanding international presence as we are witnessing huge potential in the Indian markets.

### 2. Customer Satisfaction

Our Company is customer satisfaction oriented company and always strives to maintain good relationship with the customers. Our Company’s marketing team approaches existing customers for their feedback and based on their feedback any changes in the products if required are carried out. Our Company provides quality products and effective follow-ups with customers who ensure that the customers are satisfied with the product and do not have any complain. Our Company in return is rewarded by the customers with continuous orders.

### 3. Brand image

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

### 4. Leveraging our market skills and relationship

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

### 5. Improving our functional efficiency

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

## OUR MANUFACTURING FACILITIES

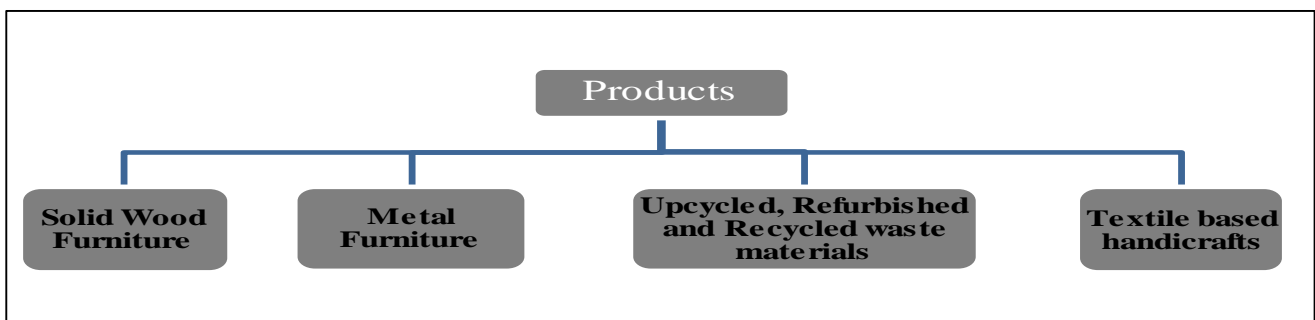
Details of our manufacturing facilities are as under:

Particulars	Facility 1	Facility 2
<b>Plant Location</b>	Khasara No. 20, Boranada, Jodhpur, Rajasthan	Plot No. F-43, Basni 1 <sup>st</sup> Phase, Jodhpur, Rajasthan- 342005
<b>Plant Area</b>	10,295 Square Meters	1,989 Square Meters
<b>Human Resource</b>	38 employees. Also we employ contract labourers and temporary labourers as per requirement	15 employees (including employees of registered office). Also we employ contract labourers and temporary labourers as per requirement
<b>Infrastructure</b>	Tin Shaded, well equipped with internet connectivity, other communication equipments, security and other facilities, which are required for our business operations to function smoothly. Our manufacturing facility is equipped with requisite plant & machineries and resources.	
<b>Utilities</b>	<b>Power:</b> Electricity is availed from Jodhpur Vidyut Vitran Nigam Limited. <b>Water supply:</b> Under Ground and Plastic Storage Tanks. <b>Fuel:</b> It is met by purchasing from a nearby fuel station.	

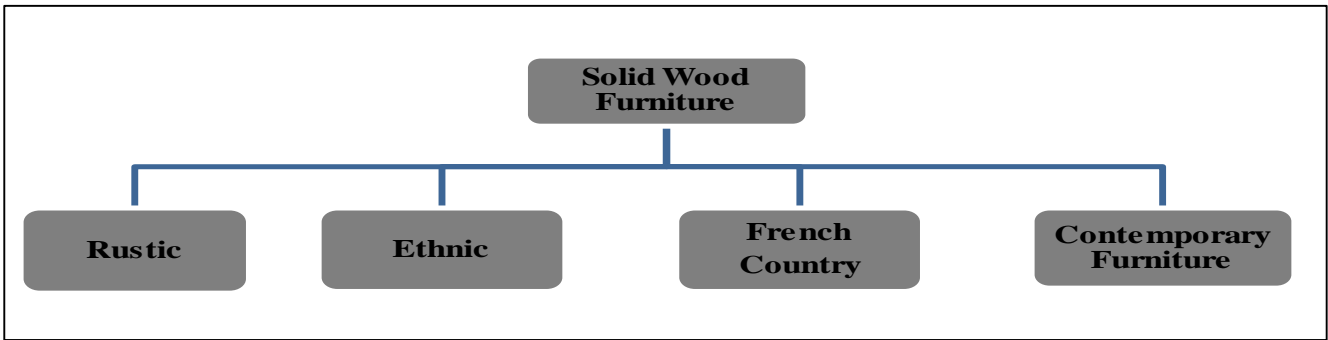
Our registered office is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

## OUR PRODUCTS

Our product portfolio can be categorised into following broad classes:

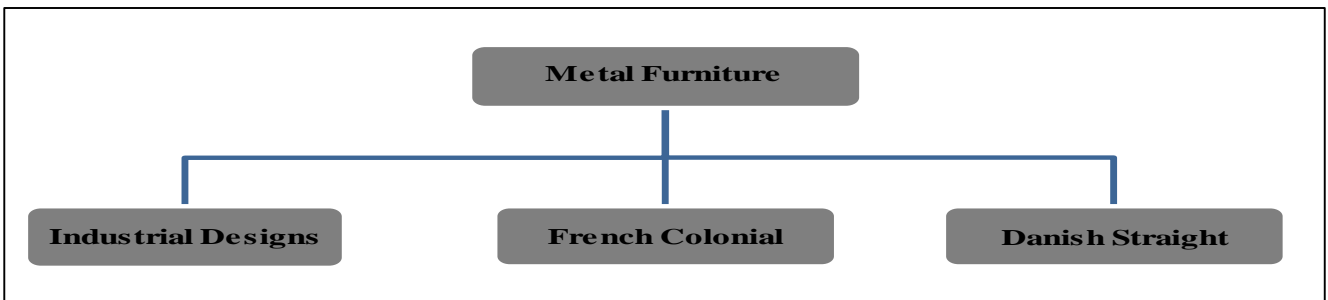


**Solid Wood Furniture:**



The major raw materials required for manufacturing of Solid Wood Furniture items are wooden material, iron material along with various hardware materials, adhesives etc. Some part of the manufacturing process is outsourced to third parties. After procuring the raw material, the same is sent to the contractors for further processing. Once the product has been received from the contractors, our team applies necessary solutions e.g. paint, colours, adhesives, etc. as per the designing team’s instructions. Once final finishing has been done, the product is sent for storage. Solid wood furniture is manufactured at our Boranada facility.

**Metal Furniture:**



The major raw materials required for manufacturing of Metal furniture items include raw iron, copper, aluminium and other metals, waste iron and other metal materials, iron rods and other hardware items. Metal furniture is manufactured at our Boranada facility.

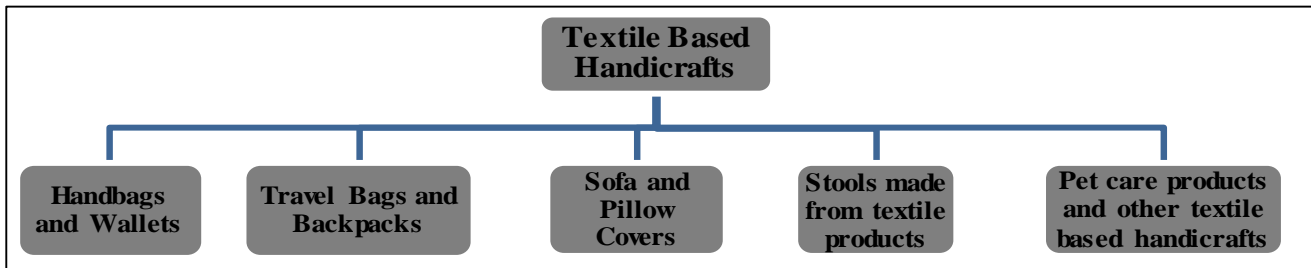
**Upcycled, Recycled and Refurbished waste materials:**

This portfolio includes a blend of products made using wooden materials, old and waste iron, aluminium, copper etc. based materials. After identifying the design of the products, they are moulded in the required shape. Some part of the process is sub-contracted as well to third party carpenters, designers, etc. Some of the examples of our upcycled and refurbished materials are presented below:





**Textile Handicrafts:**



Our textile based handicrafts products include handbags, pillow covers, sofa covers, travel bags, backpacks, pet care textiles and other textile based handicraft products. The major raw materials and consumables required for these products include canvas material, raw and processed leather, cotton based textile material, various types of yarns, dyeing material etc. Apart from these, we also recycle and up cycle various unusable and retired textile e.g. army dresses, tent materials, etc. The entire textile based handicraft products are manufactured exclusively at our Basni facility.

**SWOT ANALYSIS**

Strengths	Weakness
<ul style="list-style-type: none"> <li>➤ Experienced Management;</li> <li>➤ Large, diversified and potential market;</li> <li>➤ Strong and diversifies retail infrastructure;</li> <li>➤ Competitive pricing due to availability of cheap labour;</li> <li>➤ Low barriers of entry;</li> <li>➤ Flexibility of production</li> </ul>	<ul style="list-style-type: none"> <li>➤ Lack of infrastructure and communication facilities;</li> <li>➤ Lack of coordination between government and private players;</li> <li>➤ Lack of skilled labour and product promotion;</li> <li>➤ Inadequate information on new technology</li> </ul>
Opportunity	Threats
<ul style="list-style-type: none"> <li>➤ Rising demand of handicraft products in developed countries;</li> <li>➤ Increasing use of handicraft products in fashion industry;</li> <li>➤ Growth in retail and real estate sector;</li> <li>➤ E-commerce emerging as promising distribution channel to market the products</li> </ul>	<ul style="list-style-type: none"> <li>➤ Competition in the domestic as well as international markets;</li> <li>➤ Quality products produced by countries like China, South Africa using new technology;</li> <li>➤ Better trade terms offered by competing countries</li> </ul>

## SUMMARY OF FINANCIAL STATEMENTS

Particulars	Page Nos.
Summary of Reatated Financials of the Company for the Period June 30, 2017 to December 31, 2017	55-58
Summary Restated Financials of the Proprietorship Concern for the Financial Year ended March 31, 2017, 2016, 2015, 2014 and 2013 and for the Period April 01, 2017 to November 10, 2017	59-62

**SUMMARY OF REATATED FINANCIALS OF THE COMPANY FOR THE PERIOD JUNE 30, 2017  
TO DECEMBER 31, 2017**

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

**(Amount in lakhs)**

<b>Particulars</b>	<b>As At December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>I. EQUITY AND LIABILITIES</b>						
<b>1. Shareholders' funds</b>						
(a) Share capital	189.35					
(b) Reserves and surplus	210.76					
<b>Sub-Total</b>	<b>400.11</b>					
<b>2. Share application money pending allotment</b>	-					
<b>Sub-Total</b>	<b>-</b>					
<b>3. Non-current liabilities</b>						
(a) Long-term borrowings	-					
(b) Deferred tax liabilities (Net)	-					
(c) Other Non-Current Liabilities	-					
(d) Long-term Provisions	-					
<b>Sub-Total</b>	<b>-</b>					
<b>4. Current liabilities</b>						
(a) Short-term borrowings	-					
(b) Trade payables	199.28					
(c) Other current liabilities	157.81					
(d) Short-term provisions	12.17					
<b>Sub-Total</b>	<b>369.26</b>					
<b>TOTAL</b>	<b>769.37</b>					
<b>II. ASSETS</b>						
<b>1. Non-current assets</b>						
(a) Fixed assets	80.18					
(b) Non-current investments	70.00					
(c) Deferred tax assets (net)	2.17					
(d) Long-term loans and advances	0.08					
(e) Other Non-Current Assets	5.25					
<b>Sub-Total</b>	<b>157.68</b>					
<b>2. Current assets</b>						
(a) Current investments	-					
(b) Inventories	96.66					
(c) Trade receivables	317.45					
(d) Cash and cash equivalents	35.22					
(e) Short-term loans and advances	153.46					
(f) Other Current Assets	8.90					
<b>Sub-Total</b>	<b>611.69</b>					
<b>TOTAL</b>	<b>769.37</b>					

**STATEMENT OF PROFIT AND LOSS AS RESTATED**

(Amount Rs. In Lakhs)

<b>Particulars</b>	<b>For Period Ended on December 31, 2017</b>	<b>For the period ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>	<b>For the year ended March 31, 2013</b>
I. Revenue from operations	318.83					
II. Other income	4.80					
<b>III. Total Revenue (I + II)</b>	<b>323.63</b>					
IV. Expenses:						
Cost of materials consumed	329.08					
Purchases of Stock-in-Trade	-					
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(89.57)					
Employee benefits expense	12.81					
Finance costs	-					
Depreciation and amortization expense	2.21					
Other expenses	47.58					
<b>Total expenses</b>	<b>302.11</b>					
V. Profit before exceptional and extraordinary items and tax (III-IV)	21.51					
VI. Exceptional items	-					
VII. Profit before extraordinary items and tax (V - VI)	21.51					
VIII. Extraordinary Items-	-					
<b>IX. Profit before tax (VII- VIII)</b>	<b>21.51</b>					
X. Tax expense:						
(1) Current tax	7.71					
(2) Deferred tax	(2.17)					
(3) MAT Credit	-					
(4) Current tax expense relating to prior years	-					
XI. Profit (Loss) for the period from continuing operations (VII- VIII)	15.97					
XII. Profit/(loss) from discontinuing operations						
XIII. Tax expense of discontinuing operations						
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)						
<b>XV. Profit (Loss) for the period (XI + XIV)</b>	<b>15.97</b>					
<b>XVI Earnings per equity share:</b>						
<b>(1) Basic &amp; Diluted</b>	<b>3.47</b>					

**STATEMENT OF CASH FLOW AS RESTATED**

(Amount in Lakhs)

Particulars	For Period Ended on December 31, 2017	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Restated Net profit Before Tax and Extraordinary Items	21.51					
Adjustments For:						
Depreciation	2.21					
Loss (Profit) on Sale of Assets	-					
Profit on sale of assets	-					
Extraordinary Items (Loss due to fire)	-					
Extraordinary Items (Prior Period Items)	-					
Interest Received	-					
Interest and Finance Charges	-					
Operating Profit before working capital changes	23.72					
Adjustment For:						
Decrease/(Increase) in Inventories	(96.66)					
Decrease/(Increase) in Trade receivables	(317.45)					
Decrease/(Increase) in Other Current Assets	(8.91)					
Decrease/(Increase) in Other loans & Advances receivable	(153.54)					
Decrease/(Increase) in Other Non-current Assets	(5.25)					
Decrease/(Increase) in Long Term Loans and Advances						
(Decrease)/Increase in Trade Payables	199.28					
(Decrease)/Increase in Other Current Liabilities	157.81					
(Decrease)/Increase in Short Term Provisions	12.17					
(Decrease)/Increase in Long Term Provisions	-					
(Decrease)/Increase in Other Non-current Liabilities	-					
Cash Generated from Operations	(188.83)					
Less : Taxes Paid	(7.71)					
Net Cash From /(Used In ) Operating Activities (A)	(196.54)					

<b>Cash Flow From Investing Activities</b>						
<b>Particulars</b>	<b>For Period Ended on December 31, 2017</b>	<b>For the period ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>	<b>For the year ended March 31, 2013</b>
<b>Purchase Of Fixed Assets</b>	<b>(82.39)</b>					
<b>Sale of Fixed Assets</b>						
<b>Decrease/(Increase) in Non Current investments</b>	<b>(70.00)</b>					
<b>Decrease/(Increase) in Capital Work In Progress</b>						
<b>Movement in Loan &amp; Advances</b>						
<b>Interest Received</b>						
<b>Net Cash From /(Used In ) Investing Activities (B)</b>	<b>(152.39)</b>					
<b>Cash Flow From Financing Activities</b>						
<b>Share application money received</b>						
<b>Proceeds from Issue of Shares</b>	<b>189.35</b>					
<b>Increase in Share Premium</b>	<b>194.79</b>					
<b>Increase in Long Term Loans &amp; Advances</b>						
<b>Interest and Finance Charges</b>						
<b>(Decrease)/Increase in Short Term Borrowing</b>						
<b>(Decrease)/Increase in Long Term Borrowing</b>						
<b>Net Cash From Financing Activities (c)</b>	<b>384.14</b>					
<b>Net Increase / (Decrease) in Cash (A)+(B)+(C)</b>	<b>35.22</b>					
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>-</b>					
<b>Cash and Cash equivalents at the end of the year</b>	<b>35.22</b>					

**SUMMARY RESTATED FINANCIALS OF THE PROPRIETORSHIP CONCERN FOR THE  
FINANCIAL YEAR ENDED MARCH 31, 2017, 2016, 2015, 2014 AND 2013 AND FOR THE PERIOD  
APRIL 01, 2017 TO NOVEMBER 10, 2017**

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(Amount in Lakhs)

Particulars	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>						
<b>1. Shareholders' funds</b>	204.54	400.96	431.90	338.09	(37.25)	59.06
<b>Sub-Total</b>	<b>204.54</b>	<b>400.96</b>	<b>431.90</b>	<b>338.09</b>	<b>(37.25)</b>	<b>59.06</b>
<b>3. Non-current liabilities</b>						
(a) Long-term borrowings	224.75	376.86	268.36	221.43	147.40	64.13
(b) Deferred tax liabilities (Net)	-	-	-	-	-	-
(c) Other Non Current Liabilities	-	-	-	-	-	-
(d) Long-term Provisions	-	-	-	-	-	-
<b>Sub-Total</b>	<b>224.75</b>	<b>376.86</b>	<b>268.36</b>	<b>221.43</b>	<b>147.40</b>	<b>64.13</b>
<b>4. Current liabilities</b>						
(a) Short-term borrowings	-	-	-	-	-	-
(b) Trade payables	106.41	196.25	207.70	416.99	353.33	494.84
(c) Other current liabilities	65.20	205.51	151.18	178.57	153.74	208.23
(d) Short-term provisions	0.02	11.75	9.13	8.29	11.64	9.54
<b>Sub-Total</b>	<b>171.63</b>	<b>413.51</b>	<b>368.01</b>	<b>603.85</b>	<b>518.71</b>	<b>712.61</b>
<b>TOTAL</b>	<b>600.92</b>	<b>1191.33</b>	<b>1068.27</b>	<b>1163.37</b>	<b>628.66</b>	<b>835.80</b>
<b>II. ASSETS</b>						
<b>1. Non-current assets</b>						
(a) Fixed assets	73.08	291.84	303.50	317.32	336.71	356.81
(b) Non-current investments	-	200.00	-	113.01	104.08	-
(c) Deferred tax assets (net)	2.53	3.33	3.81	3.89	3.24	1.86
(d) Long-term loans and advances	-	-	-	-	-	-
(e) Other Non Current Assets	-	-	-	-	-	-
<b>Sub-Total</b>	<b>75.61</b>	<b>495.17</b>	<b>307.31</b>	<b>434.22</b>	<b>444.03</b>	<b>358.67</b>
<b>2. Current assets</b>						
(a) Current investments	-	-	-	-	-	-
(b) Inventories	67.21	229.67	370.97	419.12	36.97	42.81
(c) Trade receivables	242.64	322.63	242.90	193.73	107.56	173.77
(d) Cash and cash equivalents	28.96	26.57	14.45	21.42	29.65	31.08
(e) Short-term loans and advances	186.50	117.29	132.64	94.88	10.65	229.47
(f) Other Current Assets	-	-	-	-	-	-
<b>Sub-Total</b>	<b>525.31</b>	<b>696.16</b>	<b>760.96</b>	<b>729.15</b>	<b>184.83</b>	<b>477.13</b>
<b>TOTAL</b>	<b>600.92</b>	<b>1191.33</b>	<b>1068.27</b>	<b>1163.37</b>	<b>628.86</b>	<b>835.80</b>

**STATEMENT OF PROFIT AND LOSS AS RESTATED**

(Amount in Lakhs)

Particulars	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	For the year ended March 31, 2013
<b>I. Revenue from operations</b>	1045.01	1983.01	2150.41	2021.23	1959.14	1883.64
<b>II. Other income</b>	48.52	50.48	47.17	34.05	44.66	31.75
<b>III. Total Revenue (I + II)</b>	<b>1093.53</b>	<b>2033.49</b>	<b>2197.58</b>	<b>2055.28</b>	<b>2003.80</b>	<b>1915.39</b>
<b>IV. Expenses:</b>						
<b>Cost of materials consumed</b>	598.50	1311.09	1505.29	1490.13	1514.49	1466.03
<b>Purchases of Stock-in-Trade</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Changes in inventories of finished goods work-in-progress and Stock-in-Trade</b>	169.34	137.25	51.47	(381.24)	1.78	8.45
<b>Employee benefits expense</b>	34.84	73.22	81.34	65.81	60.25	48.08
<b>Finance costs</b>	31.10	41.10	30.17	21.81	7.57	9.12
<b>Depreciation and amortization expense</b>	5.94	12.14	15.21	20.11	24.82	24.04
<b>Other expenses</b>	165.11	292.44	373.69	335.19	282.51	266.96
<b>Total expenses</b>	<b>1004.83</b>	<b>1867.24</b>	<b>2057.17</b>	<b>1551.81</b>	<b>1891.43</b>	<b>1822.68</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>	<b>88.70</b>	<b>166.25</b>	<b>140.41</b>	<b>503.47</b>	<b>112.37</b>	<b>92.71</b>
<b>VI. Exceptional items</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>VII. Profit before extraordinary items and tax (V - VI)</b>	<b>88.70</b>	<b>166.25</b>	<b>140.41</b>	<b>503.47</b>	<b>112.37</b>	<b>92.71</b>
<b>VIII. Extraordinary Items-</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>IX. Profit before tax (VII- VIII)</b>	<b>88.70</b>	<b>166.25</b>	<b>140.41</b>	<b>503.47</b>	<b>112.37</b>	<b>92.71</b>
<b>X. Tax expense:</b>						
<b>(1) Current tax</b>	24.19	54.48	46.27	164.97	37.75	28.99
<b>(2) MAT Credit</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>(3) Deferred tax</b>	0.80	0.48	0.08	(0.65)	(1.38)	(0.33)
<b>(4) Current tax expense relating to prior years</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>XI. Profit (Loss) for the period from continuing operations (VII- VIII)</b>	<b>63.71</b>	<b>111.29</b>	<b>94.06</b>	<b>339.15</b>	<b>75.99</b>	<b>64.04</b>
<b>XII. Profit/(loss) from discontinuing operations</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>XIII. Tax expense of discontinuing operations</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>XV. Profit (Loss) for the period (XI + XIV)</b>	<b>63.71</b>	<b>111.29</b>	<b>94.06</b>	<b>339.15</b>	<b>75.99</b>	<b>64.04</b>
<b>XVI Earnings per equity share:</b>						
(1) Basic & Diluted	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**STATEMENT OF CASH FLOW AS RESTATED**

(Amount in Lakhs)

Particulars	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Restated Net profit Before Tax and Extraordinary Items	88.70	166.25	140.41	503.47	112.37	92.71
<b>Adjustments For:</b>						
Depreciation	5.94	12.14	15.21	20.11	24.82	24.04
Gratuity Provision	-	-	-	-	-	-
Profit on sale of assets	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-
Extraordinary Items (Prior Period Items)	-	-	-	-	-	-
Interest Received	(7.98)	(7.47)	(16.39)	(15.57)	(11.06)	(7.03)
Interest and Finance Charges	31.10	41.10	30.17	21.81	7.57	9.12
Operating Profit before working capital changes	117.75	212.03	169.40	529.81	133.70	118.84
<b>Adjustment For:</b>						
Decrease/(Increase) in Inventories	162.46	141.30	48.15	(382.15)	5.84	2.43
Decrease/(Increase) in Trade receivables	79.98	(79.72)	(49.17)	(86.16)	66.19	18.59
Decrease/(Increase) in Other Current Assets	-	-	-	-	-	-
Decrease/(Increase) in Other Non Current Assets	-	-	-	-	-	-
Decrease/(Increase) in Short Term Loans and Advances	-	-	-	-	-	-
Decrease/(Increase) in Long Term Loans and Advances	-	-	-	-	-	-
(Decrease)/Increase in Trade Payables	(89.83)	(11.46)	(209.29)	63.67	(141.51)	225.24
(Decrease)/Increase in Other Current Liabilities	(140.31)	54.33	(27.39)	24.83	(54.49)	2.40
(Decrease)/Increase in Short Term Provisions	(11.73)	2.63	0.84	(3.35)	2.09	6.70
(Decrease)/Increase in Long Term Provisions	-	-	-	-	-	-
(Decrease)/Increase in Other Non current Liabilities	-	-	-	-	-	-
<b>Cash Generated from Operations</b>	<b>118.33</b>	<b>319.11</b>	<b>(67.45)</b>	<b>146.64</b>	<b>11.83</b>	<b>374.20</b>
Less : Taxes Paid	24.19	54.48	46.27	164.97	37.75	28.99
<b>Net Cash From/(Used In ) Operating Activities (A)</b>	<b>94.13</b>	<b>264.63</b>	<b>(113.72)</b>	<b>(18.33)</b>	<b>(25.92)</b>	<b>345.21</b>
<b>Cash Flow From Investing Activities</b>						
Decrease/(Increase) in Short Term Loans and Advances	(69.21)	15.35	(37.77)	(84.23)	218.83	(141.32)
(Purchase) / Sale of Fixed Assets/ Capital Work In Progress	212.82	(0.48)	(1.40)	(0.80)	(4.72)	(91.33)

<b>Decrease/(Increase) in Non Current investments</b>	200.00	(200.00)	113.01	(8.93)	(104.08)	-
<b>Decrease/(Increase) in Long term Loans &amp; Advances</b>	-	-	-	-	-	-
<b>Net gain / loss on Sale of Investments</b>	-	-	-	-	-	-
<b>Interest Received</b>	7.98	7.47	16.39	15.57	11.06	7.03
<b>Net Cash From /(Used In ) Investing Activities (B)</b>	351.59	(177.67)	90.24	(78.38)	121.08	(225.62)
<b>Cash Flow From Financing Activities</b>						
<b>Net Addition/ Withdrawal of Capital</b>	(260.12)	(142.24)	(0.25)	36.27	(172.30)	(33.65)
<b>Proceeds from Issue of Shares</b>	-	-	-	-	-	-
<b>Increase in Share Premium</b>	-	-	-	-	-	-
<b>Increase in Long Term Loans &amp; Advances</b>	-	-	-	-	-	-
<b>Interest and Finance Charges</b>	(31.10)	(41.10)	(30.17)	(21.81)	(7.57)	(9.12)
<b>(Decrease)/Increase in Short Term Borrowing</b>	-	-	-	-	-	(21.45)
<b>(Decrease)/Increase in Long Term Borrowing</b>	(152.11)	108.50	46.93	74.03	83.27	(55.46)
<b>Net Cash From Financing Activities (c)</b>	(443.32)	(74.84)	16.51	88.49	(96.59)	(119.69)
<b>Net Increase / (Decrease) in Cash (A)+(B)+(C)</b>	2.40	12.12	(6.97)	(8.23)	(1.44)	(0.10)
<b>Cash and Cash equivalents at the beginning of the year</b>	26.57	14.45	21.42	29.65	31.08	31.18
<b>Cash and Cash equivalents at the end of the year</b>	28.96	26.57	14.45	21.42	29.65	31.08

## THE ISSUE

The following table summarizes the Offer details:

Particulars	Details of Equity Shares
Public Issue of Equity Shares by our Company	Issue of 7,00,800 Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of Rs. 75/- per Equity Share aggregating Rs. 525.60 lakhs.
<b>Of which:</b>	
Market Maker Reservation Portion	35,200 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 75/- per Equity Share aggregating Rs. 26.40 lakhs
Net Issue to the Public*	6,65,600 Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of Rs. 75/- per Equity Share aggregating Rs. 499.20 lakhs
	<i>Of which:</i>
	3,32,800 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 75/- per Equity Share aggregating Rs. 249.60 lakhs will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2 lakhs
	3,32,800 Equity Shares of face value of Rs. 10 /- each fully paid of the Company for cash at price of Rs.75/- per Equity Share aggregating Rs. 249.60 lakhs will be available for allocation to investors above Rs. 2 lakhs
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	18,93,532 Equity Shares
Equity Shares outstanding after the Issue	25,94,332 Equity Shares
Use of Proceeds(Objects of the Issue)	For further details please refer chapter titled " <i>Objects of the Issue</i> " beginning on page 83 of this Prospectus for information on use of Issue Proceeds

### Notes:

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on December 13, 2017 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on January 08, 2018. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue, the allocation in the net Issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

For further details please refer to section titled '*Issue Information*' beginning on page 275 of this Prospectus.

## GENERAL INFORMATION

Our Company was originally incorporated as “Priti International Limited” at Jodhpur, Rajasthan as a Public Limited Company under the provision of Companies Act, 2013 vide Certificate of Incorporation dated June 30, 2017 bearing Corporate Identification Number U36994RJ2017PLC058454 issued by the Registrar of Companies, Rajasthan. Our Company acquired the business of Proprietorship Concern of our Promoter Priti Lohiya viz. M/s. Priti International through Business Succession Agreement dated November 11, 2017. Consequently, Business of this proprietorship firm was merged into Priti International Limited. The Corporate Identification number of our Company is U36994RJ2017PLC058454.

For details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapter titled ‘Our History and Certain Other Corporate Matters’ beginning on page 138 of this Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### **Priti International Limited**

Plot No. F-43, Basni, 1<sup>st</sup> Phase,  
Jodhpur – 342 001, Rajasthan, India.

Tel: 0291- 2431367

Fax: NA

Email: [info@pritiinternationallimited.com](mailto:info@pritiinternationallimited.com)

Website: [www.pritiinternationallimited.com](http://www.pritiinternationallimited.com)

Corporate Identification Number: U36994RJ2017PLC058454

### REGISTRAR OF COMPANIES

#### **Registrar of Companies, Jaipur, Rajasthan**

C/6-7, 1<sup>st</sup> Floor, Residency Area,  
Civil Lines, Jaipur – 302 001, Rajasthan, India  
Website: [www.mca.gov.in](http://www.mca.gov.in)

### DESIGNATED STOCK EXCHANGE

#### **National Stock Exchange of India Limited**

Exchange Plaza, C/1, G Block,  
Bandra Kurla Complex  
Bandra (East), Mumbai - 400051,  
Maharashtra, India

### BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age (In Years)	DIN	Address	Designation
1.	Goverdhan Das Lohiya	69	07787326	C-91, Shastri Nagar, Jodhpur - 342 003, Rajasthan, India.	Chairman & Director
2.	Leela Lohiya	67	07787328	C-91, Shastri Nagar, Jodhpur - 342003, Rajasthan, India	Non-Executive Director
3.	Ritesh Lohiya	45	07787331	C-91, Shastri Nagar, Jodhpur - 342003, Rajasthan India	Director and CFO
4.	Priti Lohiya	42	07789249	C-91, Shastri Nagar, Jodhpur - 342 003, Rajasthan, India.	Managing Director
5.	Pankaj Baheti	38	07767648	17/E – 196, Chopasni Housing Board, Jodhpur - 342 008, Rajasthan, India	Independent Director
6.	Mahak Singhvi	28	07397120	4, Madho Bagh, Chopasni Road, Jodhpur - 342003, Rajasthan, India	Independent Director

For further details of our Directors, please refer to the chapter titled “Our Management” beginning on page 142 of this Prospectus.

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Shivani Arora**

**Priti International Limited**

Plot No. F-43, Basni, 1<sup>st</sup> Phase,  
Jodhpur – 342 001, Rajasthan, India.

**Tel:** 0291- 2431367

**Fax:** NA

**Email:** [cs@pritiinternationallimited.com](mailto:cs@pritiinternationallimited.com)

**Website:** [www.pritiinternationallimited.com](http://www.pritiinternationallimited.com)

## CHIEF FINANCIAL OFFICER

**Ritesh Lohiya**

**Priti International Limited**

Plot No. F-43, Basni, Ist Phase,  
Jodhpur - 342001, Rajasthan, India.

**Tel:** 0291- 2431367

**Fax:** NA

**Email:** [cfo@pritiinternationallimited.com](mailto:cfo@pritiinternationallimited.com)

**Website:** [www.pritiinternationallimited.com](http://www.pritiinternationallimited.com)

**Investors can contact the Company Secretary and Compliance Officer, the LM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non receipt of letters of Allotment, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.**

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

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

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

## STATUTORY AUDITOR

**J K Daga & Associates**

**Chartered Accountants**

Janki Kunj, Raghunathpura, Inside Siwanchi Gate  
Jodhpur, Rajasthan, India

**Tel No.:** +91- 91664 63329

**Email:** [daga\\_rajesh25@rediffmail.com](mailto:daga_rajesh25@rediffmail.com)

**Contact Person:** Rajesh Kumar Daga

**Firm Registration No.:** 010314C

**Membership No.:** 401479

## PEER REVIEWED AUDITOR

**N. K. Aswani & Co.**

Chartered Accountants

701/A, Wall Street-II,  
Ellisbridge, Ahmedabad – 380006,  
Gujarat, India

**Tele No.:** 079-26402552 / 53

**Fax No.:** NA

**Email:** narainkaswani@yahoo.co.in

**Contact Person:** Narian K. Aswani

**Firm Registration No.:** 100738W

**Membership No.:** 033278

M/s N.K. Aswani & Co., Chartered Accountant holds a peer reviewed certificate dated November 13, 2013 issued by the Institute of Chartered Accountants of India

#### **LEAD MANAGER**

##### **Pantomath Capital Advisors Private Limited**

406-408, Keshava Premises, Behind Family Court,

Bandra Kurla Complex, Bandra (East)

Mumbai- 400051, Maharashtra, India

**Tel:** +91 22 6194 6700

**Fax:** + 91 22 2659 8690

**Email:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

**Website:** [www.pantomathgroup.com](http://www.pantomathgroup.com)

**Contact Person:** Unmesh Zagade

**SEBI Registration No:** INM000012110

#### **REGISTRAR TO THE ISSUE**

##### **Bigshare Services Private Limited**

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis, Makwana Road, Marol,

Andheri (East), Mumbai – 400059, Maharashtra, India.

**Tel:** +91 22 4043 0200

**Fax:** +91 22 2847 5207

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Contact Person:** Nilesh Chalke

**SEBI Registration Number:** INR000001385

#### **LEGAL ADVISOR TO THE ISSUE**

##### **M V Kini, Law Firm**

Kini House, 216/263, 1<sup>st</sup> Floor, Near Citi Bank,

D.N. Road, Fort, Mumbai - 400 001, Maharashtra, India

**Tel:** +91 22 22612527/28/29

**Fax:** +91 22 22612530

**E-mail:** [vidisha@mvkini.com](mailto:vidisha@mvkini.com)

**Contact Person:** Vidisha Krishan

**Website:** [www.mvkini.com](http://www.mvkini.com)

#### **BANKER TO THE COMPANY**

##### **IDBI Bank Limited**

Dhanlaxmi Tower, 1<sup>st</sup> Chopasani Road,

Jodhpur, Rajasthan, India

**Tel:** +91 291 5153501

**Fax:** +91 291 2630727

**Email:** [chander.rathore@idbi.co.in](mailto:chander.rathore@idbi.co.in)

**Website:** [www.idbibank.com](http://www.idbibank.com)

**Contact Person:** Chander Singh Rathore

#### **PUBLIC ISSUE BANK / BANKER TO THE ISSUE/ REFUND BANKER**

##### **ICICI Bank Limited**

Capital Market Division,  
1<sup>st</sup> Floor, 122, Mistry Bhavan,  
Dinshaw Vachha Road, Backbay Reclamation,  
Churchgate, Mumbai – 400 020,  
Maharashtra, India  
**Tel:** +91 22 2266818932  
**Fax:** +91 22 22611138  
**Email:** shweta.surana@icicibank.com  
**Contact Person:** Shweta Surana  
**Website:** [www.icicibank.com](http://www.icicibank.com)  
**SEBI Registration Number:** INBI00000004

#### **SELF CERTIFIED SYNDICATE BANKS**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor-Syndicate-ASBA>. For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned SEBI link.

#### **BROKER CENTRES/ DESIGNATED CDP LOCATIONS/ DESIGNATED RTA LOCATIONS**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at [www.nseindia.com](http://www.nseindia.com). The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

#### **CREDIT RATING**

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

#### **IPO GRADING**

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

#### **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 Manager is not applicable.

#### **APPRAISAL AND MONITORING AGENCY**

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. 525.60 lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

#### **EXPERT OPINION**

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials of our Company for the Period ended December 31, 2017 and restated financials of M/s Priti International for the period April 01, 2017 to November 10, 2017 and for the Financial Years ended March 31, 2017, 2016, 2015, 2014 and 2013, as included in this Prospectus, our Company has not obtained any expert opinion.

#### **DEBENTURE TRUSTEE**

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

#### **UNDERWRITER**

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated January 15, 2018 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees Lakhs) In	% of the Total Issue Size Underwritten
<b>Pantomath Capital Advisors Private Limited</b> 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India <b>Tel:</b> +91 22 61946700 <b>Fax:</b> +91 22 26598690 <b>Email:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a> <b>Contact Person:</b> Unmesh Zagade <b>SEBI Registration Number:</b> INM000012110	7,00,800	525.60	100.00
<b>Total</b>	<b>7,00,800</b>	525.60	100.00

*\*Includes 35,200 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended*

#### **DETAILS OF THE MARKET MAKING ARRANGEMENT**

Our Company and the Lead Manager has entered into an agreement dated January 15, 2018, with the following Market Maker, duly registered with EMERGE Platform of National Stock Exchange of India Limited to fulfil the obligations of Market Making:-

##### **Pantomath Stock Brokers Private Limited**

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

**Tel:** +91 22 6194 6774

**Fax:** +91 22 2659 8690

**Email:** [broking@pantomathgroup.com](mailto:broking@pantomathgroup.com)

**Contact Person:** Mahavir Toshniwal

**SEBI Registration Number:** INZ000068338

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

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the

effect to the selling broker. Based on the IPO price of 75/- the minimum lot size is 1600 Equity Shares thus minimum depth of the quote shall be Rs. 1,20,000/- until the same, would be revised by National Stock Exchange of India Limited.

3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 35,200 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Offer over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. On the first day of listing, there will be pre-equity market hours. The circuits will apply from the first day of listing on the discovered price during the pre-open call auction.
8. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
  1. 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.
  2. 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.
9. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform
10. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on EMERGE Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
11. 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.
12. The Market Maker 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 particular 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.

13. EMERGE Platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
14. EMERGE Platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

15. 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:

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

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

## CAPITAL STRUCTURE

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

*Amount (Rs.in lakhs except share data)*

No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	60,00,000 Equity Shares of face value of Rs. 10/- each	600.00	
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	18,93,532 Equity Shares of face value of Rs. 10/- each	189.35	
<b>C.</b>	<b>Present Issue in terms of this Prospectus</b>		
	Issue of 7,00,800 Equity Shares of face value of Rs.10 each at a price of Rs. 75/- per Equity Share	70.08	525.60
	<b>Consisting of:</b>		
	<b>i. Reservation for Market Maker</b> – 35,200 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 75/- per Equity Share	3.52	26.40
	<b>ii. Net Issue to the Public</b> – 6,65,600 Equity Shares of face value of Rs. 10/- each at a price of Rs. 75/- per Equity Share	66.56	499.20
	<b>Of the Net Issue to the Public:</b>		
	<b>Allocation to Retail Individual Investors</b> – 3,32,800 Equity Shares of face value of Rs. 10/- each at a price of Rs. 75/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 lakhs	33.28	249.60
	<b>Allocation to Other than Retail Individual Investors</b> – 3,32,800 Equity Shares of face value of Rs. 10/- each at a price of Rs. 75/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs. 2 lakhs	33.28	249.60
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>		
	25,94,332 Equity Shares of face value of Rs. 10/- each	259.43	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		194.79
	After the Issue		650.31

The Issue has been authorised by the Board of Directors of our Company *vide* a resolution passed at its meeting held on December 13, 2017 and by the shareholders of our company *vide* a Special Resolution passed pursuant to Section 62 (1)(c) of Companies Act, 2013 at the Extra-Ordinary General Meeting held on January 08, 2018.

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

#### 1. Details of changes in authorised Share Capital:

Since the Incorporation of our Company, the authorised share capital of our Company is set forth below:

Particulars of Change		Date of Shareholders' Meeting	AGM / EGM
Increased / Reclassified From	Increased / Reclassified To		
The authorised share capital of our Company on incorporation comprised of Rs. 6,00,00,000 divided into 60,00,000 Equity Shares of Rs.10 each		On Incorporation	-

## 2. History of Equity Share Capital of our Company

Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Equity Share Capital (Rs.)
June 29, 2017	50,000	10	10	Cash	Subscription to MOA <sup>(1)</sup>	50,000	5,00,000
November 18, 2017	15,43,860	10	10	Other Than Cash	Takeover of the Undertaking of M/s Priti International (2)	15,93,860	1,59,38,600
December 05, 2017	2,99,672	10	75	Other Than Cash	Conversion of Unsecured Loan (3)	18,93,532	1,89,35,320

1) Initial Subscribers to Memorandum of Association subscribed to 50,000 Equity Shares on June 29, 2017 of face value of Rs. 10/- each fully paid at par as per the details given below:

Sr. No.	Name of Allottees	No. of shares subscribed
1	Goverdhan Das Lohiya	14,900
2	Ritesh Lohiya	14,900
3	Priti Lohiya	14,500
4	Ritika Lohiya	5,000
5	Leela Lohiya	500
6	Sohan Lal Bhootra	100
7	Premesh Bhootra	100
	<b>Total</b>	<b>50,000</b>

2) Issue of 15,43,860 Equity Shares Pursuant to takeover of undertaking of M/s Priti International of face value of Rs. 10/- each fully paid at par on November 18, 2017 as per the details given below:

Sr. No.	Name of Allottees	No. of shares subscribed
1	Priti Lohiya	15,43,860
	<b>Total</b>	<b>15,43,860</b>

3) Further Allotment of 2,99,672 Equity Shares Pursuant to conversion of Unsecured Loan of Rs. 2,24,75,400 into Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 65/- on December 05, 2017 as per the details given below:

Sr. No.	Name of Allottees	No. of shares subscribed
1	Ritesh Lohiya-HUF	1,18,266
2	Goverdhan Das Lohiya-HUF	1,11,974
3	Ritesh Lohiya	69,432
	<b>Total</b>	<b>2,99,672</b>

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

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
November 18, 2017	15,43,860	10	10	Takeover of the Undertaking of M/s Priti International	Expansion of Business	Priti Lohiya	15,43,860
December 05, 2017	2,99,672	10	75	Conversion of Unsecured	Debt is converted	Ritesh Lohiya-HUF Goverdhan Das	1,18,266 1,11,974

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
				Loan	into Fixed Capital	Lohiya-HUF Ritesh Lohiya	69,432

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
5. Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. No shares have been issued at price below Issue Price within last one year from the date of this Prospectus except as follows:

Date of Allotment/ Fully paid-up	No. of Equity Shares / Preference Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Allottees	No. of Shares allotted
November 18, 2017	15,43,860	10	10	Takeover of the Undertaking of M/s Priti International	Priti Lohiya	15,43,860
December 05, 2017	2,99,672	10	75	Conversion of Unsecured Loan	Ritesh Lohiya-HUF	1,18,266
					Goverdhan Das Lohiya-HUF	1,11,974
					Ritesh Lohiya	69,432

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

### i. Build Up of Promoter's shareholdings

As on the date of this Prospectus, our Promoters Goverdhan Das Lohiya, Priti Lohiya, Ritesh Lohiya, Ritesh Lohiya – HUF, and Goverdhan Das Lohiya –HUF hold 18,87,832 Equity Shares of our Company.

#### 1) Goverdhan Das Lohiya

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Pledge
June 29, 2017	14,900	10	10	Subscription to MOA	0.79%	0.57%	No
August 31, 2017	(100)	10	10	Transfer	(0.01%)	Negligible	No
<b>Total</b>	<b>14,800</b>				<b>0.78%</b>	<b>0.57%</b>	

2) Ritesh Lohiya

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Pledge
June 29, 2017	14,900	10	10	Subscription to MOA	0.79%	0.57%	No
August 31, 2017	(100)	10	10	Transfer	(0.01%)	Negligible	No
December 05, 2017	69,432	10	75	Conversion of Unsecured Loan	3.67%	2.68%	No
<b>Total</b>	<b>84,232</b>				<b>4.45%</b>	<b>3.25%</b>	

3) Priti Lohiya

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Pledge
June 29, 2017	14,500	10	10	Subscription to MOA	0.77%	0.56%	No
November 18, 2017	15,43,860	10	10	Issued against Acquisition of undertaking of M/s Priti International	81.53%	59.51%	No
<b>Total</b>	<b>15,58,360</b>				<b>82.30%</b>		

4) Ritesh Lohiya - HUF

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Pledge
August 31, 2017	100	10	10	Transfer	0.01%	Negligible	No
December 05, 2017	1,18,266	10	75	Conversion of Unsecured Loan	6.25%	4.56%	No
<b>Total</b>	<b>1,18,366</b>				<b>6.26%</b>	<b>4.56%</b>	

5) Goverdhan Das Lohiya - HUF

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Pledge
August 31, 2017	100	10	10	Transfer	0.01%	Negligible	No
December 05, 2017	1,11,974	10	75	Conversion of Unsecured Loan	5.91%	4.32%	No
<b>Total</b>	<b>1,12,074</b>				<b>5.92%</b>	<b>4.32%</b>	

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

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, an aggregate of 20% of the post-Issue capital held by our Promoter shall be considered as Promoters' Contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares. Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20.05% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period	Source of Promoter Contribution
<b>Goverdhan Das Lohiya</b>							
June 29, 2017	14,800	10	10	Subscription to MOA	0.57%	3 years	Personal Income
<b>Priti Lohiya</b>							
June 29, 2017	14,500	10	10	Subscription to MOA	0.56%	3 years	Personal Income
November 18, 2017	1,76,192	10	10	Issued against of Acquisition undertaking	6.79%	3 years	Pursuant to Business Acquisition of M/s Priti International
<b>Ritesh Lohiya</b>							
June 29, 2017	14,800	10	10	Subscription to MOA	0.57%	3 years	Personal Income
December 05, 2017	69,432	10	75	Conversion of Unsecured Loan	2.68%	3 years	Pursuant to Conversion of Unsecured Loan
<b>Ritesh Lohiya – HUF</b>							
August 31, 2017	100	10	10	Transfer	Negligible	3 years	Personal Income
December 05, 2017	1,18,266	10	75	Conversion of Unsecured Loan	4.56%	3 years	Pursuant to Conversion of Unsecured Loan

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareho lding	Lock in Period	Source of Promoter Contributio n
<b>Goverdhan Das Lohiya – HUF</b>							
August 31, 2017	100	10	10	Transfer	Negligible	3 years	Personal Income
December 05, 2017	1,11,974	10	75	Conversion of Unsecured Loan	4.32%	3 years	Pursuant to Conversion of Unsecured Loan
<b>Total</b>	<b>5,20,164</b>				<b>20.05%</b>		

In compliance of Regulation 33 (1) (b) (ii) of the SEBI (ICDR) Regulations, 2009, our promoters have agreed to bring into the escrow account with a schedule commercial bank, difference amount between Issue Price and the price at which such Equity shares have been acquired by the Promoters, which is aggregating Rs. 143.32 Lakhs at least one day prior to opening of the Issue.

The Minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI (ICDR) Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In connection, we confirm the following:

- a) The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- b) No equity shares have been issued to our promoter upon conversion of a partnership firm during the preceding one year at a price less than the issue price.
- c) The Equity Shares held by the Promoter and offered for minimum Promoters' contribution are not subject to any pledge;
- d) All the Equity Shares of our Company held by the Promoters are in the process of being dematerialized; and
- e) The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

### iii. Details of Share Capital locked in for one year:

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

### iv. Other requirements in respect of lock-in:

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

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

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

We further confirm that our Promoters' Contribution of 20.05%% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

8. Except as mentioned below, there were no shares purchased/sold by the Promoters and Promoter Group, directors and their immediate relatives during last six months.

<b>Date of Transfer</b>	<b>Name of the Transferee/ Transferor</b>	<b>Party Category</b>	<b>No. of Shares Allotted/ Transferred</b>	<b>Face Value</b>	<b>Transfer Price</b>	<b>Nature of Allotment</b>
December 05, 2017	Ritesh Lohiya	Promoter	69,432	10	N.A	Conversion of Unsecured Loan
December 05, 2017	Goverdhan Das Lohiya-HUF	Promoter	1,11,974	10	N.A	Conversion of Unsecured Loan
December 05, 2017	Ritesh Lohiya HUF	Promoter	1,18,266	10	N.A	Conversion of Unsecured Loan

## 9. Our Shareholding Pattern

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

### i. Summary of Shareholding Pattern as on the date of this Prospectus:-

C a t e g o r y	Category of Shareholder	No s. of share holders	No. of fully paid up equity shares held	No. of Partl y paid- up equit y share s held	No. of share s unde rlyin g Depo sitor y Rece ipts	Total nos. share s held	Share holdin g as a % of total no. of share s (calcul ated as per SCR R, 1957) As a % of (A+B+ C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underly ing Outstan ding converti ble securiti es (includ ing Warran ts)	Sharehold ing, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Numb er of equity share s held in demat erializ ed form* **
								No of Voti ng Righ ts	Tota l as a % of (A+ B+C )			No.( a)	As a % of tot al Sh are s hel d (b)	No. (a)	As a % of total Share s held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	9	18,93, 532	-	-	18,93, 532	100.00	18,9 3,53 2	100. 00	-	-	-	-	-	-	18,93, 532
B	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form**	
								No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
	underlying DRs																
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>9</b>	<b>18,93,532</b>			<b>18,93,532</b>	<b>100.00</b>	<b>18,93,532</b>	<b>100.00</b>			-	-	-	-		18,93,532

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

\*\*All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on EMERGE Platform of National Stock Exchange of India.

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange

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

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

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

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoter</b>				
1.	Priti Lohiya	15,58,360	82.30%	15,58,360	60.07%
2.	Ritesh Lohiya-HUF	1,18,366	6.25%	1,18,366	4.56%
3.	Goverdhan Das Lohiya-HUF	1,12,074	5.92%	1,12,074	4.32%
4.	Ritesh Lohiya	84,232	4.45%	84,232	3.25%
5.	Goverdhan Das Lohiya	14,800	0.78%	14,800	0.57%
	<b>Sub Total (A)</b>	<b>18,87,832</b>	<b>99.70%</b>	<b>18,87,832</b>	<b>72.77%</b>
	<b>Promoter Group</b>				
1.	Ritika Lohiya	5,000	0.26%	5,000	0.19%
2.	Leela Lohiya	500	0.03%	500	0.02%
3.	Sohan Lal Bhootra	100	0.01%	100	Negligible
4.	Premesh Bhootra	100	0.01%	100	Negligible
	<b>Sub Total (B)</b>	<b>5,700</b>	<b>0.30%</b>	<b>5,700</b>	<b>0.22%</b>
	<b>Total (A+B)</b>	<b>18,93,532</b>	<b>100.00%</b>	<b>18,93,532</b>	<b>72.99%</b>

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Priti Lohiya	15,58,360	10.00
Ritesh Lohiya – HUF	1,18,366	74.95
Goverdhan Das Lohiya - HUF	1,12,074	74.94
Ritesh Lohiya	84,232	63.58
Goverdhan Das Lohiya	14,800	10.00

12. As on the date of this Prospectus, there is no person belonging to the category “Public” who holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.

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

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

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Priti Lohiya	15,58,360	82.30%
2.	Ritesh Lohiya-HUF	1,18,366	6.25%
3.	Goverdhan Das Lohiya-HUF	1,12,074	5.92%
4.	Ritesh Lohiya	84,232	4.45%
5.	Goverdhan Das Lohiya	14,800	0.78%
6.	Ritika Lohiya	5,000	0.26%
7.	Leela Lohiya	500	0.03%
8.	Sohan Bhootra	100	0.01%
9.	Premesh Bhootra	100	0.01%

<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>Number of Equity Shares</b>	<b>% of Total Paid-Up Capital</b>
	<b>Total</b>	<b>18,93,532</b>	<b>100.00%</b>

\*As on the date of filing of this Prospectus there are only 9 Share Holders in the Company.

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

<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>Number of Equity Shares</b>	<b>% of Total Paid-Up Capital</b>
1.	Priti Lohiya	15,58,360	82.30%
2.	Ritesh Lohiya-HUF	1,18,366	6.25%
3.	Goverdhan Das Lohiya-HUF	1,12,074	5.92%
4.	Ritesh Lohiya	84,232	4.45%
5.	Goverdhan Das Lohiya	14,800	0.78%
6.	Ritika Lohiya	5,000	0.26%
7.	Leela Lohiya	500	0.03%
8.	Sohan Bhootra	100	0.01%
9.	Premesh Bhootra	100	0.01%
	<b>Total</b>	<b>18,93,532</b>	<b>100.00%</b>

\*As on the ten days prior two the date of Prospectus there were only 9 (Nine) shareholders in the Company.

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

Not Applicable as our Company is Incorporated on June 30, 2017.

14. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
15. Neither the Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Prospectus.
16. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the EMERGE Platform of National Stock Exchange of India Limited.
17. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
18. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
19. There are no Equity Shares against which depository receipts have been issued.
20. Other than the Equity Shares, there is no other class of securities issued by our Company.
21. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

22. None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Prospectus.
23. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
24. There are no safety net arrangements for this public issue.
25. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.
26. As on date of this Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
27. All the Equity Shares of our Company are fully paid up as on the date of the Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
28. As per RBI regulations, OCBs are not allowed to participate in this Issue.
29. Our Company has not raised any bridge loans against the proceeds of the Issue.
30. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
31. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
32. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
33. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
34. Our Company has Nine (9) shareholders as on the date of filing of this Prospectus.
35. Our Promoters and the members of our Promoter Group will not participate in this Issue.
36. Our Company has not made any public issue since its incorporation.
37. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
38. For the details of transactions by our Company with our Promoter Group, Group Companies please refer to paragraph titled “Details of Related Parties Transactions as Restated” in the chapter titled “*Financial Statements as restated*” on page 163 of this Prospectus.

None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page 142 of this Prospectus.

## OBJECT OF THE ISSUE

### REQUIREMENT OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be Rs. 475.60 lakhs (the —**Net Proceeds**)

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

1. Purchase of Plant & Machinery and related civil work;
  2. Funding the working capital requirements of our Company;
  3. General Corporate Purposes.
- (Collectively, herein referred to as the “**Objects**”)

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

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

### ISSUE PROCEEDS

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

Particulars	Amount (Rs. in lakhs)
Gross Proceeds from the Issue	525.60
(Less) Issue related expenses	80.05
<b>Net Proceeds of the Fresh Issue (“Net Proceeds”)</b>	<b>445.55</b>

### UTILIZATION OF NET PROCEEDS

We intend to utilise the Net Proceeds in the manner set below:

Sr. No.	Particulars	Amount (Rs. In Lakhs)	% of Gross Proceeds	% of Net Proceeds
1.	Purchase of Plant & Machinery and related civil work	70.00	13.32%	15.71%
2.	Funding the working capital requirements of our Company	285.00	54.22%	63.97%
3.	General Corporate Purposes	90.55	17.23%	20.32%
	<b>Total Net Proceeds</b>	<b>445.55</b>	<b>84.77%</b>	<b>100.00%</b>

### SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of Implementation and deployment of funds set forth in the table below. As on the date of this Prospectus, our Company has not deployed any funds towards the objects of the Issue.

*Amount (Rs. In lakhs)*

Activity	Amount to be funded from the (Net Proceeds)	Estimated Utilisation of Net Proceeds (Financial Year 2018)	Estimated Utilisation of Net Proceeds (Financial Year 2019)
Purchase of Plant & Machinery and related civil work	70.00	-	70.00
Funding the working capital requirements of our Company	285.00	-	285.00
General Corporate Purposes	90.55	-	90.55

Activity	Amount to be funded from the (Net Proceeds)	Estimated Utilisation of Net Proceeds (Financial Year 2018)	Estimated Utilisation of Net Proceeds (Financial Year 2019)
<b>Total Net Proceeds</b>	<b>445.55</b>	-	<b>445.55</b>

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

#### **FUND REQUIREMENTS**

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

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

#### **MEANS OF FINANCE**

Purchase of Plant and Machinery will be done entirely through Net Proceeds of the issue and working capital requirements will be met through IPO proceeds to the extent of Rs. 285.00 lakhs will be met through Net Proceeds of the issue and balance through internal accrual.

Object of the Offer	Amount Required	IPO Proceeds	Internal Accrual/Networth
Purchase of Plant & Machinery and related civil work	70.00	70.00	-
Funding the working capital requirements of our Company	840.14	285.00	555.14
General Corporate purposes	90.55	90.55	-
<b>Total Means of Finance</b>	<b>1000.69</b>	<b>445.55</b>	<b>555.14</b>

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

#### **DETAILS OF THE OBJECT**

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

##### **1. Purchase of Plant And Machinery And Related Civil Work**

We propose to utilise Rs 70.00 lakhs towards purchase of Plant and Machinery and related civil work at our existing manufacturing facility to automate some of our processes and activities. Our Company intends to meet and adapt to the advanced technologies and install new or upgraded plant and machinery at our manufacturing facility for enhanced quality and precision in terms of manufacturing with increased efficiency. The said machineries will enable us to enhance our capacity utilisation also.

##### **Estimated Costs**

The total estimated cost towards purchase of new machinery and related civil work is Rs. 70.00 lakhs. The total cost estimated by our management in accordance with our business plan approved by our Board of Directors pursuant to its meeting dated December 20, 2017 and is based on quotations received from third party suppliers:

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

Particulars	Amount (Rs.in Lakhs)
-------------	----------------------

Plant & Machinery	65.55
Other Plant Utilities and Civil Work	3.50
Contingencies and other costs	0.95
<b>Total</b>	<b>70.00</b>

#### Means of finance

The total estimated cost towards purchase of new machinery and related civil work is proposed to be funded as follows

Particulars	Amount (Rs.in Lakhs)
Out of Issue Proceeds	70.00
<b>Total</b>	<b>70.00</b>

**Note: Any increase in the cost towards purchase new machinery and related civil work or shortfall in the funding would be financed through internal accruals.**

#### Plant & Machinery

The details of expenses pertaining to Purchase of Plant and Machinery are as under:

The company proposes to acquire plant & machineries at an estimated cost of about Rs. 65.55 lakhs. The detailed list of plant & machinery to be acquired by the company provided by is as under:-

Sr. No.	Particulars	Quantity	Amount (Rs. In Lakhs) <sup>(1)</sup>	Suppliers	Date
1.	Double Side Planer with accessories	1	10.58	Wuhan Bestsun Trading Co. Ltd	December 18, 2017
2.	RIP SAW with accessories	1	9.30		
3.	TENNONER with accessories	1	6.65		
4.	MORTISER with accessories	1	2.55		
5.	WIDE BELT SANDER with accessories	1	11.22		
6.	PANEL SAW with accessories	1	3.37		
7.	CLAMP CARRIER with accessories	1	11.34		
8.	MOULDER with accessories	1	3.08		
9.	MULTI BORING with accessories	1	2.85		
10.	CONTINUOUS DOVETAIL MACHINE with accessories	1	4.62		
	<b>Total</b>		<b>65.55</b>		

<sup>(1)</sup> The above quotations are exclusive of taxes

Note- The amount in the quotation of Wuhan Bestsun Trading Co. Ltd mentioned above has been converted from USD to INR at the conversion rate of Rs. 64.1065 per USD i.e. RBI reference rate as on December 18, 2017.

#### Civil Work

The company has estimated cost of about Rs. 3.50 lakhs towards foundation and installation of machinery. The detail of civil work to be carried out by the company is as under:-

Sr. No.	Particulars	Amount (Rs. In Lakhs) <sup>(1)</sup>	Quotation by	Date
1.	Civil Work-Foundation and Installation of machinery	3.50	G.S Construction	January 15, 2018

*(1) Contingencies and other costs*

We have created a provision for contingency of Rs. 0.95 lakhs to cover legal fees, professional fees to various consultants, related taxes, levies and other duties, as applicable, and any increase in the estimated cost.

No second-hand machinery or material is proposed to be purchased out of the aforesaid objects. The abovementioned Plant & Machinery is proposed to be acquired in a ready-to use condition.

We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity of the machinery and material to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery and material according to the business requirements of such facility, which are dynamic, which may evolve with the passage of time and based on the estimates of our management.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above.

**2. Funding The Working Capital Requirements of our Company**

Our business is working capital intensive. We finance our working capital requirements from internal accruals and other sources.

As on March 31, 2016 and March 31, 2017, the net working capital of M/s Priti International (the proprietorship concern which was acquired by our Company) consisted of Rs. 392.95 lakhs and Rs. 282.65 lakhs respectively, based on its restated financial statements.

The total working capital requirement for the financial year 2017-18 and financial year 2018-19 is expected to be Rs. 165.80 lakhs and Rs. 840.14 lakhs respectively. The incremental working capital requirement for the year ending March 31, 2019 will be Rs. 674.34 lakhs, which will be met through the Net Proceeds to the extent of Rs. 285.00 lakhs collectively, and the balance portion will be met through net worth and internal accruals.

**Basis of estimation of working capital requirement**

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to the resolution dated January 16, 2018 has approved the business plan for the Fiscals 2018, 2019 and 2020. The basis of estimation and projected working capital requirement for Fiscal 2018 and 2019 is stated below:

**Basis of estimation of working capital requirement**

*Amount (Rs in Lakhs)*

Particulars	As on March 31	
	2015-16	2016-17
<b>Current Assets</b>		
Inventories		
- Raw Material	7.82	3.87
- Finished Goods	362.09	224.84
- Other Consumables	1.06	0.96
Trade Receivables	242.90	322.63
Cash and Bank Balances	14.45	26.57
Other Current Assets	132.64	117.29
<b>Total (A)</b>	<b>760.96</b>	<b>696.16</b>
<b>Current Liabilities</b>		
Trade Payables	207.70	196.25
Short term Loans & Advances Taken	147.20	205.51
Current Maturities of Term Liabilities	3.98	-
Other Current Liabilities and Provisions	9.13	11.76
<b>Total (B)</b>	<b>368.01</b>	<b>413.52</b>
<b>Net Working Capital (A)-(B)</b>	<b>392.95</b>	<b>282.64</b>
<b>Existing Funding Pattern</b>		
Loans from Related Parties and Proprietor's Capital	392.65	282.64

The details of our Company's expected working capital requirement as at March 31, 2018 and March 31, 2019 is set out in the table below:

*Amount (Rs. In Lakhs)*

Particulars	2017-18	2018-19
	(Estimated)	(Estimated)
<b>Current Assets</b>		
Inventories		
- Raw Material	5.76	44.20
- Finished Goods	235.70	400.00
- Other Consumables	0.98	4.50
Trade Receivables	346.00	420.00
Cash and Bank Balances	18.45	27.92
Short term Loans & Advances	40.00	105.81
Other Current Assets	120.78	150.40
<b>Total (A)</b>	<b>767.67</b>	<b>1152.83</b>
<b>Current Liabilities</b>		
Trade Payables	260.88	45.00
Advance from Customers	262.74	175.00
Other Current Liabilities and Provisions	78.25	92.69
<b>Total (B)</b>	<b>193.92</b>	<b>312.69</b>
<b>Net Working Capital (A)-(B)</b>	<b>165.80</b>	<b>840.14</b>
Issue Proceeds	-	<b>285.00</b>
Net Worth/ Internal Accruals/ Short Term Borrowings	<b>165.80</b>	<b>555.14</b>
<b>Total Source</b>	<b>165.80</b>	<b>840.14</b>

## Assumption for working capital requirements

Assumptions for Holding Levels\*

(In months)

Particulars	Holding Level as of March 31, 2016	Holding Level as of March 31, 2017	Holding Level as of March 31, 2018 (Estimated)	Holding Level as of March 31, 2019 (Estimated)
<b>Current Assets</b>				
Inventories				
- Raw Material	0.06	0.04	0.05	0.24
- Finished Goods	2.36	1.66	1.69	2.06
- Other Consumables	0.01	0.01	0.01	0.02
Trade Receivables	1.33	1.90	1.92	1.63
<b>Current Liabilities</b>				
Trade Payables	1.66	1.80	2.10	0.25

### Justification for "Holding Period" levels

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

Assets- Current Assets	
<b>Inventories</b>	<p><b>Financial Year 2017-18</b>  <b>Raw Materials-</b> We have assumed raw material holding period of 0.05 months for the financial year 2017-18 as against 0.04 months for the financial year 2016-17 which is slightly higher than previous year's holding period as we are expecting increase in our business operations in the line with the FY 2017-18, we are expecting to hold more raw materials inventory for quick execution of orders.  <b>Finished Goods-</b> We have assumed finished goods holding period of 1.69 months for the financial year 2017-18 which is almost on par with the holding levels for the FY 2016-17 as we are expecting same growth level as of FY 2016-17 in the sales in our export markets and therefore, planning to hold same inventory levels as for the FY 2016-17.  <b>Other Consumables-</b> We have assumed consumables holding period of 0.01 months for the financial year 2017-18 which is on par with the holding period for the FY 2016-17 period as we expect to have same growth in our business operations as we had in the FY 2016-17.</p>
	<p><b>Financial Year 2018-19</b>  <b>Raw Materials-</b> We have assumed raw material holding period of 0.24 months for the financial year 2018-19 as against 0.05 months for the financial year 2017-18 which is higher than FY 2017-18's holding period as we are expecting increase in our business operations and are planning to create domestic presence of our products as well, which would require holding of more raw material inventory for quick execution of orders.  <b>Finished Goods-</b> We have assumed finished goods holding period of 2.06 months for the financial year 2018-19 which is higher than holding levels for the FY 2017-18 as we are expecting increase in our business operations and are planning to create domestic presence of our products as well, which would require holding of more finished goods inventory.  <b>Other Consumables-</b> We have assumed consumables holding period of 0.02 months for the financial year 2018-19 which is slightly higher than the holding period for the FY 2017-18 as we are expecting increase in our business operations which would require holding of more consumables inventory.</p>
<b>Trade receivables</b>	<p><b>Financial Year 2017-18</b>  We have assumed Trade Receivable holding period level of 1.92 months for the financial year 2017-18 as against 1.90 months for the financial year 2016-17 which is slightly higher than previous financial year's holding period.</p>

<b>Assets- Current Assets</b>	
	<p><b><u>Financial Year 2018-19</u></b> We have assumed Trade Receivable holding period level of 1.63 months which is slightly lower than holding level of FY 2017-18 as, going forward we are expecting to collect our debtors faster to fund our increased working capital requirements.</p>
<b>Liabilities– Current Liabilities</b>	
	<p><b><u>Financial Year 2017-18</u></b> We have assumed trade payables levels of 2.10 months for the financial year 2017-18 as against 1.80 months in financial year 2016-17 as we are expecting a lenient credit policy in the FY 2017-18.</p>
<b>Trade Payables</b>	<p><b><u>Financial Year 2018-19</u></b> Since we are planning to raise funds by initial public offering in the FY 2018-19, we are expecting quick payments to our creditors and therefore, have assumed holding level of 0.25 months in the FY 2018-19 as against 2.10 months in the FY 2017-18.</p>

### **GENERAL CORPORATE PURPOSES**

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

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

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

### **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. 80.05 Lakhs.

<b>Expenses</b>	<b>Expenses (Rs. Lakhs)* in</b>	<b>Expenses (% of total Issue expenses)</b>	<b>Expenses (% of Gross Issue Proceeds)</b>
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	40.00	49.97	7.61
Regulatory fees	10.00	12.49	1.90
Marketing and Other Expenses	30.05	37.54	5.72
<b>Total estimated Issue expenses</b>	<b>80.05</b>	<b>100.00</b>	<b>15.23</b>

*\*As on date of the Prospectus, our Company has incurred Rs. 16.40 Lakhs towards Issue Expenses out of internal accruals.*

*\*\*SCSBs will be entitled to a processing fee of Rs. 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.*

*Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.01 % on the Allotment Amount# or Rs 100/- whichever is less on the Applications wherein shares are allotted.*

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

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

#### **BRIDGE FINANCING**

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

#### **APPRAISAL BY APPRAISING AGENCY**

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

#### **INTERIM USE OF FUNDS**

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

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

#### **MONITORING UTILIZATION OF FUNDS**

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

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

#### **VARIATION IN OBJECTS**

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

#### **OTHER CONFIRMATIONS**

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

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Lead Manager, on the basis of an assessment of the quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. 75 per Equity Share which is 7.50 times the face value. Investors should read the following basis with the sections titled “*Risk Factors*” and “*Financial Information*” and the chapter titled “*Our Business*” beginning on page nos. 17, 163 and 117 respectively, of this Prospectus to get a more informed view before making an investment decision. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

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

#### 1. Experienced Management team:

Our operations commenced under the guidance of our individual Promoters Goverdhan Das Lohiya Ritesh Lohiya and Priti Lohiya, who have successfully managed various phases of expansion and growth of our business and operations. They look after overall management of the Company and have experience of over a decade in the industry in which our company operates. They have been instrumental in formulating growth strategy for our Company. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Additionally, our top level executives are well versed with our industry and the business undertaken by our Company. Our Company imparts time to time training to improve the skills of the employees. Our Individual Promoters are supported by a dedicated employee team with several years of industry experience in their respective domains. For further details regarding our Key Managerial Personnel, please refer to the chapter titled — “*Our Management*” beginning on page 142 of this Prospectus.

#### 2. Scalable Business Model:

Our Business model is customer centric and order driven, and requires optimum utilisation of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets and products both by exploring customer needs, marketing expertise and by maintaining the consistent quality output. We believe that our business model is scalable.

#### 3. Global Presence:

Our Company caters its products majorly in export markets. Currently our Company caters to customers located at countries such as Spain, Belgium, Holland, Netherlands, Turkey, England, China, Greece, Germany etc. We have generated export revenue of Rs. 318.83 lakhs for the period ended December 31, 2017. Our footsteps in international market will help us to expand our business operations overseas. Our marketing strategy majorly comprises of participation in fairs and product exhibitions in various geographies internationally to reach to new customers.

#### 4. Locational Advantage:

We are strategically located in Jodhpur, Rajasthan which is amongst the top exporters of handicrafts in India. Our manufacturing facilities are located in prominent industrial areas in Jodhpur which are known for handicrafts products. Thus we can attract more business and increase our customer base.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for the period ended December 31, 2017 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

Period Ended	EPS (Rs.)
December 31, 2017 (Not Annualised)	3.47

**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 period. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.
- Our Company was incorporated on June 30, 2017 as Priti International Limited and acquired the ongoing business of M/s Priti International (the proprietorship concern of our Promoter Priti Lohiya) vide Business Succession Agreement dated November 11, 2017. Therefore, the EPS presented above reflects the earnings made by the company since June 30, 2017 to December 31, 2017 (not annualised) on the business carried on in the company.

### 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 75/- per Equity Share of Rs. 10 each fully paid up.

Particulars	P/E Ratio
P/E ratio based on Basic & Diluted EPS for the period ended December 31, 2017**	21.61
<b>*Industry P/E</b>	
Lowest	N.A.*
Highest	N.A.*
Average	N.A.*

\* We believe that there are no listed Companies in India which are exclusively engaged in same business as ours.

\*\* Since our Company was incorporated on June 30, 2017, the PE Ratio has been presented on the basis of available EPS (for the period June 30, 2017 to December 31, 2017) which is not annualised.

**Note:-**

Our Company was incorporated on June 30, 2017 as Priti International Limited and acquired the ongoing business of M/s Priti International (the proprietorship concern of our Promoter Priti Lohiya) vide Business Succession Agreement dated November 11, 2017. Therefore, the PE presented above reflects the earnings made by the company since June 30, 2017 to December 31, 2017 (not annualised) on the business carried on in the company.

### 3. Return on Net worth (RONW)

Return on Net Worth (“RONW”) as per restated financial statements

Period Ended	RoNW
December 31, 2017 (Not Annualised)	3.99%

**Note:** - The RONW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year. Networth has been computed as sum of Equity share capital and reserve and surplus

### 4. Since our Company was incorporated on June 30, 2017, Minimum Return on Total Net Worth post Issue needed to maintain Pre Issue EPS for the year ended March 31, 2017 could not be computed.

### 5. Net Asset Value (NAV)

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as on December 31, 2017	21.13
Net Asset Value per Equity Share after the Issue	35.68
Issue Price per equity share	75.00

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year.

## **6. Comparison with other listed companies**

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

For further details refer section titled “*Risk Factors*” beginning on page 17 of this Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 163 of this Prospectus for a more informed view.

## STATEMENT OF POSSIBLE TAX BENEFIT

To,  
**The Board of Directors**  
**Priti International Limited**  
Plot No F-43, Basni, Ist Phase,  
Jodhpur-342001, Rajasthan, India

Dear Sirs,

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

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

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

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

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

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

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

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

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

**For, N. K. Aswani & Co.**  
Chartered Accountants  
**Firm Registration No.: 100738W**

**N. K. Aswani**  
**Proprietor**  
**Membership No.: 033278**  
**Date: 05<sup>th</sup> February, 2018**  
**Place: Ahmedabad**

## SECTION IV- ABOUT THE COMPANY OUR INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 17 and 163 respectively of this Prospectus before deciding to invest in our Equity Shares.*

### **INTRODUCTION TO THE INDIAN HANDICRAFT INDUSTRY**

India is a country of rich culture, history and traditions. India is one of the major producer and supplier of Handicrafts products in the world. Before the industrial development, this art and industry was a potential economic advantage for the country.

During recent years, the importance of handicrafts has surged due to their cultural and financial values. The small scale industries - including handicrafts can play a major role in the development of the economy of both developed and the developing countries equally. The 90-95% of the total industrial products of the world are produced in small workshops run by less than 100 people. For instance, Japan, which is at the peak of the economic development, has considered 84% of the its industries as small and medium scale industries. In countries like India, handicrafts are as high as the mechanized products in quality and volume, and are a major source of their foreign earnings.

The Indian handicrafts industry is highly labour intensive, cottage based and decentralized. The industry is spread all over the country mainly in rural and urban areas. Most of the manufacturing units are located in rural and small towns, and there is huge market potential in all Indian cities and abroad. Handicraft industry is a major source of income for rural communities employing over six million artisans including a large number of women and people belonging to the weaker sections of the society.

The Handicraft sector is highly creative sector and produces large variety of crafts products. This industry is localized segment of the domestic and international market. In India the production of craft products are done on both large and small scale. Because of low capital investment people can start their business on small scale. Through this flexibility the demand and supply can be managed.

There is huge demand for the Indian Handicraft products in both national and international markets. To match the demand and supply with quality, there is need to have greater technological support and innovativeness with the uniqueness in industry.

*(Source: Indian Handicraft Industry at a Glance in 2015-16- [www.indianmirror.com](http://www.indianmirror.com))*

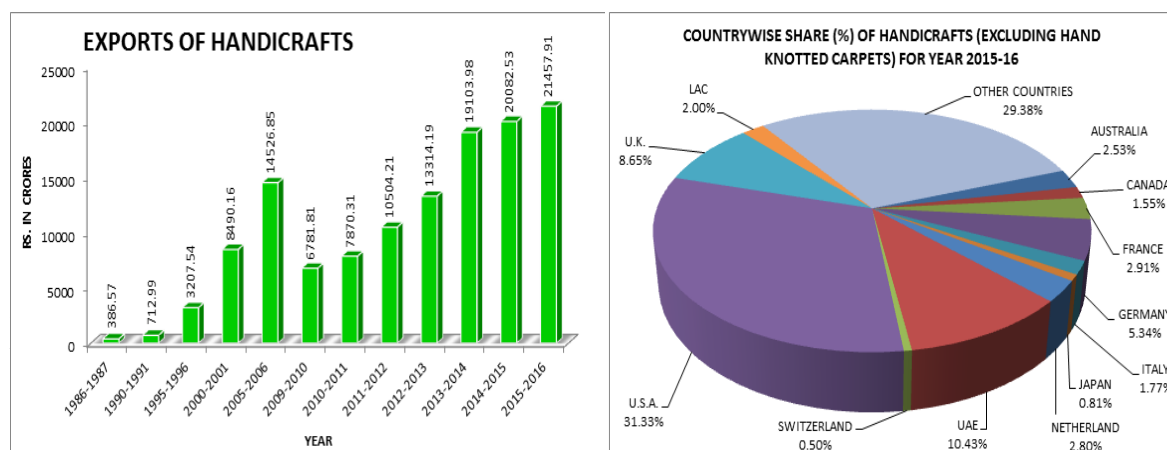
### **STATISTICAL OVERVIEW OF THE INDIAN HANDICRAFT INDUSTRY**

India is one of the important suppliers of handicrafts to the world market. The Indian handicrafts industry is highly labour intensive cottage based industry and decentralized, being spread all over the country in rural and urban areas. Numerous artisans are engaged in crafts work on part-time basis. The industry provides employment to over six million artisans (including those in carpet trade), which include a large number of women and people belonging to the weaker sections of the society

The handicrafts sector is important for the Indian economy as it is one of the largest employment generators and accounts for a significant share in the country's exports. The state and regional clusters contribute significantly to handicrafts export. The Indian handicrafts industry is fragmented, with more than seven million regional artisans and more than 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets.

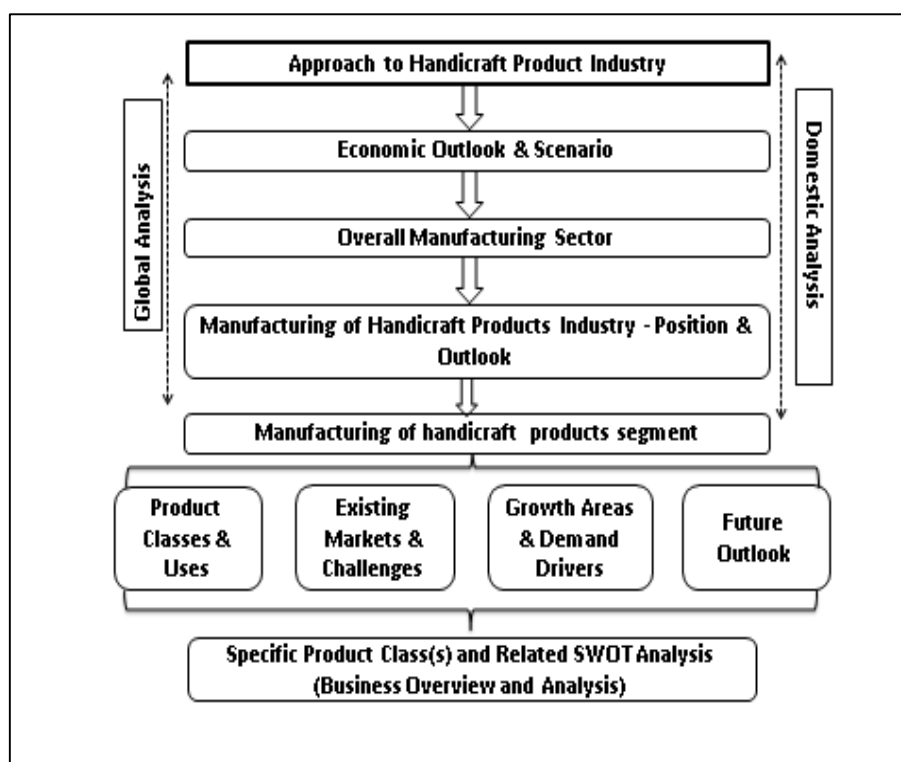
Handicraft exports from India increased by 11.07 per cent year-on-year during April 2016-March 2017 to US\$ 3.66 billion. During this period, the exports of various segments registered positive growth like Shawls as Artwares (26.79 per cent), Hand printed Textiles & Scarves (25.96 per cent), Artmetal wares (19.04 per cent), Agarbatis and attars (6.76 per cent) and Embroidered & Crocheted

goods (5.85 per cent). Indian handicrafts are exported across geographies, with the top 10 destinations being the US, the UK, the UAE, Germany, France, Latin American countries (LAC), Italy, the Netherlands, Canada and Australia.



(Source: Export Promotion Council for Handicrafts- [www.ibef.org](http://www.ibef.org))

### APPROACH TO HANDICRAFT INDUSTRY ANALYSIS



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

Manufacturing Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing Sector is —Handicraft Products Manufacturing and Marketing Industry, which in turn encompasses various segments such as OTCs Products, Manufacturing of Handicraft Products segment.

Thus, the micro analysis of segments such as OTCs Products Manufacturing of Handicraft Products segment should be analysed in the light of —Handicraft Products Manufacturing and Marketing Industry at large. An appropriate view on OTCs Products, , Manufacturing of Handicraft Products segment, then, calls for the overall economic outlook, performance and expectations of Manufacturing Sector, position of Handicraft Products Manufacturing and Marketing Industry and micro analysis thereof.

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

## **GLOBAL ECONOMIC OVERVIEW**

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends— documented widely— about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects

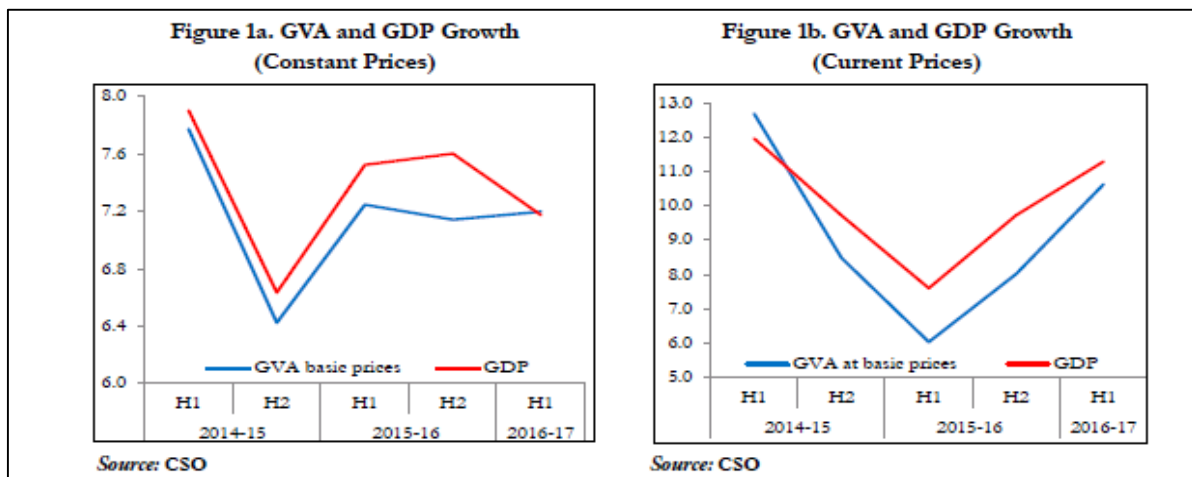
Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY**

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).

The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services— dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).



Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

### **External Sector**

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

### **Fiscal Position**

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted.

Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

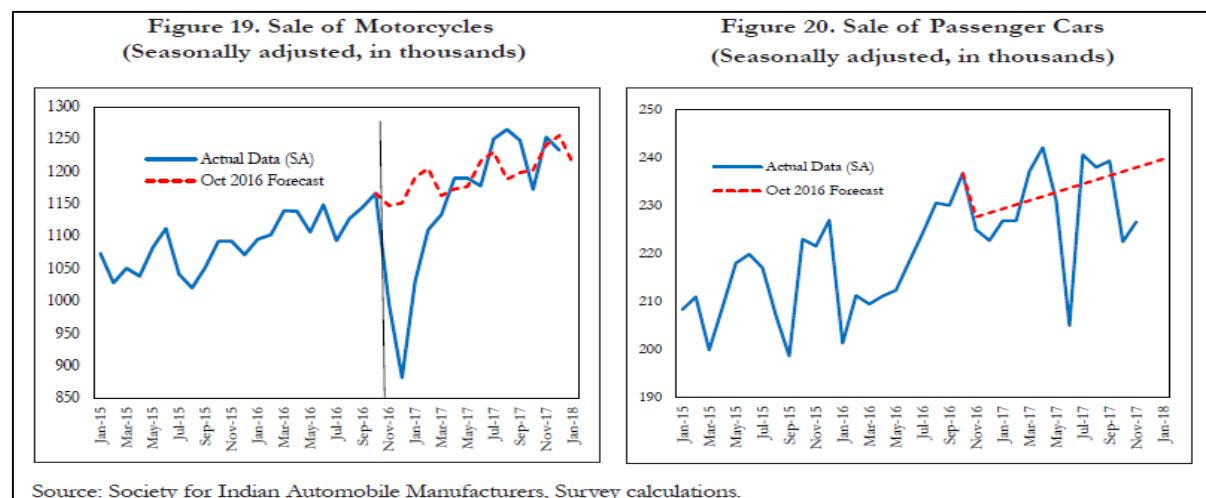
(Source: Economic Survey 2016-17 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## OVERVIEW OF INDIA'S ECONOMIC PERFORMANCE IN 2017-18

### Economic activity

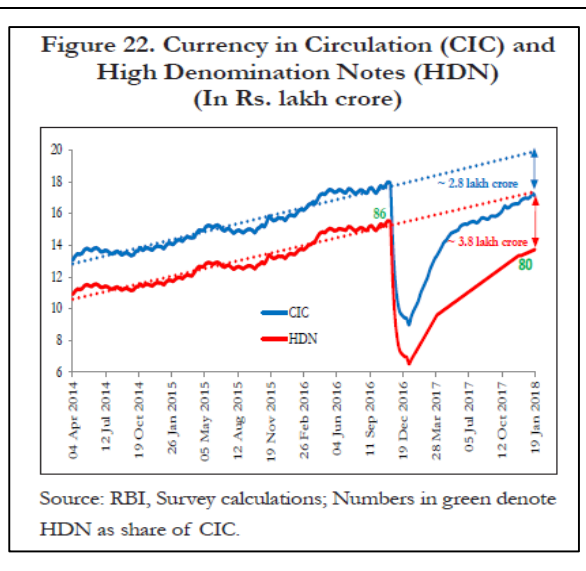
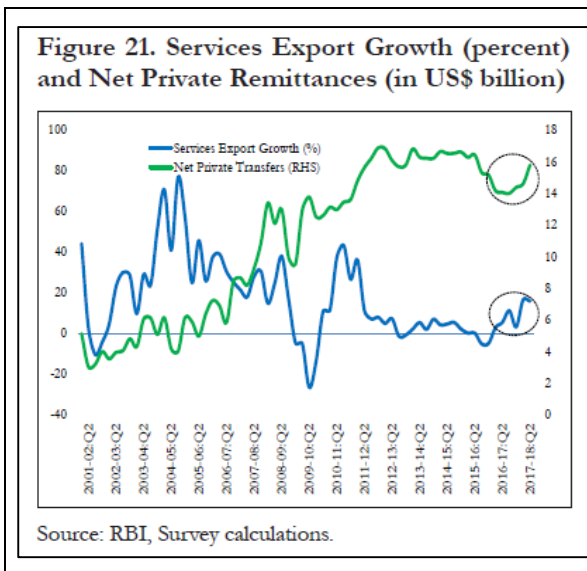
The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP,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

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



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

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

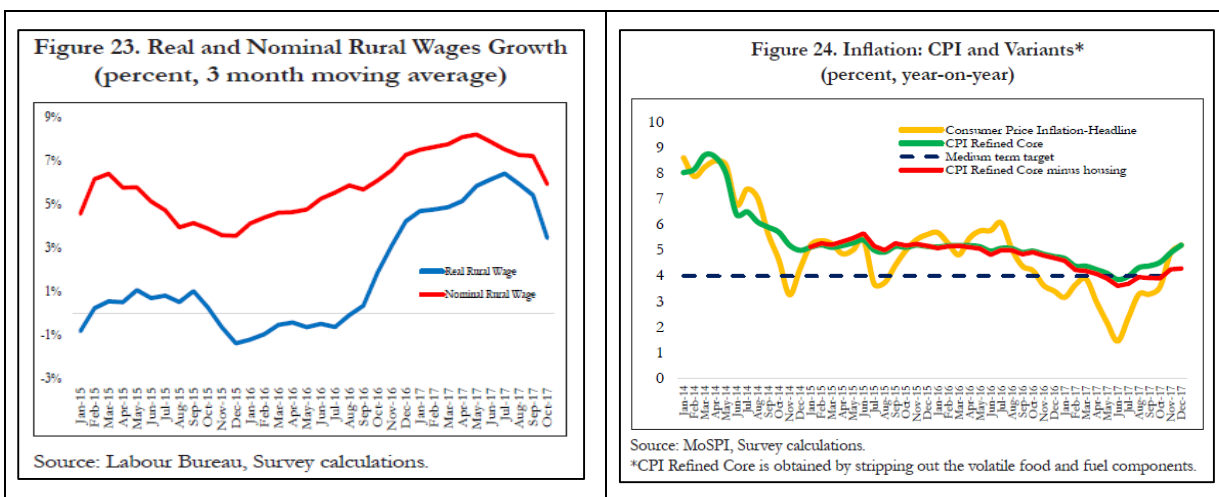


A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth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

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

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

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



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

### Macroeconomic indicators

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

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

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

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

### OUTLOOK FOR 2018-19

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

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

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

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

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

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

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

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

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

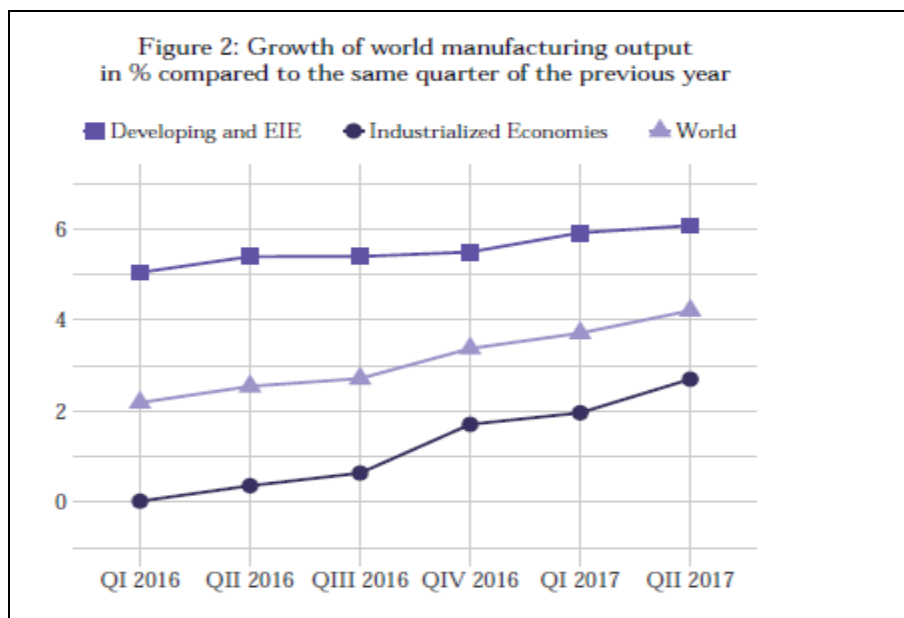
(Source: Economic Survey 2017-18 Volume 1 [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **GLOBAL MANUFACTURING SECTOR**

### **World Manufacturing Growth in quarter II, 2017**

World manufacturing in the second quarter of 2017 has continued to show signs of expansion, following an upward trend observed throughout 2016 and improved growth rates in the first quarter of 2017. Both industrialized and developing and emerging industrial economies gained further strength in manufacturing production and confirmed their healthy dynamic growth.

Although the pace of growth indicates similar trends in both country groups (Figure 2), developing economies continuously performed better than industrialized ones. The current growth prospects are improving further on account of rising consumer spending and promising investment plans, which are favourably directed towards developing economies. Changing business conditions are driving industrial production growth and confidence for the overall outlook has been increasing. Moreover, the risks for global growth witnessed last year, such as political instability in Europe, unpredictability of the Brexit aftermath, the rising trade protectionism following the US election and an abrupt slowdown in China have certainly diminished, although they have not disappeared completely.



(Source: *World Manufacturing Production, Statistics for Quarter II, 2017*, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org))

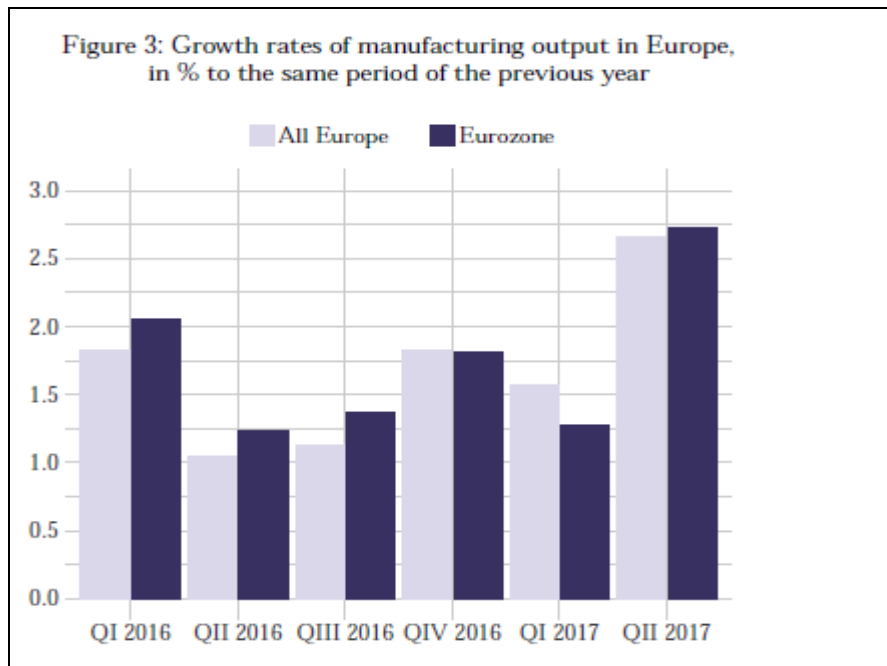
Optimistic results reported in the first quarter have carried over into the second quarter of this year. Global manufacturing output rose by 4.2 per cent in the second quarter of 2017 compared to the same period of the previous year, building on the robust 3.7 per cent increase observed at the beginning of 2017. The major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, Italy and France, thrived in the second quarter of 2017. The growth prospects of China, the world's largest manufacturer, remained unchanged.

As depicted in Figure 2, steady progress over several consecutive quarters characterizes all country groups and the prospects for sustained global industrial growth in the coming periods are good.

### **Manufacturing Growth in Industrialized economies**

The manufacturing output growth of industrialized economies has progressively been improving over the last quarters. The upward growth trend-at a relatively moderate pace-is attributable to the robust dynamics in all industrialized regions, namely East Asia, Europe and North America.

The manufacturing sector gained increasing strength due to domestic and external demand in European economies and resulted in the solid performance recorded in the second quarter of 2017. Europe's manufacturing output jumped to 2.7 per cent in the second quarter of 2017 from 1.6 per cent growth in the previous quarter, while the growth rate in the Eurozone witness the same development during the second quarter of 2017 (Figure 3).



The disaggregated data points to continued improvement in the already healthy economic momentum of leading Eurozone economies with growth figures of 2.9 per cent in Germany and Italy, and 2.4 per cent in France and Spain compared to year-to-year developments. The manufacturing production in other economies of the single currency block seemingly remained healthy in the second quarter. Strong growth of over 8.0 per cent was observed in Slovenia, and Estonia, while a fairly robust growth rate was recorded in the Netherlands (3.0 per cent), Austria (3.5 per cent), Belgium (4.2 per cent) and Finland (3.2 per cent). The manufacturing sector in the eurozone ended the second quarter on a strong note. The only exception was Ireland, where manufacturing output fell by 1.1 per cent compared to the same period of the previous year.

Taking a closer look at individual countries beyond the eurozone, manufacturing output remained stagnant in the United Kingdom at only 0.2 per cent growth in the second quarter of 2017. Despite remaining in positive terrain, output dipped significantly considering that the previous quarter's result was the highest one in over two years. On the other hand, the pace of growth in Czechia and Hungary strengthened, where an increase of 7.4 per cent and 4.7 per cent was recorded, respectively. Other exceptionally positive results were visible in Switzerland with a 2.4 per cent growth rate as well as in Sweden with a gain of 5.2 per cent compared to the same period of the previous year. Among the other Nordic countries, Denmark expanded its manufacturing production by 3.7 per cent, while Norway significantly moderated its contraction rate to roughly 0.4 per cent.

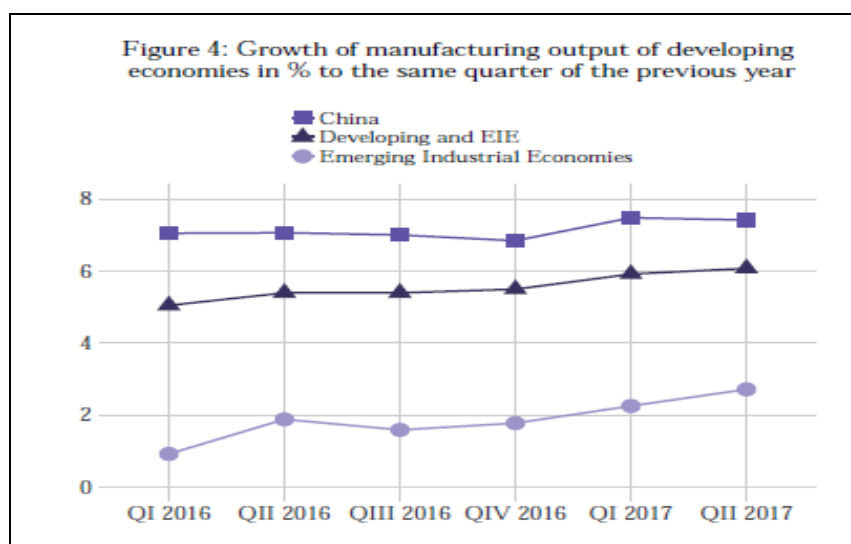
North America's overall manufacturing production grew by 1.6 per cent compared to the same period of 2016. The strengthening of the dollar and the consequent weak demand for U.S. goods caused the American manufacturing sector to go into recession in late 2015. However, the recent weakening of the U.S. dollar combined with a stronger global environment resulted in the opposite effect, and American total manufacturing output rose by 1.5 per cent compared to the same period of the previous year, representing the highest increase since the last recession. Improved performance was also witnessed in Canadian manufacturing, where manufacturing production expanded by 3.5 per cent in the second quarter of 2017.

Another positive result was observed in industrialized East Asian economies in the second quarter of 2017 - a 4.4 per cent improvement compared to the same period of the previous year. The main forces that have been driving growth in Japan's manufacturing sector in recent quarters remained firmly in place in the second quarter of 2017. Japan, the major force behind the entire region's upward trend, reconfirmed the end of a long period of contractions with a growth rate of nearly 5.8 per cent. The Republic of Korea's manufacturing production, on the other hand, remained almost unchanged compared to the same period of the previous year. Malaysia's total manufacturing output recorded a 5.9 per cent rise in the second quarter of 2017; a very strong growth rate of 8.5 per cent was observed in Singapore. The manufacturing production of Taiwan, Province of China lost some steam in the second quarter of 2017 according to the latest figures, although it still expanded at a moderate 2.6 per cent pace on a year-to-year basis.

(Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org) )

### Manufacturing sector growth in Developing and emerging industrial economies

The second quarter of 2017 brought upward trends for all developing and emerging industrial regions. Latin America is continuing on the path to full recovery from last year's weak performance, Asian economies continue to prosper and production in Africa is profiting from boosted investor confidence. Stronger foreign demand is helping support manufacturing activity in China. Together with an improvement in domestic demand and support for the development of advanced manufacturing industries, this translated into a 7.4 per cent increase in total manufacturing production in China compared to the same period of the previous year.



Latin American economies have overcome a severe decline in economic growth, which affected the region for a long period with a 1.8 per cent upsurge in the second quarter of 2017 in a year-to-year comparison. Brazilian manufacturers are slowly emerging from the deep recession during which manufacturing production contracted at the beginning of 2014 and shrank uninterruptedly until early 2017. This steep fall was softened by a mild, but ultimately positive upward trend of 0.4 per cent recorded in the second quarter of 2017. Moreover, data for the second quarter of 2017 suggest that the recovery is finally gathering pace in Argentina's manufacturing sector. The country's manufacturing activity recorded a growth of 1.9 per cent - its best performance over the last five years. Production was driven by a broad-based expansion, with the food, automotive and metallurgic industries leading the way.

The positive momentum of manufacturing production in Mexico, the region's powerhouse, was largely retained with a positive increase of nearly 3.9 per cent. Looking at the other countries in the region, Chile recorded a minor upturn of 0.9 per cent, whereas manufacturing output in Colombia remained stagnant compared to the same period of 2016.

The Asia and the Pacific region saw an increase of 6.6 per cent in manufacturing output during the second quarter of 2017. Viet Nam, one of Asia's fast growing economies, maintained a solid growth rate of 11.1 per cent, continuing its long-term trajectory of double-digit year-to-year growth in manufacturing. On the other hand, a subdued export performance dampened the momentum in Indonesia, resulting in the country's manufacturing sector expanding by 3.8 per cent, a slight deceleration compared to the 4.5 per cent average growth rate in 2016. India's manufacturing production expanded by 1.8 per cent in the second quarter of 2017. Very positive developments in growth were also observed in the Philippines, Pakistan, Kazakhstan and Mongolia. In Thailand, the weak performance of manufacturing production in the first quarter continued into the second quarter of 2017, and the manufacturing sector recorded a 0.1 per cent loss compared to the second quarter of the previous year.

According to UNIDO estimates, Africa's manufacturing output increased to 10.5 per cent in the second quarter of 2017, however, it should be noted that estimates for Africa are based on limited data revealing high instability and volatility. A two-digit growth rate was registered in Egypt; Côte d'Ivoire only barely missed a two-digit growth rate, Morocco experienced a 2.3 per cent growth, while

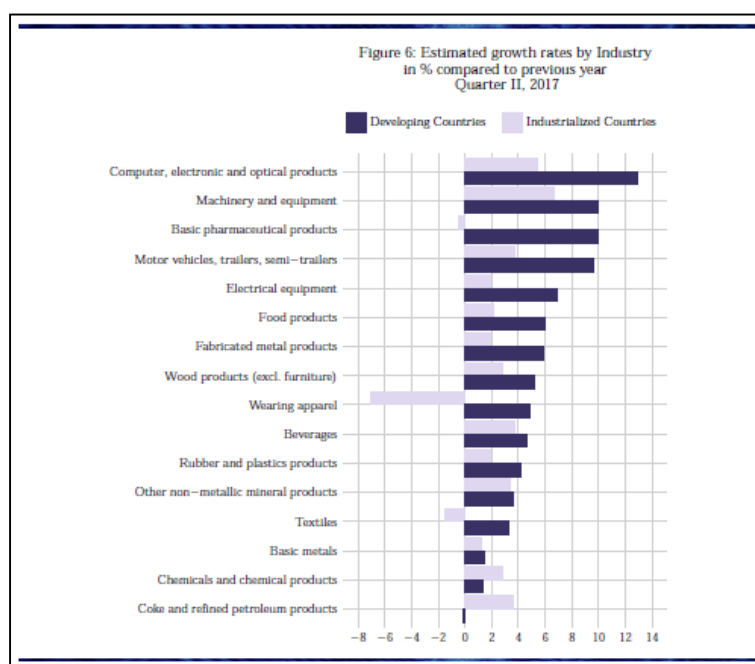
Senegal's and Tunisia's manufacturing output dropped by 3.0 per cent and 0.4 per cent, respectively, compared to the same period of the previous year. South Africa, the region's most industrialized economy, saw a contraction rate of 1.7 per cent in the second quarter of 2017, the third quarter of depressed manufacturing production in a row. Weak manufacturing together with a shrinking trade sector, uncertain political landscape and stunted investment signalizes potentially dim prospects, and perhaps not only for 2017.

Among other developing economies, the manufacturing output of Eastern European countries achieved relatively higher growth rates. Manufacturing output rose by 6.2 per cent in Poland, 10.6 per cent in Romania, 8.5 per cent in Bulgaria, 6.0 per cent in Serbia and 8.7 per cent in Latvia. Turkey's manufacturing sector also performed well, growing by 4.7 percent due to healthy export growth fueled by a weaker lira. Greek manufacturing marked 2.5 per cent growth in the second quarter of 2017 over the same period of 2016.

(Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org) )

### Findings by industry Group

The growth rates for selected industries are presented below.



(Source: World Manufacturing Production, Statistics for Quarter II, 2017, United Nations Industrial Development Organization, [www.unido.org](http://www.unido.org) )

## MANUFACTURING SECTOR IN INDIA

### Introduction:

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020\*. The Gross Value Added (GVA) at basic constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the 2nd provisional estimate of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

### Investments:

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or

are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power.

- Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 70.51 billion by June 2017. India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:
- JSW Energy has signed a memorandum of understanding (MoU) with the Government of Gujarat, for setting up an electric vehicle (EV) manufacturing unit in Gujarat at an estimated cost of Rs 4,000 crore (US\$ 608.88 million).
- With an aim to increase its presence in India, Denmark-based heating ventilation and air-conditioning (HVAC) giant, Danfoss, is planning to take its manufacturing localisation to 50 per cent as well as double its supplier base in India by 2020.
- Cochin Shipyard Ltd, which recently completed its initial public offer (IPO), will utilize the funds from the issue to implement expansion projects worth Rs 2,800 crore (US\$ 437.3 million), which are already in its pipeline.
- Indian biscuits giant, Britannia Industries Ltd (BIL), is setting up its largest plant ever, in Ranjangaon, Maharashtra, with an investment of Rs 1,000 crore (US\$ 156.89 million). The plant will have an annual capacity of 120,000 tonne and will be completed by FY19.
- IKEA, a Swedish furniture company, aims to manufacture more than 30 per cent of its products in India in the coming years, stated Mr Patrik Antoni, Deputy Country Manager, IKEA.
- Volvo India Pvt Ltd, Swedish luxury car manufacturer, will start assembly operations near Bengaluru in India by the end of 2017. The company is targeting to double its share in India's luxury car segment to 10 per cent by 2020.
- Larsen & Toubro (L&T) has bagged a contract worth US\$ 669.34 million from the Ministry of Defence, Government of India, to supply 100 artillery of 155mm/52 caliber tracked self-propelled guns for the Indian Army, under the Make in India initiative.
- Berger Paints has entered into a partnership with Chugoku Marine Paints (CMP), thereby marking its entry into the marine paints segment, which has an estimated market size of Rs 250 crore (US\$ 38.82 million) and is expected to grow at 25 per cent annually for the next five years.
- SAIC Motor Corp, China's largest automaker, has signed a deal to buy General Motors (GM) India's Halol plant in Gujarat.
- Dabur India Ltd set up its largest manufacturing plant globally, spread over 30 acres, at a cost of Rs 250 crore (US\$ 38.82 million), in Tezpur, Assam, which will produce Dabur's complete range of ayurvedic medicines, health supplements, and personal care products among others.
- Apple Inc is looking to expand its Taiwanese contract manufacturer, Wistron's, production facility in Bengaluru, India, where it started manufacturing iPhone SE in May, 2017.
- China based LCD and touchscreen panel manufacturer, Holitech Technology, has announced plans to investing up to US\$ 1 billion in India by the end of 2017.
- Tristone Flowtech Group, the Germany-based flow technology systems specialist, has set up a new facility in Pune, which will manufacture surge tank as well as engine cooling and aircharge hose for the Indian market. The company plans to start the production at the plant in the fourth quarter of 2017.
- Honda Motorcycle & Scooter India plans to invest around Rs 600 crore (US\$ 90 million) to add a new line to produce additional 600,000 units at its Narsapura facility in Karnataka.
- Hindustan Coca-Cola Beverages plans to set up a bottling plant with an investment of Rs 750 crore (US\$ 112.5 million) in phases at the first industrial area being developed by Government of Madhya Pradesh under the public private partnership in Babai village of Hoshangabad, Bhopal.
- Tata Advanced Systems is collaborating with the world's largest defence contractor Lockheed Martin to manufacture the F-16 fighter jets in India.

### **Government Initiatives:**

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

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

The Government of India has introduced several policy measures in the Union Budget 2017-18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.

The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.

The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.

The Ministry of Heavy Industries and Public Enterprises, Government of India, has approved the setting up of four Centres of Excellence (CoE) in areas of textile machinery, machine tools, welding technology and smart pumps, which will help raise the technology depth of the Indian Capital Goods Industry.

The Ministry of Defence, Government of India, approved the "Strategic Partnership" model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.

The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).

### **Road Ahead:**

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

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2 trillion along with a population of 1.2 billion people, which will be a big draw for investors.

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

Exchange Rate Used: INR 1 = US\$ 0.015 as on October 30, 2017

\*According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Manufacturing Sector in India, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **INDIAN HANDICRAFT INDUSTRY**

### **Introduction**

The handicrafts sector is important for the Indian economy as it is one of the largest employment generators and accounts for a significant share in the country's exports. The state and regional clusters contribute significantly to handicrafts export. The Indian handicrafts industry is fragmented, with more than seven million regional artisans and more than 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets.

### **Key Markets And Export Destinations**

Handicraft exports from India increased by 11.07 per cent year-on-year during April 2016-March 2017 to US\$ 3.66 billion. During this period, the exports of various segments registered positive growth like Shawls as Artwares (26.79 per cent), Hand printed Textiles & Scarves (25.96 per cent), Artmetal wares (19.04 per cent), Agarbatis and attars (6.76 per cent) and Embroidered & Crocheted goods (5.85 per cent).

Indian handicrafts are exported across geographies, with the top 10 destinations being the US, the UK, the UAE, Germany, France, Latin American countries (LAC), Italy, the Netherlands, Canada and Australia.

### **EXPORT PROMOTION COUNCIL FOR HANDICRAFTS**

The EXPORT PROMOTION COUNCIL FOR HANDICRAFTS (EPCH) is the apex government body and operates under the administrative control of the Ministry of Textiles, Government of India. EPCH has the distinction of being considered a 'model council', a self-sustaining body that self-finances all its promotional activities.

India is one of the important suppliers of handicrafts to the world market. The Indian handicrafts industry is highly labour intensive cottage based industry and decentralized, being spread all over the country in rural and urban areas. Numerous artisans are engaged in crafts work on part-time basis. The industry provides employment to over six million artisans (including those in carpet trade), which include a large number of women and people belonging to the weaker sections of the society.

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Although exports of handicrafts appear to be sizeable, India's share in world imports is miniscule. It is a sector that is still not completely explored from the point of view of hidden potential areas. India, a country with 26 states and 18 languages and more than 1500 dialects offers an enormous range of handicrafts from each of the states. Major centres in Uttar Pradesh are Moradabad also known as the "Peetalnagari" (City of Brass), Saharanpur for its wooden articles, Ferozabad for Glass. The North Western state of Rajasthan has to offer the famous Jaipuri quilts, Bagru and Sanganer printed textiles and wooden and wrought iron furniture from Jodhpur. The coastal state of Gujarat comes with embroidered articles from Kutch. Narsapur in Andhra Pradesh is famous for its Lace and Lace goods. But this is only a small part of the total product range. India offers much more.

Handicrafts are classified into two categories:

- Articles of everyday use
- Decorative items

The craftsmen use different media to express their originality. The diversity of the handicrafts is expressed on textiles, metals – precious and semi-precious, wood, precious and semi-precious stones, ceramic and glass.

### **Textile based handicrafts:**

Hand printed textiles including block and screen printing, batik, kalamkari (hand printing by pen) and bandhani (tie and die) are used in products ranging from bed-covers to sheets, dress material to upholstery and tapestry. The famous embroidered articles of silk and cotton, often embellished with mirrors, shells, beads, and metallic pieces are also found in India. Embroidery is done too on leather,

felt and velvet etc. This segment of the industry accounts for almost half a million strong employment in addition to a large number of designers, block makers, weavers and packers involved in the trade.

### **Woodwork:**

Wooden articles in India range from the ornately carved to the absolutely simple. One can find toys, furniture, decorative articles, etc. bearing the art and individuality of the craftsman. India is known particularly for its lacquered wood articles.

### **Craft concentration Areas:**

A wide range of handicrafts are produced all over Indian artmetalware / EPNS ware, wood carvings and other wooden artwares, imitation jewellery, hand printed textiles, shawls as artwares, embroidered goods, lace and lace goods, toys, dolls, crafts made of leather, lacquer ware, marble crafts etc. Although it is difficult to limit a specific place for the particular craft, the following places are listed for their particular crafts.

Artmetalware	Moradabad, Sambhal, Aligarh, Jodhpur, Jaipur, Delhi, Rewari, Thanjavur, Madras, Mandap, Beedar, Kerala & Jagadhari, Jaselmer
Wooden Artwares	Saharanpur, Nagina, Hoshiarpur, Srinagar, Amritsar, Jaipur, Jodhpur, Jagdalpur, Bangalore, Mysore, Chennapatna, Madras, Kerala & Behrampur (WB)
Handprinted Textiles & Scarves	Amroha, Jodhpur, Jaipur, Farrukhabad, Sagru & Sanganer
Embroidered goods	Kutch (Gujarat), Jaisaimer, Baroda, Lucknow, Jodhpur, Agra, Amritsar, Kullu, Dharmshala / Chamba & Srinagar
Marble & Soft Stone Crafts	Agra, Madras, Baster, Jodhpur
Papier Mache Crafts	Kashmir, Jaipur
Terracotta	Agra, Madras, Baster, Jodhpur
Zari & Zari Goods	Rajasthan, Madras, Baster
Imitation Jewellery:	Delhi, Moradabad, Sambhal, Jaipur, Kohima (Tribal)
Artistic Leather Goods	Indore, Kolhapur, Shanti Niketan (WB)

### **Selected crafts pockets for achieving export goal:**

Although each crafts pockets has its particular problems, a few selected craft pockets are identified based on their past performance for immediate remedial attention to stimulate a quantum in exports of handicrafts in the coming years.

Moradabad(UP)	For Artmetalwares and imitation jewellery
Saharanpur (UP)	For Wooden handicrafts & Wrought iron handicrafts
Jodhpur (Raj.)	For Wooden, Wrought Iron and Sea Shell handicrafts
Narsapur (A.P.)	For Lace and Lace goods

(Source: Handicraft in India, Shodh Ganga [www.shodhganga.com](http://www.shodhganga.com))

### **COUNTRY-WISE EXPORTS OF HANDICRAFTS**

The major buyers for handicrafts (other than carpets) are as under:

Art Metal wares	U.S.A., Germany, U.K. & Italy
Wood Wares	U.S.A., U.K., Germany & France
Hand Printed & Textiles & Scarves	U.S.A., U.K. , Germany & Canada
Embroidered & Crocheted Goods	U.S.A., Saudi Arabia, U.K., Germany
Shawls as Artwares	Saudi Arabia, U.S.A. Japan & U.K
Zari & Zari goods	U.K. U.S.A., Japan & Saudi Arabia
Imitation Jewellery	U.S.A., U.K., Saudi Arabia & Germany
Miscellaneous Handicrafts	U.S.A., Germany, U.K. & France



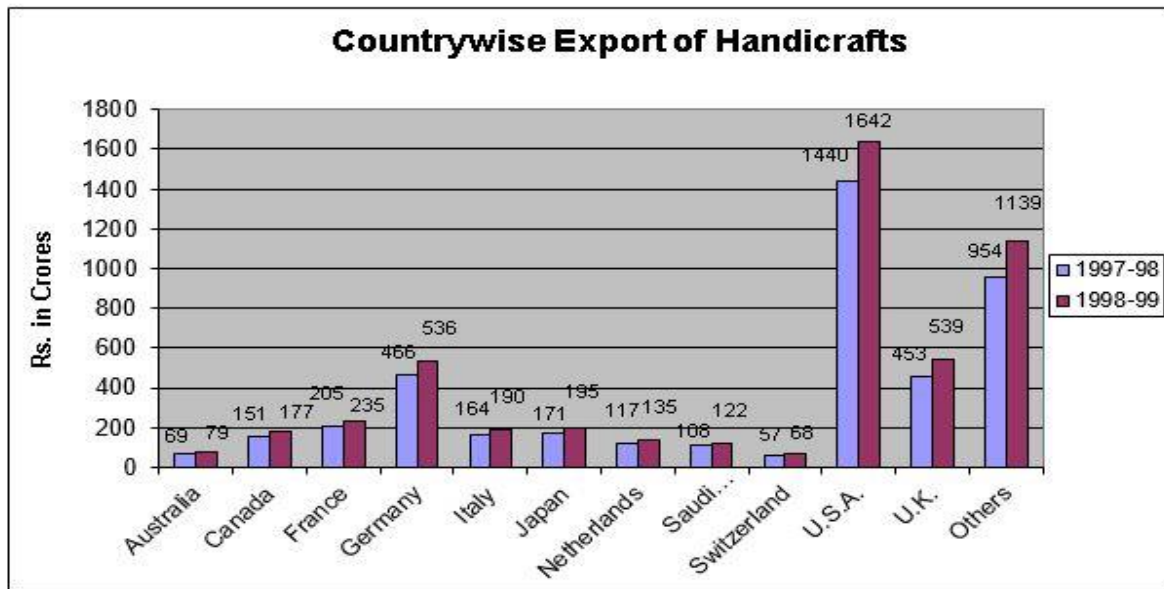
(Source: Handicraft in India, Shodh gang a [www.shodhganga.com](http://www.shodhganga.com))

### VALUE ADDING CHAIN IN HANDICRAFTS

- Identification of market opportunities
- Prototype design and development / adaption and refinement
- Test marketing
- Upgrading equipping facilities
- Securing inputs
- Entrepreneurial hiring, training, managing
- Production, quality control and packaging
- Costing and pricing
- Physical distribution
- Export market development

In the changing world scenario, craft products exported to various countries form a part of lifestyle products in international market. The impact is due to the changing consumer taste and trends. In view of this it is high time that the Indian handicraft industry went into the details of changing designs, patterns, product development, and requisite change in production facilities for a variety of materials, production techniques, related expertise to achieve a leadership position in the fast growing competitiveness with other countries.

The 6 million craft persons who are the backbone of Indian Handicraft Industry as provided with inherent skill, technique, traditional craftsmanship but that is quite sufficient for primary platform. However, in changing world market these craft persons need an institutional support, at their places i.e. craft pockets for value addition and for the edge with other competitors like China, Korea, Thailand etc.



(Source: Handicraft in India, Shodh gang [www.shodhganga.com](http://www.shodhganga.com))

## THE GLOBAL HANDICRAFT AND GIFTWARE MARKET

With over 82 million inhabitants, Germany is the largest market for giftware and handicrafts items in Europe. A member of and situated within the European Union, Germany is supplied with giftware and handicrafts from Germany as well as the surrounding European countries such as France, Italy, Switzerland and the United Kingdom and from all other parts of the world: Russia, Latin America, Africa and Asia.

The size of the total German giftware and handicrafts market varies according to the definition of giftware and handicrafts. With its present size around DM 29.5 billion it corresponds to a broad definition of giftware and handicrafts that includes the following items: home furnishings, art metal ware, table accessories, Christmas decoration, woodware and furniture, imitation jewellers, artificial flowers/plants, scents/cosmetics, sweets, toys/computer games, books, discs/videos, watches/jewellery, certain apparel/textile items and others. The German giftware and handicrafts market grew from DM 29.1 billion in 1998 to DM 29.5 billion in 1999, but experienced a slight decline in the first quarter of 2000.

The substantial supply of giftware and handicrafts has transformed the German giftware and handicrafts market into a fiercely price-competitive market place. Nevertheless, innovative and new to market giftware and handicrafts items place still have good market prospects. It is essential for the German giftware and handicrafts marketers to find new products to stay competitive. Although German consumers may be willing to pay a high price for exclusive items they are very price conscious and want value for money. Among traditional gift items, candles, festive items, including Christmas decoration, exclusive gift boxes and gift-wrap, ribbons, nostalgic calendars and all types of scented items have best prospects. The German market shows a strong demand for low-priced candles. Thus imports from Poland and China have increased substantially. The average growth for the overall giftware and handicrafts is estimated at 1-2 percent over 1999-2000.

### Competitive Situation

German giftware and handicrafts consumption is growing more or less in line with the relatively slow growth rate of income during the last years. Thus, expectations for additional growth are not very high. Annual growth rates of between 1.5-2 percent are forecast for the next few years for the overall giftware and handicrafts market. In general the market shows good business opportunities if prices and quality are competitive and delivery schedules are fulfilled.

Apart from its own producers, Germany is supplied by giftware and handicrafts from nearly all of the European countries. German firms often import specific product groups from a particular country. Major suppliers of pottery are, for example, Spain and Portugal; fine exclusive stationery comes from Italy, France and Switzerland; candles from Poland, China and Portugal; dried flowers from the Netherlands etc.

Fierce price competition in Germany is intensified by the increasing quantity of Chinese and Asian made products on the market. For India this situation coupled with the relatively strong Indian rupee which means that firms proving to be most successful in the recent past have offered niche market giftware and handicrafts, i.e., exclusive to Indian handicrafts items or new-to-market products.

#### **SALES VOLUME OF SPECIFIC SUB-SECTORS (ESTIMATES):**

Some estimates of individual giftware and handicrafts subsector volume sales are provided as follows:

##### **Seasonal:**

Market insiders estimate the total volume of the seasonal items market, including Christmas, Easter, Valentine's Day and the German counterpart of Thanksgiving, at DM 7.7 billion. In 1997, about DM 3 billion were spent alone for Christmas decoration, Christmas floristic items and Christmas trees only. Christmas items are usually imported from China, Taiwan, Thailand, Philippines and India. However, Indian Christmas decorations as candle stands or Christmas tree hangings and soft toys find a ready market in Germany if they are moderately priced

##### **Hobby and art supplies:**

The present market volume of hobby and art supplies in Germany is estimated at about DM 3 billion, while the total European market should amount to DM 12 billion. Insiders believe that this specific market segment still offers some potential for new products. A recent survey shows that apart from their school days, most of the Germans who do regular DIY or hobby work are between 60 and 69 years (10.8 percent of the German adults) old. With the fast ageing of the German population a stronger demand for hobby and crafts is likely.

##### **Market Access:**

EU member states and Asian countries, China and India in particular, are major suppliers of giftware and handicrafts to the German market. Indian firms making a first approach to the German market are advised to have comprehensive product literature and data sheets professionally translated into German. Although English is widely understood, a well-prepared translation gives an important marketing edge, particularly in the initial presentation. Indian firms should preferably appoint an agent or distributor who can maintain a stock sufficient to answer short-notice orders.

##### **Product Standards:**

In view of the wide field of products that could be considered as giftware and handicrafts, it is difficult to name standards. Compliance with EU standards and regulations is strongly suggested. There are, however, only few product groups in the giftware and handicrafts field that have to follow standards. It is essential that CE-labelling be observed where required. The CE-mark (including conformity statement and technical documentation) is mainly required for toys (88/378/EEC standard). While the quality regulations for candles are obligatory assuring a certain level of quality, the toy regulation and the electronic standards have to be observed because of safety considerations:

(Source: Handicraft in India, Shodh gang [www.shodhganga.com](http://www.shodhganga.com))

#### **SWOT ANALYSIS OF THE INDIAN HANDICRAFTS INDUSTRY**

##### **STRENGTHS**

- Abundant and cheap labour hence can compete on price
- Low capital investment and high ratio of value addition
- Aesthetic and functional qualities
- Wrapped in mist of antiquity
- Handmade and hence has few competitors
- Variety of products which are unique
- Exporters willing to handle small orders
- Increasing emphasis on product development and design up gradation

##### **WEAKNESSES**

- Inconsistent quality
- Inadequate market study and marketing strategy
- Lack of adequate infrastructure and communication facilities

- Capacity to handle limited orders
- Untimely delivery schedule
- Unawareness of international standards by many players in the market

### **OPPORTUNITIES**

- Rising appreciation for handicrafts by consumers in the developed countries
- Widespread novelty seeking
- Large discretionary income at disposal of consumer from developed countries
- Growth in search made by retail chains in major importing countries for suitable products and reliable suppliers. Opportune for agencies to promote marketing activities
- Use of e-commerce in direct marketing

### **THREATS**

Decline in India's share due to:

- Better quality products produced by competitors from Europe, South Africa, South Asia, etc.
- Better terms of trade by competing countries
- Consistent quality and increasing focus on R&D by competing countries
- Better packaging
- Stricter international standards

(Source: Handicraft in India, Shodh gang [www.shodhganga.com](http://www.shodhganga.com))

## OUR BUSINESS

In this section, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to Priti International Limited. Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled — “*Forward-Looking Statements*” beginning on page 16 of this Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section — “*Risk Factors*” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The following information is qualified in its entirety by, and should be read together with, other information included in this Prospectus, including the information contained in the section titled — “*Risk Factors*” beginning on page 17 of this Prospectus.

### OVERVIEW

Our Company was originally incorporated as “Priti International Limited” at Jodhpur, Rajasthan as a Public Limited Company under the provision of Companies Act, 2013 vide Certificate of Incorporation dated June 30, 2017 bearing Corporate Identification Number U36994RJ2017PLC058454 issued by the Registrar of Companies, Rajasthan. Our Company acquired the business of Proprietorship Concern of our Promoter Priti Lohiya viz. M/s. Priti International through Business Succession Agreement dated November 11, 2017. Consequently, Business of this proprietorship firm was merged into Priti International Limited. The Corporate Identification number of our Company is U36994RJ2017PLC058454.

We are primarily engaged in manufacturing and exporting of Handicraft Products. We also deal in manufacturing of wooden, metal and textile based furniture and handicrafts products, upcycling and recycling of various kinds of raw, unusable and waste metal and wooden articles. Our products range from solid wooden and metal furniture articles, home furnishing items, creative wooden and metal articles for various uses, textile based products like cushions, pillow covers, rugs and carpets, handbags, travel bags and backpacks, pet products, etc.

Our company is promoted by Goverdhan Das Lohiya, Priti Lohiya, Ritesh Lohiya, Goverdhan Das Lohiya HUF and Ritesh Lohiya HUF. Our promoter, Priti Lohiya commenced the business of handicraft products in the name and style M/s. Priti International, a proprietary concern in year 2002 at facilities located at Basni and Boranada in Jodhpur, Rajasthan. The running business of M/s. Priti International was acquired by Priti International Limited on November 11, 2017 vide Business Succession Agreement. Our promoters play an active role in the day to day affairs of the company.

Our financial performance (based on the restated financials of M/s. Priti International i.e. the erstwhile proprietorship of Our Promoter Priti Lohiya) reflects decline in total revenue from Rs. 2,055.28 lakhs in the FY 2014-15 to Rs. 2033.48 lakhs in the FY 2016-17. Similarly, our EBITDA decreased from Rs. 545.39 lakhs in the FY 2014-15 to Rs. 219.50 lakhs in the FY 2016-17. Further, our EBITDA margin decreased from 26.54% in FY 2014-15 to 10.79% in the FY 2016-17 and our profit after tax decreased from Rs. 339.15 lakhs in the FY 2014-15 to Rs. 111.29 lakhs in the FY 2016-17. We majorly cater our products in the international market. We export our products to wholesalers and retailers from countries such as Spain, Belgium, Holland, Netherlands, Turkey, England, China, Greece, Germany etc. Apart from them, we also export our products to customers working on some specific projects e.g. newly constructed hotels, restaurants, bars & pubs, etc.

The main factors which differentiate our products from those of our competitors are the uniqueness and creativity which we incorporate in our products. Each of the products are designed with the thought of creating a lasting impression on the minds of its users.

### OUR COMPETITIVE STRENGTHS

#### 1. Experienced Management team:

Our operations commenced under the guidance of our individual Promoters Goverdhan Das Lohiya Ritesh Lohiya and Priti Lohiya, who have successfully managed various phases of

expansion and growth of our business and operations. They look after overall management of the Company and have experience of over a decade in the industry in which our company operates. They have been instrumental in formulating growth strategy for our Company. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Additionally, our top level executives are well versed with our industry and the business undertaken by our Company. Our Company imparts time to time training to improve the skills of the employees. Our Individual Promoters are supported by a dedicated employee team with several years of industry experience in their respective domains. For further details regarding our Key Managerial Personnel, please refer to the chapter titled — “*Our Management*” beginning on page 142 of this Prospectus.

## **2. Scalable Business Model:**

Our Business model is customer centric and order driven, and requires optimum utilisation of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets and products both by exploring customer needs, marketing expertise and by maintaining the consistent quality output. We believe that our business model is scalable.

## **3. Global Presence:**

Our Company caters its products majorly in export markets. Currently our Company caters to customers located at countries such as Spain, Belgium, Holland, Netherlands, Turkey, England, China, Greece, Germany etc. We have generated export revenue of Rs. 318.83 lakhs for the period ended December 31, 2017. Our footsteps in international market will help us to expand our business operations overseas. Our marketing strategy majorly comprises of participation in fairs and product exhibitions in various geographies internationally to reach to new customers.

## **4. Locational Advantage:**

We are strategically located in Jodhpur, Rajasthan which is amongst the top exporters of handicrafts in India. Our manufacturing facilities are located in prominent industrial areas in Jodhpur which are known for handicrafts products. Thus we can attract more business and increase our customer base.

## **OUR BUSINESS STRATEGY**

Our Company always strives to follow the principal strategies laid down by the management to leverage our competitive strengths and grow our business:

### **1. Create a domestic presence and expand international presence**

We cater our products majorly in the international markets. We intend to create our domestic presence for our products while expanding international presence as we are witnessing huge potential in the Indian markets.

### **2. Customer Satisfaction**

Our Company is customer satisfaction oriented company and always strives to maintain good relationship with the customers. Our Company’s marketing team approaches existing customers for their feedback and based on their feedback any changes in the products if required are carried out. Our Company provides quality products and effective follow-ups with customers who ensure that the customers are satisfied with the product and do not have any complain. Our Company in return is rewarded by the customers with continuous orders.

### **3. Brand image**

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

### **4. Leveraging our market skills and relationship**

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

## **5. Improving our functional efficiency**

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

## **OUR BUSINESS PROCESS**

Our overall process of business has been briefed below:

### **1. Identification of market trends and requirements in handicrafts segment:**

Our team work continuously on the identification of the potential customer requirements in the international markets for all kinds of furniture, handicraft products and textile related products through various sources including social media, fashion and lifestyle magazines etc.

### **2. Procurement of the material:**

The procurement team arranges for the necessary raw material according to the design of the product. The requirements for raw materials vary on product to product basis. Some of the raw materials required for our products include raw and waste iron, copper and other metals which are procured from various waste dealers, raw wood, cotton, canvas, jute and other fabrics, raw and processed leather, yarn, hardware products like nuts, bolts, etc. among others.

### **3. Designing and manufacturing:**

*For textile based handicrafts:* Our designing team comprises of skilled and semi-skilled labour who make the necessary designs on the products through hand weaving as well as by using the sewing and stitching machines. Then the same is sent for dyeing to third party contractors along with the necessary instructions with regard to the type and quality of colours. Then the products are inspected for the quality purpose and washed thoroughly and are dried in house.

*For wooden and metal based furniture and handicrafts:*

The raw materials are directly sent to the contractors for processing along with required design of the proposed product. Once the product has been received from the contractor, it is painted and coloured in house and final finishing is given to the product.

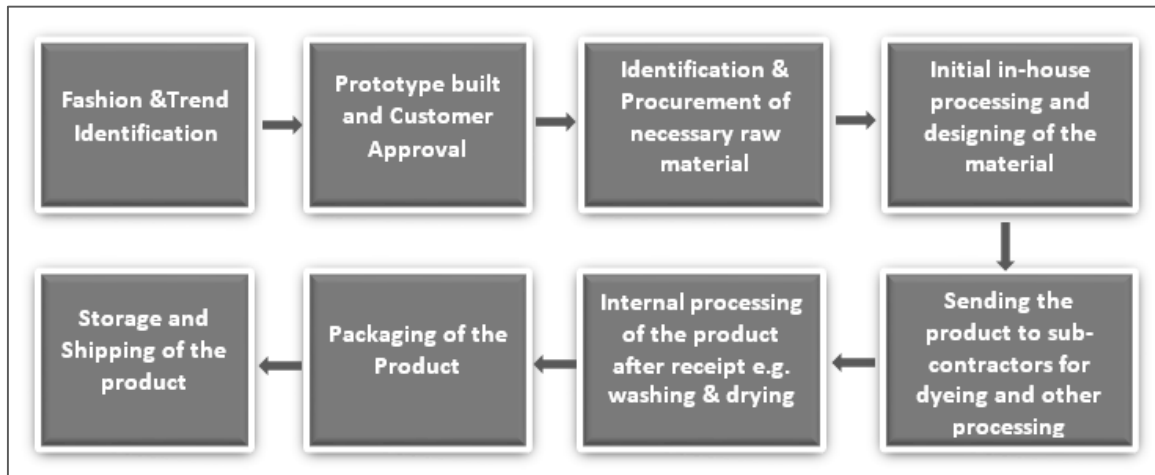
### **4. Storage of the product**

Finished products are stored at the separate storage locations of the company. The company has separate storage locations at both of its manufacturing facilities i.e. at Basni and Boranada units.

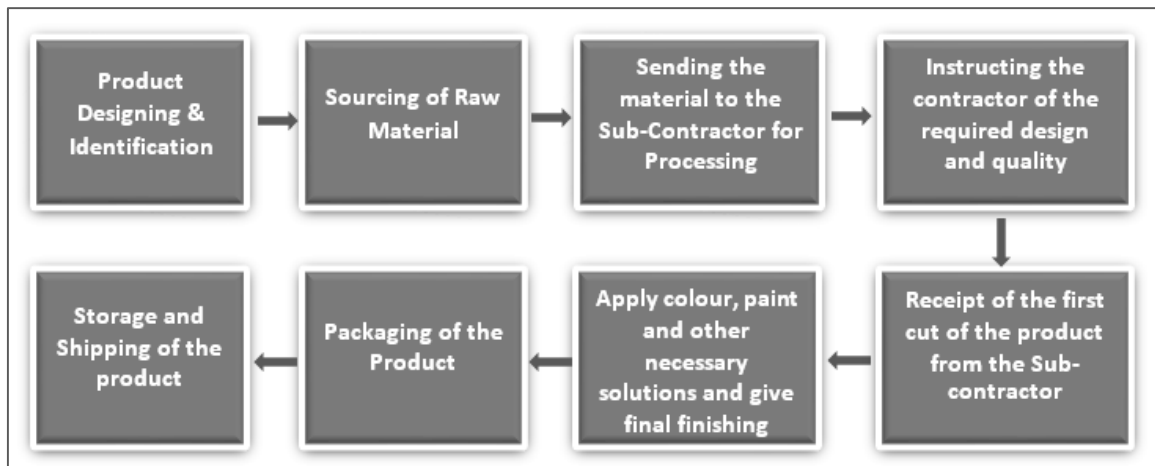
### **5. Dispatch:**

Products are supplied according to the requirements of the customers. They are exported to the customers in the international market.

### Manufacturing Process Flow of Textile Based Handicrafts:



### Manufacturing Process Flow of Wooden and Metal Furniture and Handicrafts:



### OUR PROPOSED PLANT AND MACHINERY

Our Company intends to purchase Plant and Machinery and at our existing manufacturing facility at Boranada to automate some of our processes and activities. Our Company intends to meet and adapt to the advanced technologies and install new or upgraded plant and machinery at our manufacturing facility for enhanced quality and precision in terms of manufacturing with increased efficiency.

The details of Plant and Machinery proposed to be acquired by our Company is given hereunder:

Sr. No.	Particulars	Quantity	Amount (Rs. In Lakhs) *	Suppliers	Date
11.	Double Side Planer with accessories	1	10.58	Wuhan Bestsun Trading Co. Ltd	December 18, 2017
12.	RIP SAW with accessories	1	9.30		
13.	TENNONER with accessories	1	6.65		
14.	MORTISER with accessories	1	2.55		
15.	WIDE BELT SANDER with accessories	1	11.22		
16.	PANEL SAW with accessories	1	3.37		
17.	CLAMP CARRIER with accessories	1	11.34		
18.	MOULDER with accessories	1	3.08		
19.	MULTI BORING with accessories	1	2.85		
20.	CONTINUOUS DOVETAIL	1	4.62		

Sr. No.	Particulars	Quantity	Amount (Rs. In Lakhs) *	Suppliers	Date
	MACHINE with accessories				
	<b>Total</b>		<b>65.55</b>		

\*Excluding the cost of civil work and contingencies of Rs. 3.50 lakhs and Rs. 0.95 lakhs.

## OUR MANUFACTURING FACILITIES

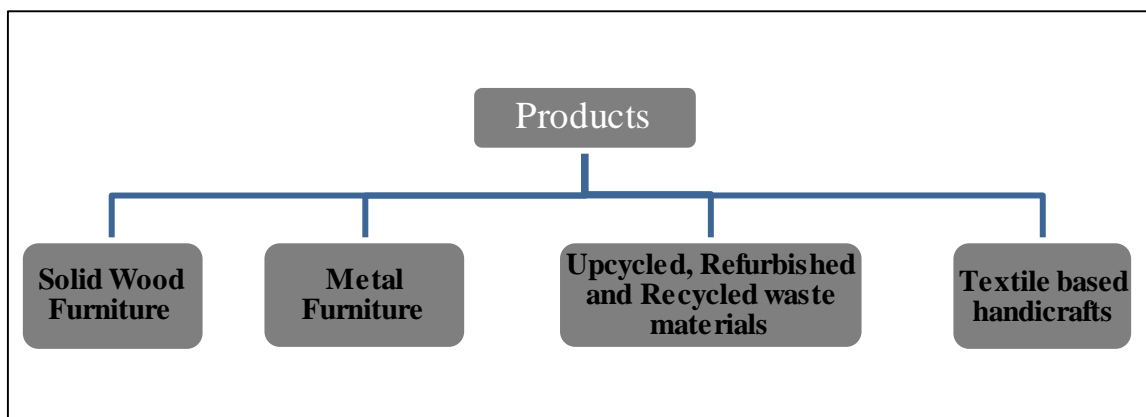
Details of our manufacturing facilities are as under:

Particulars	Facility 1	Facility 2
<b>Plant Location</b>	Khasara No. 20, Boranada, Jodhpur, Rajasthan	Plot No. F-43, Basni 1 <sup>st</sup> Phase, Jodhpur, Rajasthan- 342005
<b>Plant Area</b>	10,295 Square Meters	1,989 Square Meters
<b>Human Resource</b>	38 employees. Also we employ contract labourers and temporary labourers as per requirement	15 employees (including employees of registered office). Also we employ contract labourers and temporary labourers as per requirement
<b>Infrastructure</b>	Tin Shaded, well equipped with internet connectivity, other communication equipments, security and other facilities, which are required for our business operations to function smoothly. Our manufacturing facility is equipped with requisite plant & machineries and resources.	
<b>Utilities</b>	<b>Power:</b> Electricity is availed from Jodhpur Vidyut Vitran Nigam Limited. <b>Water supply:</b> Under Ground and Plastic Storage Tanks. <b>Fuel:</b> It is met by purchasing from a nearby fuel station.	

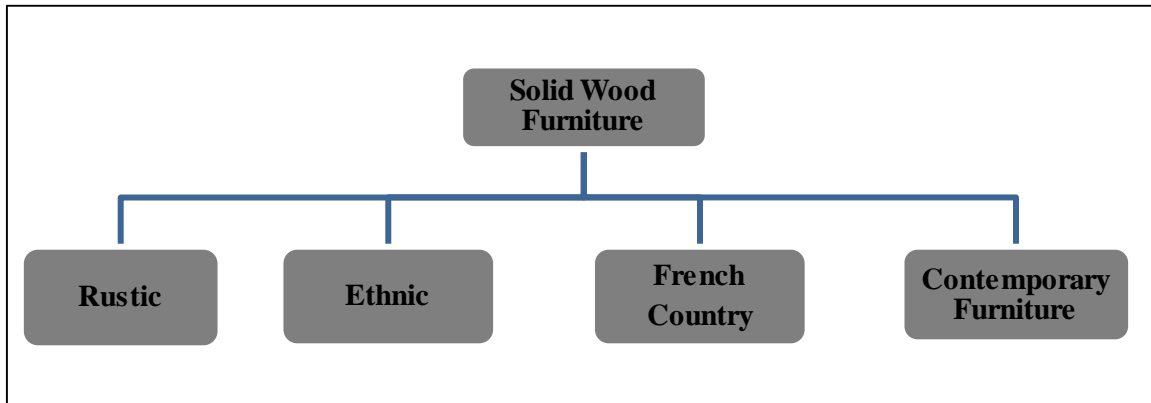
Our registered office is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

## OUR PRODUCTS

Our product portfolio can be categorised into following broad classes:

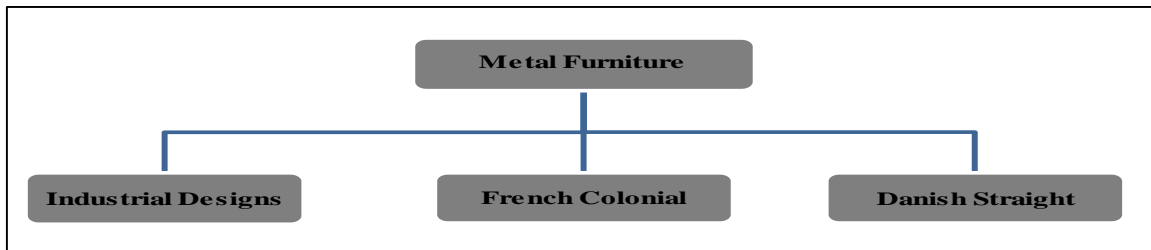


**Solid Wood Furniture:**



The major raw materials required for manufacturing of Solid Wood Furniture items are wooden material, iron material along with various hardware materials, adhesives etc. Some part of the manufacturing process is outsourced to third parties. After procuring the raw material, the same is sent to the contractors for further processing. Once the product has been received from the contractors, our team applies necessary solutions e.g. paint, colours, adhesives, etc. as per the designing team's instructions. Once final finishing has been done, the product is sent for storage. Solid wood furniture is manufactured at our Boranada facility.

**Metal Furniture:**



The major raw materials required for manufacturing of Metal furniture items include raw iron, copper, aluminium and other metals, waste iron and other metal materials, iron rods and other hardware items. Metal furniture is manufactured at our Boranada facility.

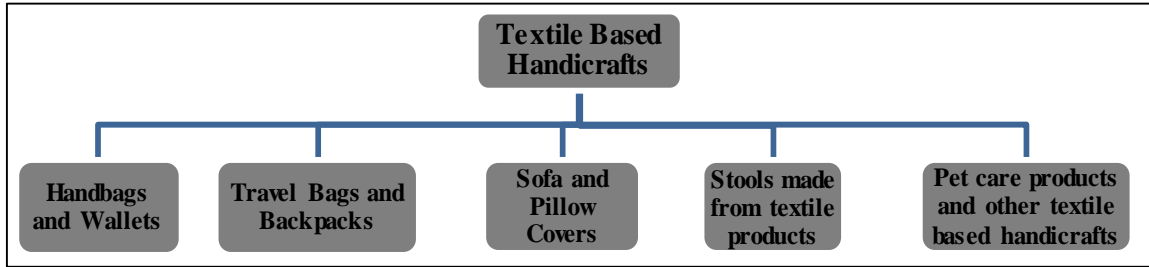
**Upcycled, Recycled and Refurbished waste materials:**

This portfolio includes a blend of products made using wooden materials, old and waste iron, aluminium, copper etc. based materials. After identifying the design of the products, they are moulded in the required shape. Some part of the process is sub-contracted as well to third party carpenters, designers, etc. Some of the examples of our upcycled and refurbished materials are presented below:





**Textile Handicrafts:**



Our textile based handicrafts products include handbags, pillow covers, sofa covers, travel bags, backpacks, pet care textiles and other textile based handicraft products. The major raw materials and consumables required for these products include canvas material, raw and processed leather, cotton based textile material, various types of yarns, dyeing material etc. Apart from these, we also recycle and up cycle various unusable and retired textile e.g. army dresses, tent materials, etc. The entire textile based handicraft products are manufactured exclusively at our Basni facility. Some of the images of our textile based handicrafts are given below:



**SALES & MARKETING**

We market our products by participating in various international fairs and exhibitions held at various locations in domestic as well as international market. This marketing model has proven to be very efficient and cost-effective for our business. Also, for creating a domestic presence of our products, we are planning to build product showrooms at various locations across the country. We deliver our products to various international destinations by sea route. We pack our products in containers which are then transported to the port through rail and road route. This is most cost effective model of distribution. We intend to expand our existing customer base by reaching out to other geographical areas. Our marketing team is ready to take up challenges so as to scale new heights.

**OUR PRESENCE**

Based on the restated financials of M/s Priti International (the erstwhile proprietorship of Our Promoter Priti Lohiya) for financial year 2016-17, we had customers presence spread as follows:

Region	Amount (in lakhs of Rs.)	Percentage
Holland	837.52	45.48%
Spain	283.17	15.38%
USA	257.69	13.99%
China	132.72	7.21%

Region	Amount (in lakhs of Rs.)	Percentage
Taiwan	66.88	3.63%
Greece	36.49	1.98%
Belgium	34.07	1.85%
Korea	24.76	1.34%
Australia	24.13	1.31%
UAE	15.60	0.85%
Switzerland	7.84	0.43%
Others	120.46	6.54%
<b>Total</b>	<b>1,841.33</b>	<b>100.00%</b>

Based on the restated financial statements of Priti International Limited for the period June 30, 2017 to December 31, 2017, we had customers presence spread as follows:

Region	Amount (in lakhs of Rs.)	Percentage
Spain	130.67	40.99%
Belgium	56.09	17.59%
Holland	46.06	14.45%
Netherlands	30.55	9.58%
Turkey	30.06	9.43%
England	10.00	3.14%
China	9.26	2.90%
Greece	4.08	1.28%
Germany	2.06	0.64%
<b>Total</b>	<b>318.83</b>	<b>100.00%</b>

*\*Since our company was incorporated on June 30, 2017 and it has acquired the business of M/s. Priti International on November 11, 2017, hence we have presented the country wise export sales for both the entities.*

#### SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>➤ Experienced Management;</li> <li>➤ Large, diversified and potential market;</li> <li>➤ Strong and diversifies retail infrastructure;</li> <li>➤ Competitive pricing due to availability of cheap labour;</li> <li>➤ Low barriers of entry;</li> <li>➤ Flexibility of production</li> </ul>	<ul style="list-style-type: none"> <li>➤ Lack of infrastructure and communication facilities;</li> <li>➤ Lack of coordination between government and private players;</li> <li>➤ Lack of skilled labour and product promotion;</li> <li>➤ Inadequate information on new technology</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>➤ Rising demand of handicraft products in developed countries;</li> <li>➤ Increasing use of handicraft products in fashion industry;</li> <li>➤ Growth in retail and real estate sector;</li> <li>➤ E-commerce emerging as promising distribution channel to market the products</li> </ul>	<ul style="list-style-type: none"> <li>➤ Competition in the domestic as well as international markets;</li> <li>➤ Quality products produced by countries like China, South Africa using new technology;</li> <li>➤ Better trade terms offered by competing countries</li> </ul>

#### COLLABORATIONS /TIE UPS/ JOINT VENTURES

As on date of this Prospectus, our company has not entered into any Collaboration / Tie Ups / Joint Ventures.

#### END USERS

Our end users include households, commercial users like hotels, restaurants, malls, etc. who use our products for their various needs.

#### EXPORT AND EXPORT OBLIGATIONS

As on the date of this Prospectus, our Company does not have any export obligations.

#### CAPACITY & CAPACITY UTILIZATION

We are primarily engaged in the business of manufacturing of Handicraft products and wooden furniture article. Hence any specific data relating to capacity and capacity utilization does not exist.

## **HUMAN RESOURCES**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business. Our manpower is a prudent mix of the skilled, experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

As on December 31, 2017, we have 53 employees at our manufacturing facilities and registered office. These employees look after manufacturing operations including sourcing of the material, designing, stitching, washing of the procured material, painting, stores and administration, marketing, accounting, and other functions. Apart from these we also hire contract labour services and employ temporary labour on need basis. All these employees are guided and supervised by our directors.

## **COMPETITION**

Our Company operates in the handicraft sector which faces competition from domestic as well as international players. Competition emerges from both organized and unorganized sector. The primary competitive factors consist of quality, price, design of products, technology and customer service. Moreover, as we seek to create our presence in the domestic markets and expand our presence to new geographical areas, we may face competition from local companies and companies from other emerging markets.

We compete with our competitors on the basis of product differentiation, price and reliability. We intend to compete vigorously to capture more market share and manage our growth in an optimal way by improving our brand image, increase our product offerings, satisfying customer's demands, achieving operating efficiencies, etc.

## **INSURANCE**

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards.

We have taken Standard Fire & Special Perils Insurance Policy for a majority of our assets at our factory. This policy also insures us against the risk of earthquake (fire and shock). Our policies are subject to customary exclusions and customary deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.

The Company has insured its assets through insurance policies, details of which are mentioned hereunder:

Sr. No.	Policy Number	Period of Insurance	Issued by	Particulars	Sum Assured (Rs. Lakhs)	Annual Premium (Rs. Lakhs)
1.	2901001117P113491913	December 23, 2017 to December 22, 2018	United India Insurance Company Limited	Standard Fire and Special Perils Policy	230.00 Lakhs	0.46 Lakhs

#### LAND AND PROPERTY

We have our properties located at following as on date of this Prospectus.


- Leased/Licensed Properties:**

Sr. No.	Name of the Lessor / Licensor	Name of the Lessee / Licensee	Address of the Property	Period of Agreement	Area of the Property	Usage
1.	Rajasthan Chemicals Corporation through its Proprietor Goverdhan Das Lohiya	Priti International Limited	Plot No. F-43, Basni 1 <sup>st</sup> Phase, Jodhpur, Rajasthan-342005	11 Months commencing from May 01, 2018 to March 31, 2019	11 Square Meters	Registered Office
2	Rajasthan Chemicals Corporation through its Proprietor Goverdhan Das Lohiya	Priti International Limited	Plot No. F-43, Basni 1 <sup>st</sup> Phase, Jodhpur, Rajasthan-342005	3 Years commencing from June 30, 2017 to June 29, 2020	1,989 Square Meters	Manufacturing Facility
3	Ritesh Lohiya HUF through its Karta Ritesh Lohiya	Priti International Limited	Khasara No. 20, Boranada, Jodhpur, Rajasthan	11 Months commencing from September 01, 2017 to July 31, 2018	10,295 Square Meters	Manufacturing Facility

## INTELLECTUAL PROPERTY RIGHTS

### TRADEMARK

Our Company has applied for registration of following trademarks with the Trademarks Registry, Government of India.

Sr. No .	Tradem ark Description	Tradema rk Type	Class	Applicant	Applicati on Number	Date of Applicati on	Validit y/ Renew al	Registrati on status
1.		Device	20	Priti International Limited	3656142	October 12, 2017	-	Advertized bef acc

## **KEY INDUSTRIES REGULATION AND POLICIES**

*Except as otherwise specified in this Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of manufacturing and export of wooden and metal furniture and handicrafts and textile based handicraft products. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.*

### **APPROVALS**

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 259 of this Prospectus.

### **APPLICABLE LAWS AND REGULATIONS**

#### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

##### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

##### **Rajasthan MSME Policy 2015**

Micro, Small and Medium Enterprises (MSMEs) cater to the vital needs of the economy in terms of their two specific roles, i.e. as a support base for large industry and as a stand-alone provider of goods and services. It is the vision and endeavor of the State to encourage and give a fillip to the setting up of micro, small and medium enterprises in the State and create an enabling conducive environment for them to attain globally competitive competence level. Applications for all new investment proposals may be submitted at the District Industries Centre (D.I.C.) under the Single Window System for time bound approvals. Online filing of E.M. I and E.M. II. Available. The State Government shall make concerted efforts for the development of the Khadi, Handloom and craft sectors and for employment generation and increased earning opportunities of the artisans and weavers. Some of the key measures include:

- 1) Streamlining procedures, rules and regulations for ease of doing business.
- 2) Strengthening the Single Window System to make it more effective under the provisions of the Rajasthan Enterprises Single Window Enabling and Clearance Act, 2011.
- 3) Setting up facilitation mechanisms for guidance to new investors and support to existing ones.
- 4) Providing competitive fiscal incentives and concessions to attract investment.

- 5) Creation of new industrial areas.
- 6) Time bound allotment or conversion of land for industry.
- 7) Encouragement of private industrial parks and MSME Clusters.

### **Anti-Trust Laws**

#### **Competition Act, 2002**

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

### **GENERAL CORPORATE COMPLIANCE**

#### **The Companies Act 1956 and the Companies Act, 2013**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

### **EMPLOYMENT AND LABOUR LAWS**

#### **Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA")**

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

under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

**Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

**Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

**The Employees' Pension Scheme, 1995**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

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

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

**Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

**Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation

or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

#### **Minimum Wages Act, 1948 (“MWA”)**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

#### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

#### **Equal Remuneration Act, 1976**

The Equal Remuneration Act 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

#### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per the Schedule of the Act.

#### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

#### **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

### **TAX RELATED LEGISLATIONS**

#### **Value Added Tax (“VAT”)**

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

#### **Rajasthan Value Added Tax Act, 2003 (“RVAT”)**

VAT is the most progressive way of taxing consumption rather than business. RVAT has come into effect from 1st January 2007. It is a multi-stage tax on goods that is levied across various stages of production and supply with credit given for tax paid at each stage of Value addition. VAT is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is essentially a consumption tax applicable to all commercial activities involving the production and distribution of goods, and each State that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register themselves and obtain a registration number.

#### **Service Tax**

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5<sup>th</sup> / 6<sup>th</sup> of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25<sup>th</sup> of the month immediately following the half year to which the return relates.

#### **Central Sales Tax Act, 1956 (“CST”)**

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) when a sale or purchase takes place outside a State (c) when a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taking out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

### **The Central Excise Act, 1944**

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

### **Goods and Service Tax (GST)**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

## **OTHER LAWS**

### **The Factories Act, 1948 (“Factories Act”)**

The Factories Act, 1948 aims at regulating labour employed in factories. A “factory” is defined as “any premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on”. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

### **Shops and establishments laws in various states**

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

## **ENVIRONMENTAL LEGISLATIONS**

### **The Environment Protection Act, 1986 (“Environment Protection Act”)**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### **Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

The Air Act was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Air Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Air Act, if a person intends to commence an industrial plant in a pollution control area.

### **Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)**

The Water Act was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Water Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Water Act.

### **Hazardous Waste (Management and Handling) Rules, 1989 (“Hazardous Waste Rules”)**

The Hazardous Waste Rules, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

### **The Public Liability Insurance Act, 1991**

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

### **National Environmental Policy, 2006**

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

### **INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

### **Indian Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his

invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### **Trade Marks Act, 1999 (“TM Act”)**

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

### **OTHER LAWS:**

#### **Foreign Trade (Development and Regulation) Act, 1992**

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (“DGFT”) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

#### **Foreign Exchange Management Act, 1999 (“FEMA”)**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The

Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

### **THE FOREIGN DIRECT INVESTMENT**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), has issued consolidated FDI Policy Circular of 2017 ("**FDI Policy 2017**"), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India ("**RBI**") also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our company under automatic route.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally incorporated as “Priti International Limited” at Jodhpur, Rajasthan as a Public Limited Company under the provision of Companies Act, 2013 vide Certificate of Incorporation dated June 30, 2017 bearing Corporate Identification Number U36994RJ2017PLC058454 issued by the Registrar of Companies, Central Registration Centre. Our Company acquired the ongoing business of M/s Priti International i.e. Proprietorship Concern of our Promoter Priti Lohiya vide Business Succession Agreement dated November 11, 2017. Consequently Business of this proprietorship firm was merged into Priti International Limited.

Goverdhan Das Lohiya, Leela Lohiya, Priti Lohiya, Ritesh Lohiya, Ritika Lohiya, Sohan Lal Bhootra, Premesh Bhootra are the initial subscribers to the Memorandum of Association of our Company.

Goverdhan Das Lohiya, Priti Lohiya, Ritesh Lohiya, Goverdhan Das Lohiya HUF and Ritesh Lohiya HUF are the Promoters of Our Company. Our current Promoter were first associated with our Company as below:

Sr. No.	Name of Promoters	Association
1	Goverdhan Das Lohiya	First acquired shares on June 29, 2017, by way of subscription to MOA
2	Priti Lohiya	First acquired shares on June 29, 2017, by way of subscription to MOA
3	Ritesh Lohiya	First acquired shares on June 29, 2017, by way of subscription to MOA
4	Goverdhan Das Lohiya HUF	First acquired shares on August 31, 2017, by way of Transfer
5	Ritesh Lohiya HUF	First acquired shares on August 31, 2017, by way of Transfer

For information on our Company’s profile, activities, market, products, etc., market of each segment, capacity built-up, exports and profits due to foreign operations together with country wise analysis, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “Our Business” and “Government and Other Statutory Approvals” beginning on page 117 and 259 respectively of this Prospectus.

### CHANGES IN OUR REGISTERED OFFICE:

Since Incorporation, registered office of our Company is situated at Plot No. F-43, Basni, Ist Phase, Jodhpur 342001, Rajasthan, India. Our company has never changed its registered office since incorporation.

### KEY EVENTS AND MILESTONES

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

YEAR	EVENTS
2002	Commencement of Business by M/s Priti International (the Erstwhile Proprietorship)
2010	Commencement of manufacturing of textile based handicrafts at Boranada
2012	Shifting of Textile handicrafts business to Basni facility and Wooden and Metal Furniture and Handicrafts business to Boranada facility
2017	Incorporation of Priti International Limited on June 30, 2017
2017	Acquisition of undertaking of M/s Priti International by Our Company

### MAIN OBJECTS OF OUR COMPANY

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

1 .To take –over the going concern of the business carried on by the proprietorship firm constituted by Ms. Priti Lohiya in the name and style of M/S Priti International and/or any of the assets, rights, privileges, licenses, contracts, benefits of contracts, pending contracts, authorizations, policies and

permits, and/or all or any of its liabilities of the said business or connected therewith on such terms and conditions and to enter into any agreement for the said purpose.

2. To carry on in or outside India the business to manufacture, produce, processing, marketing, build design, develop, display, shape, carve cut, grind, fabricate, finish, handle, prepare, polish, renovate, remodel, recycle, repair, give shape for sale/export and to act as agent, broker, distributor, demonstrator, artist, importer, exporter, buyer, seller, stockiest, consultants, collaborator or otherwise to deal in all types of art –wares, stone- wares, craft items, handicraft items and designs, varieties, fashions, shapes and sizes of material made of metal, wood, cement, stone, iron paper, cloth, lace, leather and other materials or with any combination thereof, such as handicrafts of paper and paper machine lined with copper or brass, bells and other handicrafts made of wrought iron and coated with copper, handicraft of aluminium, copper, imitation, carve stones, marble statues, marble fountain, chips or slabs, handicrafts of marble of alabaster inlaid with semi – precious stones, leather goods and articles such as hand bags, pouches, bangle boxes, belts, travels goods, carpets, rugs made of silk, wood articles, goods and articles, goods and articles of stones, plaster of paris, agglomerated stones or of any other material such as statues, monuments, photo frames, models of historical places, model temples etc., handmade paintings, drawings and pastels, original engravings, prints and lithographs, collection of zoological botanicals, mineralogical and anatomical, historical, archaeological, ethnographical or numismatic interest, antiques and to do all incidental acts and things necessary for the above objects.

3. To carry on the business of import, export, processing, packing, re- packing, designing manufacturing and trading in, purchase, sell, on- line merchant, on- line trading in and outside India and to act as mercantile agent, general trader, wholesaler, clearing and forwarding agent, broker, consigner, consignee, conversion agent, distributor, or act as stockiest or processor and or dealers in all or any types of furniture, fittings, handicrafts, wooden products, plywood teak wood and teak boards and all kinds of furniture made from wood, brass, steel, fiber glass, plastics or any other alloys and jewellery, potteries, ceramics, precious, and semi precious stones, made ups, hand bags, cushion cover, hand – loom and power loom products, carpets, leather, and all types of minerals and stones including marbles and granites, horticultural products and all kinds of handicrafts, art wares and antiques and all kind of handicrafts or furniture equipments appliances for domestics, office, industrial and agricultural uses from metal, wooden and synthetic material or in any composition thereof, consumer goods, industrial goods, agricultural goods, perishable or non –perishable goods, electronic products, handicrafts, electronic items, components and accessories, machines and mechanical items, components and accessories, and any other products, items or thing indigenous to or obtainable within India or any other country of the world and to act as house furnishers upholsters and dealers in and hirers, repairers, assembling, altering, exchanging, cleaners, stores and ware house of furniture, carpets, linoleum, furnishing fabrics and other floor coverings, household utensils, china and glass goods fittings, colorful curtain, handmade home furnishings and carpets, household requisite of all kinds and all things capable of being used therewith or in the maintenance and repair thereof.

#### **AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION**

Since incorporation, no changes have been made to our Memorandum of Association.

#### **COUNTRY WISE EXPORT SALES FOR PERIOD ENDED MARCH 31, 2017**

Country wise export sales of Priti International Limited based on the Restated Financial Statements for the period ended December 31, 2017 is as follows:

<b>Name of the Country</b>	<b>Amount Rs. In Lakhs*</b>
Spain	130.67
Belgium	56.09
Holland	46.06
Netherlands	30.55
Turkey	30.06
England	10.00
China	9.26
Greece	4.08
Germany	2.06
<b>Total</b>	<b>318.83</b>

Country wise export sales based on restated financials statements of M/s Priti International (the erstwhile proprietorship) for the year ended March 31, 2017 is as follows:

<b>Name of the Country</b>	<b>Amount Rs. In Lakhs</b>
Holland	837.52
Spain	283.19
USA	257.69
China	132.72
Taiwan	66.88
Greece	36.49
Belgium	34.07
Korea	24.76
Australia	24.13
UAE	15.60
Switzerland	7.84
Others	120.45
<b>Total</b>	<b>1841.33</b>

*\*Since our company was incorporated on June 30, 2017 and it has acquired the business of M/s Priti International on November 11, 2017, hence, we have presented country-wise export sales for both the entities.*

#### **OUR HOLDING / SUBSIDIARY COMPANY**

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

#### **CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT**

For details in relation to our capital raising activities through equity and debt, please refer to the chapter titled “*Capital Structure*” beginning on page 71 of this Prospectus.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since its incorporation.

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

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

#### **INJUNCTIONS OR RESTRAINING ORDERS**

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

#### **MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY**

Our Company has not merged/ amalgamated itself since incorporation. However, our Company acquired the ongoing business of M/s Priti International i.e. proprietorship concern of our promoter Priti Lohiya vide Business Succession agreement dated November 11, 2017.

#### **SHAREHOLDER’S AGREEMENTS**

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

#### **OTHER AGREEMENTS**

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

#### **STRIKES AND LOCK-OUTS**

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

#### **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

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

#### **STRATEGIC PARTNERS**

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

#### **CONVERSION OF LOANS INTO EQUITY SHARES**

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Prospectus.

#### **FINANCIAL PARTNERS**

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

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS**

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

#### **NUMBER OF SHAREHOLDERS**

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

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, Our Company is required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act. Our Company currently has Six (6) directors on our Board.

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

Sr. No	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment / Re-appointment	Other Directorship/ partnership	LLP
1.	<b>Name:</b> Goverdhan Das Lohiya <b>Age:</b> 69 years <b>Father's Name:</b> Kan mal Lohiya <b>Designation:</b> Chairman And Executive Director <b>Address:</b> C/91, Shashtri Nagar, Jodhpur -342003, Rajasthan India <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Liable to retire by rotation <b>DIN:</b> 07787326	June 30, 2017	<b>Public Limited Company</b> Nil <b>Private Limited Company –</b> Nil <b>Limited Liability Partnership:</b> Nil	
2.	<b>Name:</b> Ritesh Lohiya <b>Age:</b> 45 years <b>Father's Name:</b> Goverdhan Das Lohiya <b>Designation:</b> Executive Director and Chief Financial Officer <b>Address:</b> C/91, Shashtri Nagar, Jodhpur -342003, Rajasthan, India <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Liable to retire by rotation <b>DIN:</b> 07787331	Appointment as Executive Director on June 30, 2017  Appointment as Chief Financial Officer on December 05, 2017	<b>Public Limited Company</b> Nil <b>Private Limited Company</b> Nil <b>Limited Liability Partnership:</b> Nil	
3.	<b>Name:</b> Priti Lohiya <b>Age:</b> 42 years <b>Husband's Name:</b> Ritesh Lohiya <b>Designation:</b> Managing Director <b>Address:</b> C/91, Shashtri Nagar, Jodhpur -342003, Rajasthan India <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Term:</b> Five years w.e.f. December 05, 2017 <b>DIN:</b> 07789249	Appointed as Director on June 30, 2017  Appointed as Managing director on December 05, 2017	<b>Public Limited Company</b> Nil <b>Private Limited Company –</b> Nil <b>Limited Liability Partnership:</b> Nil	
4.	<b>Name:</b> Leela Lohiya <b>Age:</b> 67 Years <b>Husband's Name:</b> Goverdhan Das Lohiya <b>Designation:</b> Non Executive Director <b>Address:</b> C/91, Shashtri Nagar, Jodhpur - 342003, Rajasthan India <b>Occupation:</b> Homemaker	December 05, 2017	<b>Public Limited Company –</b> Nil <b>Private Limited Company –</b> Nil <b>Limited Liability Partnership:</b> Nil	

Sr. No	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment / Re-appointment	Other Directorship/ partnership LLP
	<b>Nationality:</b> Indian <b>Term:</b> Not Liable to retire by rotation <b>DIN:</b> 07787328		
5.	<b>Name:</b> Mahak Singhvi <b>Age:</b> 28 Years <b>Father's Name:</b> Virendra Singhvi <b>Designation:</b> Independent Director <b>Address:</b> 4 Madho Bagh, Chopasni Road, Jodhpur – 342 003, Rajasthan, India <b>Occupation:</b> Buisness <b>Nationality:</b> Indian <b>Term:</b> Five years w.e.f. December 05, 2017 <b>DIN:</b> 07397120	December 05, 2017	<b>Public Limited Company –</b> Nil <b>Private Limited Company</b> - Wokxy Wheels Private Limited - Bulkchase Technology Services Private Limited <b>Limited Liability Partnership:</b> Nil
6.	<b>Name:</b> Pankaj Baheti <b>Age:</b> 38 Years <b>Father's Name:</b> Jugal Kishore Baheti <b>Designation:</b> Independent Director <b>Address:</b> 17E/196, Chopasani Housing Board, Jodhpur – 342 008, Rajasthan, India <b>Occupation:</b> Profession <b>Nationality:</b> Indian <b>Term:</b> Five years w.e.f. December 05, 2017 <b>DIN:</b> 07767648	December 05, 2017	<b>Public Limited Company –</b> Nil <b>Private Limited Company –</b> Nil <b>Limited Liability Partnership –</b> Nil

## BRIEF BIOGRAPHIES OF OUR DIRECTORS

### Goverdhan Das Lohiya

Goverdhan Das Lohiya, aged 69 years is the Promoter, Chairman and Executive Director of our Company. He has been Executive Director of our Company since incorporation. He has completed his Bachelor of Commerce from Jodhpur University. He has an experience of more than four decades in various businesses out of which more than a decade's experience is in the handicraft industry. He has been instrumental in formulating the business strategies of M/s Priti International (the erstwhile proprietorship of Our Promoter Priti Lohiya) and at our Company, he is responsible for overall decision making.

### Priti Lohiya

Priti Lohiya, aged 42 years is the Promoter and Managing Director of our Company. She has been Director of our company since incorporation and has been appointed as Managing Director w.e.f. December 05, 2017. She has completed her Bachelor of Science from Jai Narayan Vyas University, Jodhpur. At Priti International, she is entrusted with the responsibility of looking after textile handicrafts business and the overall management and maintenance of customer relations of our company. She has an experience of more than a decade in the handicraft industry.

### **Ritesh Lohiya**

Ritesh Lohiya, aged 45 years is the Promoter, Executive Director and Chief Financial Officer of our Company. He has been Executive Director of our Company since incorporation and has been designated as Chief Financial Officer of our company w.e.f. December 05, 2017. He has completed his Bachelor of Commerce from Jai Narayan Vyas University, Jodhpur. He has an experience of more than two decades in business out of which more than one decade's experience is in handicraft industry. He looks after the wooden & metal furniture and handicraft business, Finance, Human Resources and Administrative aspects of our company.

### **Leela Lohiya**

Leela Lohiya, aged 67 years has been appointed as Non Executive director of our Company w.e.f. December 05, 2017.

### **Mahak Singhvi**

Mahak Singhvi, aged 28 years has been appointed as Independent Director of our Company w.e.f. December 05, 2017. He has completed his Bachelor of Technology in Electrical Engineering from the Indian Institute of Technology, Delhi. He has also completed his Master of Business Administration from the University of Oxford, UK. He also serves as director on the Board of Wokxy Wheels Private Limited and Bulkchase Technology Services Private Limited.

### **Pankaj Baheti**

Pankaj Baheti, aged 38 years has been appointed as Independent Director of our company w.e.f. December 05, 2017. He has completed his Bachelor of Commerce from Jai Narayan Vyas University, Jodhpur. He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and holds a Certificate of Practice.

## **CONFIRMATIONS**

As on the date of this Prospectus:

1. Except as stated below; none of the Directors of our Company are related to each other as per section 2(77) of the Companies Act, 2013.

<b>Name of the Director</b>	<b>Name of the Other Director</b>	<b>Relation</b>
Goverdhan Das Lohiya	Leela Lohiya	Husband – Wife
	Ritesh Lohiya	Father – Son
	Priti Lohiya	Father- in- Law – Daughter-in-Law
Leela Lohiya	Ritesh Lohiya	Mother –Son
	Priti Lohiya	Mother-in-Law – Daughter-in-Law
Ritesh Lohiya	Priti Lohiya	Husband- Wife

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

## **REMUNERATION/COMPENSATION PAID TO DIRECTORS**

As our company has incorporated on June 30, 2017, none of our current directors have received remuneration during the last financial year ended on March 31, 2017.

## Terms and conditions of employment of our Managing Director:

### Priti Lohiya-

Priti Lohiya is the Promoter and Managing Director of our Company. She has been Director of our company since incorporation and has been appointed as Managing Director w.e.f. December 5, 2017 for the period of five years. The terms and conditions of her appointment are as follows:

Remuneration	8.40 Lakhs p.a. (With an annual increment of 20%)
Terms of appointment	Term Five years commencing from December 05, 2017 Perquisites: <ul style="list-style-type: none"><li>• Contribution to Provident Funds as per Company's rules but not exceeding 12% of Salary and contribution to Superannuation Fund which shall not, together with company's contribution to Provident Fund, exceed 12% of Salary</li><li>• Gratuity payable at the rate of half month's salary for each completed year of service</li><li>• Encashment of leave at the end of tenure</li><li>• Car with driver for use on company's business</li><li>• Reimbursement of actual entertainment and travelling expenses incurred in connection with company's business.</li></ul>

## Terms and conditions of employment of our Non Executive Director and Independent Directors

Non-Executive Director and Independent 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, 2013 and other applicable laws and regulations.

### OTHER CONFIRMATIONS

As on the date on this Prospectus:

1. There is no contingent or deferred compensation payable to any Director and/or Managing Director which has accrued for this year and payable in current or any future period.
2. No compensation was paid to any Director pursuant to bonus or profit sharing plan.

### SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our Company.

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

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Priti Lohiya	15,58,360	82.30	60.07
2.	Ritesh Lohiya	84,232	4.45	3.25
3.	Goverdhan Das Lohiya	14,800	0.78	0.57
4.	Leela Lohiya	500	0.03	0.02

### INTERESTS OF DIRECTORS

#### Interest in promotion of our Company

Some of our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares.

### **Interest in the property of our Company**

Except as mentioned below, our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of filing of this Prospectus.

- Our Company has taken property situated at Khasra No. 20/2, Boranda, Opp. Meera Sansthan, Jodhpur - 342001, Rajasthan, on lease for its Branch office from Ritesh Lohiya HUF and our Director and CFO viz. Ritesh Lohiya is Karta of the said HUF.
- Ritesh Lohiya has taken property situated at F-43, Basni Ist Phase, Jodhpur, Rajasthan- 342005 from Rajasthan Chemicals Corporation (proprietorship of Our Promoter and Director Goverdhan Das Lohiya) on lease on behalf of Our Company for our registered office. Our Board of Directors vide a resolution passed at its board meeting held on July 10, 2017 has adopted all the pre-incorporation agreements entered into by the promoters on behalf of the company.
- Our Company has taken on lease the remaining portion of the property for its manufacturing facility at F-43, Basni Ist Phase, Jodhpur, Rajasthan- 342005 from Rajasthan Chemicals Corporation (proprietorship of our Promoter and Executive Director Goverdhan Das Lohiya) .

### **Interest as member of our Company**

As on date of this Prospectus, our Directors together hold 16,57,892 Equity Shares in our Company i.e. 87.56% of the pre issue paid up share capital of our Company. Therefore, some of our Directors are interested to the extent of their respective shareholding and the dividend declared and other distributions, if any, by our Company.

### **Interest as a Creditor of our Company**

As on the date of this Prospectus, our Company has not availed loans from Directors of our Company.

### **Interest as Director of our Company**

Except as stated above and in the chapter titled "*Capital Structure*" beginning on page 71 of this Prospectus our Directors, may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and Articles of Association of our Company.

### **Interest as Key Managerial Personnel of our Company**

Priti Lohiya, Managing Director and Ritesh Lohiya, Chief Financial Officer of our Company are the Key Managerial Personnel of the Company and may be deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and Articles of Association of our Company and to the extent of Equity Shares held by them in our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Other than as disclosed above, no other Director is interested as Key Managerial Personnel of the Company.

### **Interest in transactions involving acquisition of land**

Our directors are not currently interested in any transaction with our company involving acquisition of land. Except as stated/referred to under the heading titled "*Land and Property*" under chapter titled "*Our Business*" beginning on page 117 of this Prospectus, our Directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

### **Other Indirect Interest**

As on the date of this Prospectus, except as mentioned in the Prospectus none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

### **Interest in the Business of Our Company**

As on the date of this Prospectus, our Directors do not have any other interests in our Company except as mentioned in the Prospectus.

#### **SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES**

As on the date of Prospectus our Company does not have any Subsidiary or Associate Company.

#### **CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS**

Following are the changes in directors of our Company in last three years prior to the date of this Prospectus:

<b>Name</b>	<b>Date of event</b>	<b>Nature of event</b>	<b>Reason</b>
Goverdhan Das Lohiya	June 30, 2017	Appointment	Appointed as Executive Director
Ritesh Lohiya	June 30, 2017	Appointment	Appointed as Executive Director
Priti Lohiya	June 30, 2017	Appointment	Appointed as Director
Leela Lohiya	June 30, 2017	Appointment	Appointed as Executive Director
Goverdhan Das Lohiya	July 10, 2017	Designation	Designated as Chairman
Leela Lohiya	July 10, 2017	Resignation	Resignation as Executive Director of Company
Priti Lohiya	December, 05 2017	Change in designation	Appointed as Managing Director
Leela Lohiya	December, 05 2017	Appointment	Appointed as Non- Executive Director
Pankaj Baheti	December, 05 2017	Appointment	Appointed as Independent Director
Mahak Singhvi	December, 05 2017	Appointment	Appointed as Independent Director

#### **BORROWING POWERS OF THE BOARD**

Pursuant to a special resolution passed at the Extraordinary General Meeting of our Company held on December 05, 2017 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, and rules made there under and the Board of Directors (including committees) of the Company be and is hereby authorized to borrow money on such terms and conditions as may be considered and suitable by the Board of Directors up to a limit of Rs. 50,000 lakhs notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from the Temporary Loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves of the Company.

#### **CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

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

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

As on the date of this Prospectus, there are Six (6) Directors on our Board out of which two directors are independent Directors. Our Company is in compliance with the corporate governance norms

prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations, the Equity Listing Agreements and the Companies Act, 2013.

**The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.**

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

**A) Audit Committee**

Our Company has constituted an audit committee ("*Audit Committee*"), as per section 177 of the Companies Act 2013; vide resolution passed at the meeting of the Board of Directors held on December 13, 2017.

The terms of reference of Audit Committee adheres to the requirements of section 177 of the Companies Act 2013. The committee presently comprises the following three (3) directors:

<b>Name of the Directors</b>	<b>Status</b>	<b>Nature of Directorship</b>
Pankaj Baheti	Chairman	Independent Director
Mahak Singhvi	Member	Independent Director
Goverdhan Das Lohiya	Member	Executive Director

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

The Audit Committee shall have following powers:

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice; and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

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

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

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

- 1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Prospectus/ Prospectus, notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.

20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

### **Meeting of Audit Committee and relevant Quorum**

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

### **B) Stakeholder's Relationship Committee**

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on December 13, 2017.

The Stakeholders' Relationship Committee comprises the following Directors:

<b>Name of the Directors</b>	<b>Status</b>	<b>Nature of Directorship</b>
Leela Lohiya	Chairman	Non Executive Director
Priti Lohiya	Member	Managing Director
Ritesh Lohiya	Member	Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

- a. **Tenure:** The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board.
- b. **Meetings:** The Stakeholder's Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on quarterly basis regard the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- c. **Role of the Stakeholder's Relationship Committee:**

The Committee shall consider and resolve grievances of security holders, including but not limited to:

1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.

6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.
8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### C) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on December 13, 2017. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Pankaj Baheti	Chairman	Independent Director
Mahak Singhvi	Member	Independent Director
Leela Lohiya	Member	Non – Executive Director

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

- a. **Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- b. **Meetings:** The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven days' notice in advance.

#### **Role of the Nomination and Remuneration Committee not limited to but includes:**

- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration for directors, KMPs and other employees.
- Identifying persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Formulation of criteria for evaluation of performance of independent directors and Board of Directors
- Devising a policy on diversity of board of directors
- Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Director / Managing Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.

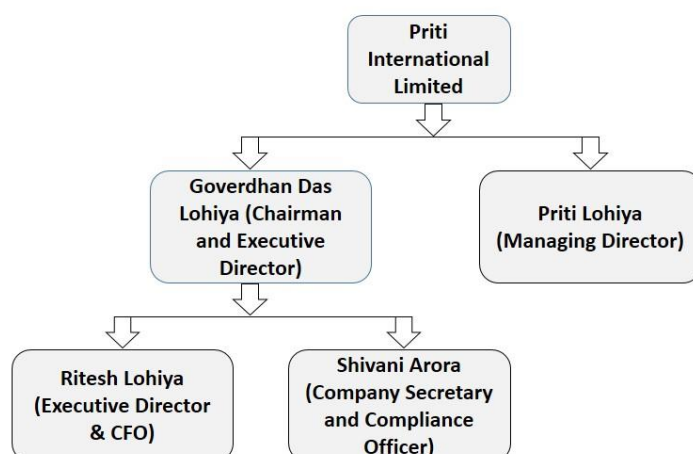
- To formulate and administer the Employee Stock Option Scheme.

### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading:**

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the EMERGE Platform of National Stock Exchange of Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on January 16, 2018 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Shivani Arora, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

## **ORGANISATIONAL STRUCTURE**



## **KEY MANAGERIAL PERSONNEL**

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

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

### **Priti Lohiya, Managing Director**

Priti Lohiya, aged 42 years is the Promoter and Managing Director of our Company. She has been Director of our company since incorporation and has been re-designated as Managing Director w.e.f. December 05, 2017. She has completed her Bachelor of Commerce from Jai Narain Vyas University, Jodhpur. She is entrusted with the responsibility of looking after Textile handicrafts business and the overall management and maintenance of customer relations of our company. She has an experience of more than a in the handicraft industry.

### **Ritesh Lohiya, Executive Director and Chief Financial Officer**

Ritesh Lohiya, aged 45 years is the Promoter, Executive Director and Chief Financial Officer of our Company. He has been Director of our Company since incorporation and has been designated as Chief Financial Officer of our company w.e.f. December 05, 2017. He has completed his Bachelor of Commerce from Jai Narain Vyas University, Jodhpur. He has an experience of more than two decades in business out of which more than one decade's experience is in handicraft industry. He looks after

the wooden & metal furniture and handicraft business, Finance, Human Resources and Administrative aspects of our company.

### **Shivani Arora, Company Secretary and Compliance Officer**

Shivani Arora, aged 24 years is the Company Secretary and Compliance Officer of our company appointed w.e.f. December 05, 2017. She has completed her Bachelor of Commerce from Jai Narain Vyas University, Jodhpur. She is a Qualified Company Secretary and an Associate Member of the Institute of Company Secretaries of India. She looks after the Legal, Secretarial and Compliance affairs of our company.

### **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

Except as stated below, none of the key managerial personnel are related to the each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.

<b>Name of the key managerial personnel</b>	<b>Name of the Other key managerial personnel</b>	<b>Relation</b>
Ritesh Lohiya	Priti Lohiya	Husband- Wife

### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Key Managerial Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Except as mentioned below, none of our Key Managerial Personnel holds any Equity shares of our company as on the date of this Prospectus.

<b>Sr. No.</b>	<b>Name of the Key Managerial Personnel</b>	<b>No. of Shares held</b>
1.	Ritesh Lohiya	84,232
2.	Priti Lohiya	15,58,360

### **BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL**

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

### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

### **LOANS TO KEY MANAGERIAL PERSONNEL**

Our company has not given any loans and advances to the Key Managerial Personnel as on the date of this Prospectus.

### **INTEREST OF KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company and dividends payable thereon and other distributions in respect of such equity shares. Except as disclosed in this Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Except as stated in this chapter, our key managerial personnel do not have any other interest in the business of our Company.

**CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS**

<b>Name of Managerial Personnel</b>	<b>Date of Event</b>	<b>Nature of event</b>	<b>Reason</b>
Priti Lohiya	December 05, 2017	Change in Designation	Appointed as Managing Director
Shivani Arora	December 05 2017	Appointment	Appointed as Company Secretary and Compliance Officer
Ritesh Lohiya	December 05, 2017	Appointment	Appointed as Chief Financial Officer

**ESOP/ESPS SCHEME TO EMPLOYEES**

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

**PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)**



Since our company has incorporated in June 2017, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.


## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTERS

Our Company has been promoted by Goverdhan Das Lohiya, Priti Lohiya, Ritesh Lohiya, Goverdhan Das Lohiya HUF and Ritesh Lohiya HUF. As on date of this Prospectus, our Promoters hold 18,87,832 equity shares representing 99.70% of the pre-issue Paid up Capital of our Company.

**Brief profile of our Promoters is as under:**

	<p><b>Goverdhan Das Lohiya, Promoter, Chairman and Director</b></p> <p>Goverdhan Das Lohiya, aged 69 years is the Promoter, Chairman and Director of our Company. He has been Director of our Company since incorporation. He has Completed his Bachelor of Commerce from Jodhpur University. He has an experience of more than four decades years in various businesses out of which more than a decade's experience is in the handicraft industry. He has been instrumental in formulating the business strategies of our Company and is responsible for overall decision making.</p> <p><b>Nationality:</b> Indian  <b>DIN:</b> 07787326  <b>Passport No:</b> J3220024  <b>Driving License:</b> RJ19 20150012335  <b>Voters ID:</b> RJ/24/184/256963  <b>Address:</b> C/91, Shastri Nagar, Jodhpur, -342003, Rajasthan, India</p> <p>For further details, relating to Goverdhan Das Lohiya, including terms of appointment as Chairman &amp; Director and other directorships please refer to the chapter titled “<i>Our Management</i>” beginning on page 142 of this Prospectus.</p>
	<p><b>Priti Lohiya, Promoter and Managing Director</b></p> <p>Priti Lohiya, aged 42 years is the Promoter and Managing Director of our Company. She has been Director of our company since incorporation and has been re-designated as Managing Director w.e.f. December 05, 2017. She has completed her Bachelor of Commerce from Jai Narain Vyas University, Jodhpur. She is entrusted with the responsibility of looking after Textile handicrafts business and the overall management and maintenance of customer relations of our company. She has an experience of more than a decade in the handicraft industry.</p> <p><b>Nationality:</b> Indian  <b>DIN:</b> 07789249  <b>Passport No:</b> Z2532289  <b>Driving License:</b> RJ19 19940051117  <b>Voters ID:</b> RJ24/185/420556  <b>Address:</b> C/91, Shastri Nagar, Jodhpur-342003, Rajasthan, India</p> <p>For further details relating to Priti Lohiya, including terms of appointment as Whole Time Director and other directorships please refer to the chapter titled “<i>Our Management</i>” beginning on page 142 of this Prospectus.</p>
	<p><b>Ritesh Lohiya, Promoter, Director and Chief Financial Officer</b></p> <p>Ritesh Lohiya, aged 45 years is the Promoter, Director and Chief Financial Officer of our Company. He has been Director of our Company since incorporation and has been designated as Chief Financial Officer of our company w.e.f. December 05, 2017. He has Completed his Bachelor of Commerce from Jai Narayan Vyas University, Jodhpur. He has an experience of more than two decades in</p>

	<p>business out of which more than one decade's experience is in handicraft industry. He looks after the wooden &amp; metal furniture and handicraft business, Finance, Human Resources and Administrative aspects of our company.</p> <p><b>Nationality:</b> Indian  <b>DIN:</b> 07787331  <b>Passport No:</b> H5079354  <b>Driving License:</b> RJ19 20160036009  <b>Voters ID:</b> RJ/24/184/256937  <b>Address:</b> C/91, Shastri Nagar, Jodhpur, -342003, Rajasthan, India</p> <p>For further details, relating to Ritesh Lohiya, including terms of appointment as Director and Chief Financial Officer and other directorships please refer to the chapter titled "Our Management" beginning on page 142 of this Prospectus.</p>
	<p><b>Ritesh Lohiya HUF</b></p> <p>Ritesh Lohiya HUF was formed on July 01, 1977. It is represented by its Karta Ritesh Lohiya, who is also promoter of our company in his individual capacity.</p> <p><b>PAN:</b> AAFHR5847B  <b>Members:</b>  Ritesh Lohiya (Karta)  Priti Lohiya  Ritika Lohiya  Ruchika Lohiya</p> <p><b>Address:</b> 1, Abhay Chambers, Chopasani Road, Jodhpur (Raj.)-342001</p>
	<p><b>Goverdhan Das Lohiya HUF</b></p> <p>Goverdhan Das Lohiya HUF is represented by its Karta Goverdhan Das Lohiya, who is also promoter of our company in his individual capacity. (Since Goverdhan Das Lohiya HUF was inherited by its Karta from his ancestral HUF, its date of incorporation could not be traced).</p> <p><b>PAN:</b> AAAHG4657H  <b>Members:</b>  Goverdhan Das Lohiya (Karta)  Leela Lohiya  Ritesh Lohiya</p> <p><b>Address:</b> 1, Abhay Chambers, Chopasani Road, Jodhpur (Raj.)-342001</p>

## DECLARATION

Our Company confirms that the Permanent Account Number, Bank Account Number and Passport Number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Prospectus with it.

## INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the equity shares held by them. For details regarding shareholding of our promoters in our Company, please refer "*Capital Structure*" on page 71 of this Prospectus.

Some of our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in our Group Companies with which our company transacts during the course of its operations.

Our Promoters are the Director and Key Managerial Person of our Company and may be deemed to be interested to the extent of salary/ remuneration and/ or reimbursement of expenses payable to them

for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and Articles of Association of our Company. For details please refer to the chapter titled “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 142, 163 and 71 respectively of this Prospectus.

Except as mentioned in the chapter titled “*Our Business*” under “*Land & Property*”, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company since incorporation or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

For details of related party transactions entered into by our Company during last financial year with our Promoters and Group Companies, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” on page 161 of this Prospectus.

#### **OTHER VENTURES OF OUR PROMOTERS**

Save and except as disclosed in this chapter and “*Our Group Companies*” beginning on page 160 of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

#### **RELATED PARTY TRANSACTIONS**

For details of related party transactions entered into by our Promoters, members of our Promoter Group and Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer chapter titled “*Related Party Transactions*” on page 161 of this Prospectus.

#### **PAYMENT OR BENEFITS TO PROMOTER**

Except as stated otherwise in the chapter titled “*Related Party Transactions*” on page 161 of this Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Prospectus.

#### **OUR PROMOTER GROUP**

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

##### **1. Individuals related to our Promoter:**

<b>Relationship with Promoters</b>	<b>Goverdhan Das Lohiya</b>	<b>Priti Lohiya</b>	<b>Ritesh Lohiya</b>	<b>Riesh Lohiya HUF</b>	<b>Goverdhan Das Lohiya HUF</b>
Father	-	Sohan Bhootra	Goverdhan Das Lohiya	N.A.	N.A.
Mother	-	Anand Bhootra	Leela Lohiya	N.A.	N.A.
Brother	1. Shayam Sundar Lohiya, 2. Damodar Das Lohiya 3. Gopal Das Lohiya	Premesh Bhootra	-	N.A.	N.A.
Sister	Sampti Bhootra	-	-	N.A.	N.A.
Spouse	Leela Lohiya	Ritesh Lohiya	Priti Lohiya	N.A.	N.A.
Son	Ritesh Lohiya	-	-	N.A.	N.A.
Daughter	-	1. Ritika Lohiya 2. Ruchika	1. Ritika Lohiya 2. Ruchika	N.A.	N.A.

Relationship with Promoters	Goverdhan Das Lohiya	Priti Lohiya	Ritesh Lohiya	Riesh Lohiya HUF	Goverdhan Das Lohiya HUF
		Lohiya	Lohiya		
Spouse's Father	-	Goverdhan Das Lohiya	Sohan Bhootra	N.A.	N.A.
Spouse's Mother	Manak Devi Jaisalmeria	Leela Lohiya	Anand Bhootra	N.A.	N.A.
Spouse's Brother	Kamal Jaisalmeria Arun Jaisalmeria	-	Premesh Bhootra	N.A.	N.A.
Spouse's Sister	-	-	-	N.A.	N.A.
Karta	N.A.	N.A.	N.A.	Ritesh Lohiya	Goverdhan Das Lohiya

## 2. Companies, firms, proprietorships and HUFs which form part of our Promoter Group:

Rajasthan Chemical Corporation (Proprietorship of Goverdhan Das Lohiya)

Our Company has issued letters dated February 08, 2018 to relatives of our Individual promoter, **Goverdhan Das Lohiya** i.e. Shyam Sundar Lohiya, Damodar Das Lohiya, Gopal Das Lohiya, Manak Devi Jaisalmeria, Kamal Jaisalmeria, Arun Jaisalmeria, Sampti Bhootra, **Priti Lohiya** i.e. Premesh Bhootra, Sohan Bhootra and Anand Bhootra, asking for details of entity(ies) in which they severally or jointly may have an interest. Our Company has sent a letter to each relative demanding their personal documents for identification of promoter group. However, we have not received reply from any of these relatives. Therefore, the disclosures made in this Prospectus are limited to the extent of information that has been made available by our Promoter in relation to Promoter Group and Group Companies.

### RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Promoters	Director	Relationship
Goverdhan Das lohiya	Leela Lohiya	Husband-Wife
Goverdhan Das Lohiya	Ritesh Lohiya	Father –Son
Goverdhan Das Lohiya	Priti Lohiya	Father in Law – Daughter in Law
Ritesh Lohiya	Priti Lohiya	Husband- Wife
Priti Lohiya	Leela Lohiya	Daughter in Law – Mother in Law
Ritesh Lohiya	Leela Lohiya	Son - Mother

### DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEAR

Our Promoters have not disassociated themselves from any entities/firms during preceding three years.

### CHANGES IN CONTROL

There has been no change in the management or control of our Company since Incorporation of Company.

### LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoters, refer to the chapter titled "Outstanding Litigation and Material Developments" on page 252 of this Prospectus.

## CONFIRMATIONS

Our Company, our Promoters and their relatives (as defined under the Companies Act, 2013) are not Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in "*Related Party Transactions*" on page 161 of this Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/to our Company.

## **OUR GROUP COMPANIES**

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of “Group Companies”, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. In the above mentioned scenario, our Company does not have any Group Company.

## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure XXIV of restated financial statement under the section titled, “*Financial Statements as restated*” beginning on page 163 of this Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend since incorporation. Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the record date are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

**SECTION V- FINANCIAL STATEMENTS  
FINANCIAL STATMENTS AS RESTATED**

*Our Company was incorporated as “Priti International Limited” on June 30, 2017. It acquired the ongoing business of M/s Priti International” i.e. the proprietorship of our Prmoter Priti Lohiya vide Business Succession Agreement dated November 11, 2017. Therefore, the restated financials of the Company for the period June 30, 2017 to December 31, 2017 have been presented in first part and restated financials of the Proprietorship Concern till the date of acquisition have been presented in the second part.*

<b>Particulars</b>	<b>Page Nos.</b>
<b>Reatated Financials of the Company for the Period June 30, 2017 to December 31, 2017</b>	<b>164-193</b>
<b>Restated Financials of the Proprietorship Concern for the Financial Year ended March 31, 2017, 2016, 2015, 2014 and 2013 and for the Period April 01, 2017 to November 10, 2017</b>	<b>194-230</b>

**Independent Auditor's Report for the Restated Financial Statements of  
Priti International Limited**

**Report of Auditors on the Restated Financial Information of Priti International Limited for each of the period / years ended on December 31, 2017.**

**The Board of Directors  
Priti International Limited  
Plot No.:- F-43, Basni Phase 1  
Jodhpur  
Rajasthan 342001**

Dear Sirs,

We, N. K. Aswani & Co., have examined the attached Restated Statement of Assets and Liabilities of **Priti International Limited** (the "Company") as at 31st December, 2017 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the years / period ended as at 31st December 2017 annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of NSE Limited.

1. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013("Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE. ("**IPO**" or "**SME IPO**"); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
2. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year / period ended on 31st December, 2017.
3. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The "**Statement of Assets and Liabilities as Restated**" as set out in **Annexure I** to this report, of the Company as at 31st December , 2017, are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
  - (ii) The "**Statement of Profit and Loss as Restated**" as set out in **Annexure II** to this report, of the Company for the years / period ended 31st December , 2017, are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.

- (iii) The ” **Statement of Cash Flow as Restated**” as set out in **Annexure III** to this report, of the Company for the years / period ended 31<sup>st</sup> December, 2017, are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
4. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
- Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
  - Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
  - There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period/year ended on 31<sup>st</sup> December, 2017, which would require adjustments in this Restated Financial Statements of the Company.
  - These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure IV(A)** to this report.
  - As per Accounting Standard- 15: Employee Benefits issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not obtained the actuarial valuation and not provided for gratuity liability in the financial Statement.**
5. Audit for the financial year / period ended on December 31, 2017, was conducted by M/s. J K Daga & Associates (Chartered Accountants). Accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them. Further financial statements for the period / financial year ended on 31<sup>st</sup> December, 2017 have been reaudited by us as per the relevant guidelines.
6. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period/year ended on 31<sup>st</sup> December, 2017, proposed to be included in the Prospectus/Prospectus (“**Offer Document**”).

**Annexure of Restated Financial Statements of the Company:-**

- Significant Accounting Policies and Notes to Accounts as restated in Annexure IV(A);
- Reconciliation of Restated Profit as appearing in Annexure IV (B) to this report.
- Details of Share Capital as Restated as appearing in Annexure V to this report;
- Details of Reserves and Surplus as Restated as appearing in Annexure VI to this report;
- Details of Long Term Borrowings as Restated as appearing in Annexure VII to this report;
- Nature of Security and Terms of Repayment for Long term Borrowings as appearing in Annexure VIII to this report
- Details of Deferred Tax Liabilities (Net) as Restated as appearing in Annexure IX to this report;
- Details of Short Term Borrowings as Restated as appearing in Annexure X to this report;
- Nature of Security and Terms of Repayment for Short term Borrowings as appearing in Annexure XI to this report

- j. Details of Trade Payables as Restated as appearing in Annexure XII to this report;
  - k. Details of Other Current Liabilities as Restated as appearing in Annexure XIII to this report;
  - l. Details of Short Term Provisions as Restated as appearing in Annexure XIV to this report;
  - m. Details of Fixed Assets as Restated as appearing in Annexure XV to this report;
  - n. Details of Non-Current Investments as Restated as appearing in Annexure XVI to this report;
  - o. Details of Long Term Loans & Advances as Restated as appearing in Annexure XVII to this report;
  - p. Details of Inventories as Restated as appearing in Annexure XVIII to this report;
  - q. Details of Trade Receivables as Restated enclosed as Annexure XIX to this report;
  - r. Details of Cash and Cash Equivalents as Restated enclosed as Annexure XX to this report;
  - s. Details of Short Term Loans & Advances as Restated as appearing in Annexure XXI to this report;
  - t. Details of Revenue from operations as Restated as appearing in Annexure XXII to this report;
  - u. Details of Other Income as Restated as appearing in Annexure XXIII to this report;
  - v. Details of Related Parties Transactions as Restated as appearing in Annexure XXIV to this report;
  - w. Details of Summary of Accounting Ratios as Restated as appearing in Annexure XXV to this report
  - x. Capitalization Statement as Restated as at 31<sup>st</sup> March 2017 as appearing in Annexure XXVI to this report;
  - y. Statement of Tax Shelters as Restated as appearing in Annexure XXVII to this report;
7. We, N. K. Aswani & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
  8. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
  9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  11. In our opinion, the above financial information contained in Annexure I to XXVII of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
  12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For, N. K. Aswani & Co.**  
Chartered Accountants  
**Firm Registration No.: 100738W**

**N. K. Aswani**  
**Proprietor**  
**Membership No.: 033278**  
**Date: 5<sup>th</sup> February, 2018**  
**Place: Ahmedabad**

## ANNEXURE-I

(Amount in Lakhs)

Particulars	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>						
<b>1. Shareholders' funds</b>						
(a) Share capital	189.35					
(b) Reserves and surplus	210.76					
<b>Sub-Total</b>	<b>400.11</b>					
<b>2. Share application money pending allotment</b>	-					
<b>Sub-Total</b>	-					
<b>3. Non-current liabilities</b>						
(a) Long-term borrowings	-					
(b) Deferred tax liabilities (Net)	-					
(c) Other Non Current Liabilities	-					
(d) Long-term Provisions	-					
<b>Sub-Total</b>	-					
<b>4. Current liabilities</b>						
(a) Short-term borrowings	-					
(b) Trade payables	199.28					
(c) Other current liabilities	157.81					
(d) Short-term provisions	12.17					
<b>Sub-Total</b>	<b>369.26</b>					
<b>TOTAL</b>	<b>769.37</b>					
<b>II. ASSETS</b>						
<b>1. Non-current assets</b>						
(a) Fixed assets	80.18					
(b) Non-current investments	70.00					
(c) Deferred tax assets (net)	2.17					
(d) Long-term loans and advances	0.08					
(e) Other Non Current Assets	5.25					
<b>Sub-Total</b>	<b>157.68</b>					
<b>2. Current assets</b>						
(a) Current investments	-					
(b) Inventories	96.66					
(c) Trade receivables	317.45					
(d) Cash and cash equivalents	35.22					
(e) Short-term loans and advances	153.46					
(f) Other Current Assets	8.90					
<b>Sub-Total</b>	<b>611.69</b>					
<b>TOTAL</b>	<b>769.37</b>					

## STATEMENT OF PROFIT AND LOSS AS RESTATED

## ANNEXURE-II

(Amount in Lakhs)

Particulars	For Period Ended on December 31, 2017	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>I. Revenue from operations</b>	<b>318.83</b>					
<b>II. Other income</b>	<b>4.80</b>					
<b>III. Total Revenue (I + II)</b>	<b>323.63</b>					
<b>IV. Expenses:</b>						
<b>Cost of materials consumed</b>	<b>329.08</b>					
<b>Purchases of Stock-in-Trade</b>	<b>-</b>					
<b>Changes in inventories of finished goods work-in-progress and Stock-in-Trade</b>	<b>(89.57)</b>					
<b>Employee benefits expense</b>	<b>12.81</b>					
<b>Finance costs</b>	<b>-</b>					
<b>Depreciation and amortization expense</b>	<b>2.21</b>					
<b>Other expenses</b>	<b>47.58</b>					
<b>Total expenses</b>	<b>302.11</b>					
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>	<b>21.51</b>					
<b>VI. Exceptional items</b>	<b>-</b>					
<b>VII. Profit before extraordinary items and tax (V - VI)</b>	<b>21.51</b>					
<b>VIII. Extraordinary Items-</b>	<b>-</b>					
<b>IX. Profit before tax (VII-VIII)</b>	<b>21.51</b>					
<b>X. Tax expense:</b>						
<b>(1) Current tax</b>	<b>7.71</b>					
<b>(2) Deferred tax</b>	<b>(2.17)</b>					
<b>(3) MAT Credit</b>	<b>-</b>					
<b>(4) Current tax expense relating to prior years</b>	<b>-</b>					
<b>XI. Profit (Loss) for the period from continuing operations (VII-VIII)</b>	<b>15.97</b>					
<b>XII. Profit/(loss) from discontinuing operations</b>						
<b>XIII. Tax expense of discontinuing operations</b>						
<b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>						
<b>XV. Profit (Loss) for the period (XI + XIV)</b>	<b>15.97</b>					
<b>XVI Earnings per equity share:</b>						
<b>(1) Basic &amp; Diluted</b>	<b>3.47</b>					

## STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE-III

(Amount in Lakhs)

Particulars	For Period Ended on December 31, 2017	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Cash Flow From Operating Activities</b>						
Restated Net profit Before Tax and Extraordinary Items	21.51					
Adjustments For:						
Depreciation	2.21					
Loss (Profit) on Sale of Assets	-					
Profit on sale of assets	-					
Extraordinary Items (Loss due to fire)	-					
Extraordinary Items (Prior Period Items)	-					
Interest Received	-					
Interest and Finance Charges	-					
Operating Profit before working capital changes	23.72					
Adjustment For:						
Decrease/(Increase) in Inventories	(96.66)					
Decrease/(Increase) in Trade receivables	(317.45)					
Decrease/(Increase) in Other Current Assets	(8.91)					
Decrease/(Increase) in Other loans & Advances receivable	(153.54)					
Decrease/(Increase) in Other Non current Assets	(5.25)					
Decrease/(Increase) in Long Term Loans and Advances						
(Decrease)/Increase in Trade Payables	199.28					
(Decrease)/Increase in Other Current Liabilities	157.81					
(Decrease)/Increase in Short Term Provisions	12.17					
(Decrease)/Increase in Long Term Provisions	-					
(Decrease)/Increase in Other Non current Liabilities	-					
Cash Generated from Operations	(188.83)					
Less : Taxes Paid	(7.71)					
Net Cash From /(Used In ) Operating Activities (A)	(196.54)					
<b>Cash Flow From Investing Activities</b>						

<b>Purchase Of Fixed Assets</b>	<b>(82.39)</b>					
<b>Sale of Fixed Assets</b>						
<b>Decrease/(Increase) in Non Current investments</b>	<b>(70.00)</b>					
<b>Decrease/(Increase) in Capital Work In Progress</b>						
<b>Movement in Loan &amp; Advances</b>						
<b>Interest Received</b>						
<b>Net Cash From /(Used In ) Investing Activities (B)</b>	<b>(152.39)</b>					
<b>Cash Flow From Financing Activities</b>						
<b>Share application money received</b>						
<b>Proceeds from Issue of Shares</b>	<b>189.35</b>					
<b>Increase in Share Premium</b>	<b>194.79</b>					
<b>Increase in Long Term Loans &amp; Advances</b>						
<b>Interest and Finance Charges</b>						
<b>(Decrease)/Increase in Short Term Borrowing</b>						
<b>(Decrease)/Increase in Long Term Borrowing</b>						
<b>Net Cash From Financing Activities (c)</b>	<b>384.14</b>					
<b>Net Increase / (Decrease) in Cash (A)+(B)+(C)</b>	<b>35.22</b>					
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>-</b>					
<b>Cash and Cash equivalents at the end of the year</b>	<b>35.22</b>					

- I. The Cash Flow statement has been prepared under Indirect method as per Accounting Standard-3 "Cash Flow Statements"
- II. Figures in Brackets represent outflows
- III. The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I,II, IV(A) respectively.

**(A) Corporate Information:**

The Company was originally incorporated on **30<sup>th</sup> June, 2017** vide Certificate of Incorporation bearing Registration Number **U36994RJ2017PLC058454** issued by the Registrar of Companies, **Jaipur**, Rajasthan. Our Company acquired the ongoing business Priti International i.e. the proprietorship of our Promoter Priti Lohiya, vide Business Succession Agreement dated November 11, 2017. Our Company is presently engaged in manufacturing of a wide range of furniture and metal, wooden and textile based handicraft products. The products are commercialised through holding exhibitions at various locations across the globe for their export sales

**(B) Basis of Preparation:**

The Restated Summary Statements of Assets and Liabilities of the Company as at 31st December 2017 and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement for the period / years ended 31st December 2017, have been compiled by management from the financial statements of the company for the period ended on 31st December 2017.

"The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act")) read with Rule 7 of Companies (Accounts) Rules, 2014).

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized."

**(C) Significant Accounting Policies:****(a) Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

**(b) Fixed Assets:**

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation. CENVAT credit availed but not adjusted against excise duty payment is treated as CENVAT credit receivable and shown under 'Loans and Advances'. Fixed assets on which CENVAT credit is not availed is shown at full value. Considering the nature of the Business and Financial Reporting of the Company, the company is operating in Two Segments. The company has not maintained separate data for the purpose of the Segmental Reporting and hence in absence of the data from the company we are unable to report on the same.

**(c) Depreciation:**

Depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on pro-rata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

**(d) Revenue Recognition:**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.

**(D) Foreign Currency Transactions:**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupees at the exchange rate prevailing at the Balance Sheet Date. All exchange differences are dealt with in Profit and Loss Account.

**(E) Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of Investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(F) Employee Benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligations, other than the contribution payable to the provident fund.

**As per Accounting Standard- 15: Employee Benefits issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not obtained the actuarial valuation and not provided for gratuity liability in the financial Statement.**

**(G) Taxation:**

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act'1961 enacted or substantively enacted at the reporting date.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable income and accounting income. Deferred Tax Assets or Differed Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

**(H) Borrowing Cost:**

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(I) Segment Reporting:**

The Company has disclosed mainly two segments, one is Wooden and Iron Handicraft and another is Textile handicraft segment. Considering the nature of the Business and Financial Reporting of the

Company, the company is operating in Two Segments. The company has not maintained separate data for the purpose of the Segmental Reporting and hence in absence of the data, we are unable to report on the same.

**(J) Provisions and Contingent Liabilities:**

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(Amount in Lakhs)

Particulars	December 31, 2017	March 31 <sup>st</sup> , 2017	March 31 <sup>st</sup> , 2016	March 31 <sup>st</sup> , 2015	March 31 <sup>st</sup> , 2014	March 31 <sup>st</sup> , 2013
(a) Bills Discounted from Bank	-	-	-	-	-	-
(b) Bank Guarantee issued by Bank	-	-	-	-	-	-
(c) Letter of Credit Outstanding	-	-	-	-	-	-
(d) Duty saved against Advanced Authorization/EPCG.						
(e) Claim against company not acknowledge as debt.						

**(K) Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**RECONCILIATION OF RESTATED PROFIT****ANNEXURE IV(B)****(Amount in Lakhs)**

<b>Adjustments for</b>	<b>As At December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Net profit/(loss) after tax as per audited statement of profit & loss	43.42					
<b><u>Adjustments for:</u></b>						
Preliminary Expenses (Refer Note 1 )	(19.62)					
Increase in Expense	(10.22)					
Tax Adjusted In Current Period (Refer Note 2 )	0.22					
Differed Tax Liability / Assets Adjustments (Refer Note 3)	2.17					
<b>Net profit/ (loss) after tax as restated</b>	<b>15.97</b>					

**Explanatory Notes to the above restatements made in Audited Financial Statements of the Company for the respective years / period.**

**Adjustments having impact on Profit:****Note: 1**

Amounts relating to the Pre incorporation exp. Have been charged to P&L Account.

**Note: 2**

The company has provided Excess or Short Provision in the year in which the income tax return has been filled. But in restated account, the company has provided Excess or Short Provision in the year to which it relates.

**Note: 3**

There is change in Deffered Tax Assets / Liabilities as per Audited Books of Accounts and as per Restated Books and the same has been given effect in the year to which the same relates.

**To give Explanatory Notes regarding Adjustments**

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.

**DETAILS OF SHARE CAPITAL AS RESTATED****ANNEXURE-V****(Amount in Lakhs)****1. Statement of Share Capital**

<b>Particlaurs</b>	<b>As At Decembe r 31, 2017</b>	<b>As at Marc h 31, 2017</b>	<b>As at Marc h 31, 2016</b>	<b>As at Marc h 31, 2015</b>	<b>As at Marc h 31, 2014</b>	<b>As at Marc h 31, 2013</b>
<b>Authorised</b>						
Equity shares of Rs. 10/- each	600.00					
<b>Issued , Subscribed and Fully paid up Capital</b>						
<b>Equity Shares of Rs.10/- each</b>	189.35					
<b>Total</b>	189.35					

**Terms/rights attached to equity shares :**

1. During the period ended on 31<sup>st</sup> December, 2017 company has issued 15,43,860 Share having Face value of Rs.10 each vide a resolution passed at the board meeting held on 18<sup>th</sup> November,2017.
2. During the period ended on 31<sup>st</sup> December, 2017 company has issued 29,96,72 Share having Face value of Rs.10 each vide a resolution passed at the board meeting held on 5<sup>th</sup> December,2017.

**Terms/rights attached to equity shares:**

1. The company was having only one class of Equity Shares with par value of Rs. 10.00 per share. Each holder of Equity shares was entitled to one Vote per share.
2. In the Liquidation of the company, the holders of Equity Shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

**2. Reconciliation of Shares outstanding at the beginning and at the end of the Period**

<b>Particlaurs</b>	<b>As At Decembe r 31, 2017</b>	<b>As at Marc h 31, 2017</b>	<b>As at Marc h 31, 2016</b>	<b>As at Marc h 31, 2015</b>	<b>As at Marc h 31, 2014</b>	<b>As at Marc h 31, 2013</b>
At the beginning of the period	-					
Shares allotted during the year						
Issued during the year	18,93,532					
Redeemed or bought back during the period						
Outstanding at the end of the Period	18,93,532					

**3. For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:**

Particlaurs	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	-	-	-	-	-	-
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	-	-	-	-	-	-
Aggregate number and class of shares bought back.	-	-	-	-	-	-

**a.Details of Shareholders holding more than 5% shares in the company (In terms of No. of Shares Holding)**

Particlaurs	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Name of Shareholders	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Priti Lohiya	15,58,360					
Ritesh Lohiya HUF	1,18,366					
Goverdhan Das Lohiya HUF	1,12,074					
Total	17,88,800					

**b. Details of Shareholders holding more than 5% shares in the company (In terms of % Holding)**

Particlaurs	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Name of Shareholders	% holding	% holding	% holding	% holding	% holding	% holding
Priti Lohiya	82.30					
Ritesh Lohiya HUF	6.25					
Goverdhan Das Lohiya HUF	5.92					
Total	94.47					

**DETAILS OF RESERVES AND SURPLUS AS RESTATED  
ANNEXURE-VI**

(Amount in Lakhs)

Particlaurs	As At Decemb er 31, 2017	As at Marc h 31, 2017	As at Marc h 31, 2016	As at Marc h 31, 2015	As at Marc h 31, 2014	As at Marc h 31, 2013
<b>A. Securities Premium Account</b>						
Opening Balance	-					
Add : Securities premium credited on Share issue	194.79					
Closing Balance	194.79					
<b>B. Surplus</b>						
Opening Balance						
Add: Net Profit/(Loss) for the year	15.97					
Add: Opening Balance of MAT Credit						
Add: Adjustment in F.A as per Companies Act,2013						
Closing Balance	15.97					
<b>Total</b>	<b>210.76</b>					

**Notes:**

1. The figures disclosed above are based on the Unconsolidated restated summary statement of assets and liabilities of the Company
2. The above statement should be read with the notes to Unconsolidated restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure I,II and III.

**DETAILS OF LONG TERM BORROWINGS AS RESTATED  
ANNEXUREVII**

(Amount in Lakhs)

Particlaurs	As At Decemb er 31, 2017	As at March 31, 2017	As at Marc h 31, 2016	As at Mar ch 31, 2015	As at Mar ch 31, 2014	As at Mar ch 31, 2013
<b>A1. From Banks (Secured)</b>						
Loan Repayble on Demand (Secured Loan)						
<b>A2. From NBFC(Secured)</b>						
<b>Total(A1+A2)</b>						
<b>A3. From Banks (UnSecured)</b>						
<b>Total(A)</b>						
<b>B. From Other Parties (Unsecured)</b>						
<b>B1. From Promoter Group</b>						
Loan From Directors						
From Shareholders						
Inter-corporate loan						
From Others						
<b>Total</b>						
<b>B2. From Financial Institutions</b>						

Particlaurs	As At Decemb er 31, 2017	As at March 31, 2017	As at Marc h 31, 2016	As at Mar ch 31, 2015	As at Mar ch 31, 2014	As at Mar ch 31, 2013
Religare Finvest Ltd						
Tata Capital Ltd.						
<b>B3. From Others</b>						
<u>Inter Corporate Deposits</u>						
<u>Loan From Others</u>						
<b>Total(B)</b>						
<b>(c) Loans and Advances from Bank &amp; Financial Institutions</b>						
<b>Business Loans from Banks</b>						
<b>Business Loans from Financial Institutions</b>						
<b>Total(C)</b>						
<b>Total A+B+C</b>						

**ANNEXURE VIII**

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM  
BORROWINGS INCLUDING CURRENT MATURITIES**

Sr. No.	Lender	Nature of facility	Amount outstanding As At December 31, 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
1	Not Applicable					

**DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED**
**ANNEXURE IX**

(Amount in Lakhs)

Particlaurs	As at Decem ber 31, 2017	As at Mar ch 31, 2017	As at Mar ch 31, 2016	As at Mar ch 31, 2015	As at Mar ch 31, 2014	As at Mar ch 31, 2013
WDV as per Books	80.18					
WDV as per IT	81.08					
Other Difference	(7.54)					
<b>Net deferred tax liability</b>	(8.44)					
<b>Total DTL/(DTA)</b>	(2.17)					
Opening Balance of (DTA) / DTL	-					
Liability to be created for the year as per restated financials trafer to P&L a/c	(2.17)					
DTL as per revised calculation	(2.17)					

**Deffered Tax Assets & Liabilities Summary**

Particlaurs	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Opening Balance of (DTA) / DTL	-					
Add: Provision for the Year	(2.17)					
<b>Closing Balance of (DTA) / DTL</b>	(2.17)					

**DETAILS OF SHORT TERM BORROWINGS AS RESTATED**  
**ANNEXURE X**

(Amount in Lakhs)

Particlaurs	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>(a) Working Capital Loans</b>						
<b>i) Cash Credit Limit</b>						
<b>ii) Buyer's credit Limit</b>						
Short term Loan from MPFC						
<b>Total A</b>						

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS**

**ANNEXURE XI**

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at December 31, 2017	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
1	Not Applicable						

**DETAILS OF TRADE PAYABLES AS RESTATED**  
**ANNEXURE XII**

**(Amount in Lakhs)**

Particlaurs	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>(a) Micro, Small and Medium Enterprise</b>						
<b>(b) Others</b>						
Sundry Creditors for goods	169.77					
Sundry Creditors for expense	29.51					
Sundry Creditors for Capital goods						
<b>Total</b>	<b>199.28</b>					

**Notes**

- Outstanding against Purchase / Acquisition of Capital Goods / Assets have been shown under "Sundry Creditors for Capital Goods / Fixed Assets"
- Trade Payables as on December 31, 2017 has been taken as certified by the management of the company
- The Company has not maintained separate data for Transactions with MSMEs & in absence of the same we are unable to provide bifurcation for the same.

**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED  
ANNEXURE XIII**

(Amount in Lakhs)

Particlaurs	As At Decembe r 31, 2017	As at Marc h 31, 2017	As at Marc h 31, 2016	As at Marc h 31, 2015	As at Marc h 31, 2014	As at Marc h 31, 2013
<b>(i) Current maturities of Long Term Debt</b>						
<b>(ii) Statutory Remittance</b>	0.91					
<b>(iii) Due against Capital Expenditure</b>						
<b>(iV) Other Payables (Specify Nature)</b>						
Advance from Buyers	156.90					
<b>Total</b>	<b>157.81</b>					

**Notes:**

-Advances Received from Customers have been taken as certified by the management of the company and no security has been offered by the company against the same.

**DETAILS OF SHORT TERM PROVISIONS AS RESTATED  
ANNEXURE XIV**

(Amount in Lakhs)

Particlaurs	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Provision For</b>						
<b>(a) Employee benefits</b>						
(i) Contribution to PF	0.42					
(ii) Salary Payable	3.40					
<b>(b) Others (Specify nature)</b>						
(i) Income Tax	7.71					
Additional Provision						
(ii) Other Expenses	0.64					
<b>Total</b>	<b>12.17</b>					

**Notes:**

- Provision for Direct Tax have been adjusted against the Advance Tax and TDS Receivables, if any  
- Provision for Audit Fees for the Period ended on December 31, 2017 have not been made

**DETAILS OF FIXED ASSETS AS RESTATED  
ANNEXURE XV**

(Amount in Lakhs)

Particlau rs	Buildi ng	Lan d	Capit al WIP	Plant & Machine ry	Furnitu re & Fixtures	Motor Vehicl es	Comput er	Intangib le	Tot al
Gross Block :									
As at April 1, 2017									
Additions / (Deletion)	<b>32.19</b>	-		<b>4.45</b>	<b>0.93</b>	<b>44.62</b>	<b>0.20</b>	-	<b>82.3 9</b>
Deletion									
<b>As At December 31, 2017</b>	<b>32.19</b>	-		<b>4.45</b>	<b>0.93</b>	<b>44.62</b>	<b>0.20</b>	-	<b>82.3 9</b>
<b>Accumulat ed Dep :</b>									
As at April 1, 2017	-	-	-	-	-	-	-	-	-
Charge for the period	<b>0.43</b>	-	-	<b>0.11</b>	<b>0.03</b>	<b>1.61</b>	<b>0.02</b>	-	<b>2.21</b>
Additions / (Deletion)									
As at Sept. 30, 2017	<b>0.43</b>	-	-	<b>0.11</b>	<b>0.03</b>	<b>1.61</b>	<b>0.02</b>	-	<b>2.21</b>
Net Block :									
<b>As At December 31, 2017</b>	<b>31.76</b>	-	-	<b>4.33</b>	<b>0.90</b>	<b>43.01</b>	<b>0.18</b>	-	<b>80.1 8</b>

**DETAILS OF NON-CURRENT INVESTMENTS AS RESTATED  
ANNEXURE XVI**

(Amount in Lakhs)

Particlours	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
(a) Investment in Equity instruments	-	-	-	-	-	-
(b) Investments in preference shares	-	-	-	-	-	-
(c) Investments in Government or Trust securities	-	-	-	-	-	-
(d) Investments in Debentures or Bonds	-	-	-	-	-	-
(e) Investments in Mutual Funds	-	-	-	-	-	-
(f) Investments in partnership firms*	-	-	-	-	-	-
(g) Other non-current investments	70.00	-	-	-	-	-
<b>Aggregate Amount of Unquoted Investments</b>	70.00	-	-	-	-	-
<b>Aggregate Cost of Quoted Investments</b>	-	-	-	-	-	-
<b>Aggregate Market Value of Quoted Investments</b>	-	-	-	-	-	-

**DETAILS OF LONG TERM LOANS & ADVANCES AS RESTATED  
ANNEXURE XVII**

(Amount in Lakhs)

Particlours	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>Unsecured &amp; Considered Good</u></b>						
<b>Loans and advances to related parties</b>						
Security Deposits	0.08					
<b>Total</b>	<b>0.08</b>					

**DETAILS OF INVENTORIES AS RESTATED**

**ANNEXURE XVIII**

(Amount in Lakhs)

<b>Particlaurs</b>	<b>As At December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
a. Raw Materials and components (Valued at Cost or NRV unless otherwise stated)						
Goods-in transit						
b. Consumables (Valued at Cost or NRV unless otherwise stated)						
Goods-in transit						
c. Finished goods (Valued at Cost or NRV unless otherwise stated)	96.66					
Goods-in transit						
	<b>96.66</b>					
d. d. Stores and spares & Packing Materials(Valued at Lower of Cost or NRV as per FIFO Method)						
Goods-in transit						
e. Trading Inventory						
<b>Total</b>	<b>96.66</b>					

**Notes:** Value of Inventories as on 31st December, 2017 has been taken as certified by the management of the company

**DETAILS OF TRADE RECEIVABLES AS RESTATED  
ANNEXURE XIX**

(Amount in Lakhs)

Particlours	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>(Unsecured and Considered Good)</u></b>						
<b><u>a. From Directors/Promoters/ Promoter Group/Associates/ Relatives of Directors / Group Companies</u></b>						
Over Six Months						
Others						
<b><u>a. From Others</u></b>						
More then six months						
Less than Six Months	317.45					
<b>Total</b>	<b>317.45</b>					

**Notes:**

- Trade Receivables as on 31st December , 2017 has been taken as certified by the management of the company
- As per the view of the management of the company there is no doubtful debt and hence provision for doubtful debts have not been made

**DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED ANNEXURE XX**

(Amount in Lakhs)

Particlours	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Balances with banks	34.11					
Cash on hand	1.10					
Balances with banks in fixed deposit						
<b>Total</b>	<b>35.22</b>					

**DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED  
ANNEXURE XXI**

(Amount in Lakhs)

Particulars	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>A. Loans and advances to related parties</b>						
B. Inter Corporate Deposits						
C. Balances with government authorities						
(i) VAT Receivable	130.00					

Particulars	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
(ii) TDS / TC Receivables	0.02					
(iii) Service tax Credit Receivable						
(iv) Advance/Self Assessment Tax/Income tax Refund						
(v) Service Tax Paid						
(vi) Provident Fund						
(vii) Subsidy Recivable						
(viii) Duty Drawback Recivable	21.50					
(ix) MAT Credit Entitlement						
D. Others (specify nature)						
Creditors having Dedit balance						
- Advance to Staff						
- Advance to Others						
- Other Prepaid Expenses						
Others	1.94					
<b>Total A+B+C+D</b>	<b>153.46</b>					

**Notes:**

- Advances Given to Suppliers have been taken as certified by the management of the company.
- No Securities have been taken by the company against the advances given to the suppliers
- Advance Tax and TDS Receivables have been adjusted against the Provision for Direct Tax

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED  
ANNEXURE XXII**

Particulars	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Sale of products</b>						
Export Sales-Manufacturing	69.10					
Textile Handicraft	249.74					
Local Sales-Manufacturing						
-Trading						
<b>Revenue from sale of products</b>	<b>318.83</b>					
<b>Sale of Services</b>						
<b>Other operating revenues</b>						
<b>Job Work</b>						
<b>Duty Drawback</b>						
<b>Commission</b>						
<b>Revenue from operations</b>	<b>318.83</b>					

**DETAILS OF OTHER INCOME AS RESTATED  
ANNEXURE XXIII**

(Amount in Lakhs)

Particulars	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	Nature of Income
Duty Drawback	4.48						Recurring & Related to Business Activity
Interest Received on FDR	0.31						Recurring & Not Related to Business Activity
Misc. Income	0.01						Non Recurring & Not Related to Business Activity
<b>Total</b>	<b>4.80</b>						

DETAILS OF RELATED PARTIES TRANSACTIONS AS RESTATED

ANNEXURE XXIV

Name of the Party	Nature Of Relation	Nature of Transaction	Amount Outstanding as on 31.03.17(Payable )/ Receivable	Amount of Transaction Debited upto 30.09.2017	Amount of Transaction Credited upto 30.09.2017	Amount Outstanding as on 30.09.17(Payable )/ Receivable
Priti Lohiya	Director	Director Remuneration	-	0.14	1.40	(1.26)
		Creditors for Expense	-	4.57	10.76	(6.19)
G. D. Lohiya	Director	Director Remuneration	-	0.18	1.80	(1.62)
		Creditors For Expense	-	-	0.10	(0.10)
		Rent	-	-	0.90	(0.90)
Ritesh Lohiya	Director	Director Remuneration	-	0.12	1.20	(1.08)
		Unsecured Loan Takeover(Converted into Equity Shares)	-	52.07	52.07	-
G. D. Lohiya HUF	Director's HUF	Unsecured Loan Takeover(Converted into Equity Shares)	-	83.98	83.98	-
Ritesh Lohiya HUF	Director's HUF	Rent	-	-	1.10	(1.10)
		Unsecured Loan Takeover(Converted into Equity Shares)	-	88.70	88.70	-

**DETAILS OF SUMMARY OF ACCOUNTING RATIOS AS RESTATED ANNEXURE XXV**

(Amount in Lakhs)

<b>Ratio</b>	<b>As At December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Restated PAT as per statement of profit and loss <b>(A)</b>	15.97					
Weighted average number of equity shares at the end of the year/ period	460924					
Impact of issue of Bonus Shares after stub period	-					
Weighted average number of equity shares at the end of the year/ period After Adjusting For Bonus Issue <b>(B)</b>	460924					
No. of Equity Shares at the end of the year / period <b>(C)</b>	1893532					
No. of Equity Shares at the end of the year / period After Adjustment For Bonus Issue	1893532					
Net Worth , as Restated <b>(D)</b>	394.86					
<b>Earnings Per Share</b>						
Basic & Diluted (Rs)-Before Adjusting For Bonus & Right Issue*	3.47					
Basic & Diluted (Rs)-After Adjusting For Bonus & Right Issue* <b>(A/B)</b>	3.47					
Return on net worth (%) <b>(A/D)</b>	4.05					
Net Asset value per Equity Share –Before Bonus & Right Issue	20.85					
Net Asset value per Equity Share –After Bonus & Right Issue <b>(D/C)</b>	20.85					
Nominal value per equity share (Rs.)	10.00					

**Notes:**

1. The ratios have been Computed as per the following formulas

(ii) Basic Earning per Share

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year / period}}$$

year / period

(iii) Net Asset Value (NAV) per Equity Share

$$\frac{\text{Restated Networth of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iv) Return on Net Worth (%)

Restated Profit after Tax available to equity shareholders

Restated Networth of Equity Share Holders

2. Net Profit as restated, as appearing in the statement of profit and losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial information of the Company.
3. Earning per share calculations are done in accordance with Accounting Standard 20 "Earning Per Share", issued by the Institute of Chartered Accountants of India.
4. Prior to December 31, 2017, the company has made the following changes in its capital structure, the effects of which have been considered in computing the above accounting ratios
  - During the period ended on 31<sup>st</sup> December, 2017 company has issued 15,43,860 Share having Face value of Rs.10 each vide a resolution passed at the board meeting held on 18<sup>th</sup> November,2017.
  - During the period ended on 31<sup>st</sup> December, 2017 company has issued 29,96,72 Share having Face value of Rs.10 each vide a resolution passed at the board meeting held on 5<sup>th</sup> December,2017.

**CAPITALIZATION STATEMENT AS RESTATED AS AT 31st December 2017**

**ANNEXURE XXVI**

(Amount in Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings:</b>		
Short-term Debt (A)	-	-
Long-term Debt (B)	-	-
<b>Total debts (C)</b>	-	-
<b>Shareholders' funds</b>		
Share capital	189.35	259.43
Reserve and surplus	210.76	666.28
<b>Total shareholders' funds (D)</b>	<b>400.11</b>	<b>925.71</b>
<b>Long term debt / shareholders' funds (B/D)</b>	-	-
<b>Total debt / shareholders' funds (C/D)</b>	-	-

1. Short term debts represent debts which are due within 12 months from December 31, 2017.
2. Long term debts represent debts other than short term debts, as defined above but includes current maturities of long term debt.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at December 31,2017

## STATEMENT OF TAX SHELTERS AS RESTATED

## ANNEXURE XXVII

(Amount in Lakhs)

Particulars	As At December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Profit before tax, as restated (A)	21.51					
Tax Rate Incometax (%)	25.75%					
Tax Rate MAT (%)	19.06%					
Tax at notional rate on profits	5.54					
<b>Adjustments :</b>						
<b>Permanent differences</b>						
Expenses disallowed under Income Tax Act, 1961						
Donation Expense						
<b>Total permanent differences(B)</b>						
<b>Income considered separately (C.)</b>	0.31					
<b>Total Income considered separately (C.)</b>	0.31					
<b>Timing differences</b>						
Difference between tax depreciation and Books Depreciation	0.90					
Difference due to any other items of addition u/s 28 to 44DA	7.54					
Disallowance u/s 43B						
Gratuity						
<b>Total timing differences (D)</b>	<b>8.44</b>					
<b>Net adjustments E = (B+C+D)</b>	<b>8.13</b>					
<b>Tax expense / (saving) thereon</b>	<b>2.09</b>					
<b>Income from other sources (F)</b>	0.31					
<b>Brought Forward Loss Set Off (G)</b>						
Investment allowance U/s 32AC						
Losses Of Current Year Adjusted						

<b>Particulars</b>	<b>As At December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Taxable income/(loss) (A+E+F-G)</b>	<b>29.95</b>					
<b>Total</b>						
Preliminary Exp						
<b>Taxable income/(loss)</b>						
<b>Deduction u/s 80IE</b>						
<b>Net Taxable Income</b>						
<b>Tax as per Normal Provision</b>	<b>7.71</b>					
<b>Taxable income/(loss) as per MAT</b>	<b>21.51</b>					
<b>Income tax as per MAT</b>	<b>4.10</b>					
<b>Opening Balance Of MAT Credit</b>						
<b>MAT Credit Entitlement</b>						
<b>MAT Credit Utilised</b>						
<b>Balance Of MAT Credit Available</b>						
<b>TAX Paid</b>	<b>7.71</b>					
Tax paid as per "MAT" or "Normal Provisions"	Normal Provision					

## **Independent Auditor's Report for the Restated Financial Statements of M/S Priti International**

**Report of Auditors on the Restated Financial Information of M/S Priti International for each of the period / years ended on November 10, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.**

**The Board of Directors  
M/S Priti International  
Plot No.:- F-43, Basni Phase 1  
Jodhpur  
Rajasthan 342001**

Dear Sirs,

We, N. K. Aswani & Co., have examined the attached Restated Statement of Assets and Liabilities of **M/S Priti International** (the "Concern") as at 10<sup>th</sup> November, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the years / period ended as at 10<sup>th</sup> November 2017, 31st March 2017, 2016, 2015, 2014 and 2013, annexed to this report for the purpose of inclusion in the offer document prepared by the Concern (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the concern and approved by the Board of Directors of the concern in connection with the Initial Public Offering (IPO) in Emerge Platform of NSE Limited.

13. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (iii) Part I of Chapter III to the Companies Act, 2013 ("**Act**") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the concern requesting us to carry out the assignment, in connection with the Prospectus being issued by the concern for its proposed Initial Public Offering of equity shares in Emerge Platform of NSE. ("**IPO**" or "**SME IPO**"); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
14. The Restated Summary Statements of the concern have been extracted by the management from the Audited Financial Statements of the concern for the financial year / period ended on 10<sup>th</sup> November, 2017, 31st March 2017, 2016, 2015, 2014 and 2013.
15. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (iv) The "**Statement of Assets and Liabilities as Restated**" as set out in **Annexure I** to this report, of the concern as at 10<sup>th</sup> November, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the concern and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the concern, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.

- (v) The “**Statement of Profit and Loss as Restated**” as set out in **Annexure II** to this report, of the Concern for the years / period ended 10<sup>th</sup> November, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Concern and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Concern, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
- (vi) The ” **Statement of Cash Flow as Restated**” as set out in **Annexure III** to this report, of the Concern for the years / period ended 10<sup>th</sup> November, 2017, 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Concern and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Concern, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
16. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
- f) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
  - g) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
  - h) M/s Priti International being a proprietorship was not required to get its books of accounts audited under companies Act. However, Tax Audit Reports for the year ended on 31<sup>st</sup> March 2017,2016,2015,2014,2013 contained Following Qualifications:
    1. The concern had not maintained Saperate records for transactions with MSME as required under Law.
    2. Proper stock Records were not maintained by the concern.
    3. Records produced for verification of payments through account payee cheque were not sufficient.
    4. Proper records were not maintained by the concern for verification as to whether any exp. Included exp of personal nature.
  - i) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure IV(A)** to this report.
  - j) **As per Accounting Standard- 15: Employee Benefits issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, concern has not obtained the actuarial valuation and not provided for gratuity liability in the financial Statement.**
17. Audit for the financial year / period ended on November 10, 2017,31st March 2017, 2016, 2015,2014,2013 was conducted by M/s. Rajkumar Sanklecha & Co (Chartered Accountants), Accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them. Further financial statements for the period / financial year/Period ended on 10<sup>th</sup> November, 2017, 31<sup>st</sup> March, 2017 have been reaudited by us as per the relevant guidelines.
18. We have also examined the following other financial information relating to the Concern prepared by the Management and as approved by the Board of Directors of the Concern and annexed to this report relating to the Concern for the financial period/year ended on 10<sup>th</sup>

November, 2017, 31<sup>st</sup> March 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Prospectus (“**Offer Document**”).

**Annexure of Restated Financial Statements of the Concern:-**

- z. Significant Accounting Policies and Notes to Accounts as restated in Annexure IV;
  - aa. Reconciliation of Restated Profit as appearing in Annexure V to this report.
  - bb. Details of Share Holders Funds as Restated as appearing in Annexure VI to this report;
  - cc. Details of Long Term Borrowings as Restated as appearing in Annexure VII to this report;
  - dd. Nature of Security and Terms of Repayment for Long term Borrowings as appearing in Annexure VIII to this report
  - ee. Details of Deferred Tax Liabilities (Net) as Restated as appearing in Annexure IX to this report;
  - ff. Details of Short Term Borrowings as Restated as appearing in Annexure X to this report;
  - gg. Nature of Security and Terms of Repayment for Short term Borrowings as appearing in Annexure XI to this report
  - hh. Details of Trade Payables as Restated as appearing in Annexure XII to this report;
  - ii. Details of Other Current Liabilities as Restated as appearing in Annexure XIII to this report;
  - jj. Details of Short Term Provisions as Restated as appearing in Annexure XIV to this report;
  - kk. Details of Fixed Assets as Restated as appearing in Annexure XV to this report;
  - ll. Details of Non-Current Investments as Restated as appearing in Annexure XVI to this report;
  - mm. Details of Long Term Loans & Advances as Restated as appearing in Annexure XVII to this report;
  - nn. Details of Inventories as Restated as appearing in Annexure XVIII to this report;
  - oo. Details of Trade Receivables as Restated enclosed as Annexure XIX to this report;
  - pp. Details of Cash and Cash Equivalents as Restated enclosed as Annexure XX to this report;
  - qq. Details of Short Term Loans & Advances as Restated as appearing in Annexure XXI to this report;
  - rr. Details of Revenue from operations as Restated as appearing in Annexure XXII to this report;
  - ss. Details of Other Income as Restated as appearing in Annexure XXIII to this report;
  - tt. Details of Related Parties Transactions as Restated as appearing in Annexure XXIV to this report;
  - uu. Details of Summary of Accounting Ratios as Restated as appearing in Annexure XXV to this report
  - vv. Capitalization Statement as Restated as at 31<sup>st</sup> March 2017 as appearing in Annexure XXVI to this report;
  - ww. Statement of Tax Shelters as Restated as appearing in Annexure XXVII to this report;
19. We, N. K. Aswani & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“**ICAI**”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
20. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Concern and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Concern.

21. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
22. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
23. In our opinion, the above financial information contained in Annexure I to XXVII of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
24. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For, N. K. Aswani & Co.**  
Chartered Accountants  
**Firm Registration No.: 100738W**

**N. K. Aswani**  
**Proprietor**  
**Membership No.: 033278**  
**Date: 28<sup>th</sup> March, 2018**  
**Place: Ahmedabad**

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

(Amount in Lakhs)

Particulars	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>						
<b>1. Shareholders' funds</b>	204.54	400.96	431.90	338.09	(37.25)	59.06
<b>Sub-Total</b>	<b>204.54</b>	<b>400.96</b>	<b>431.90</b>	<b>338.09</b>	<b>(37.25)</b>	<b>59.06</b>
<b>3. Non-current liabilities</b>						
<b>(a) Long-term borrowings</b>	224.75	376.86	268.36	221.43	147.40	64.13
<b>(b) Deferred tax liabilities (Net)</b>	-	-	-	-	-	-
<b>(c) Other Non Current Liabilities</b>	-	-	-	-	-	-
<b>(d) Long-term Provisions</b>	-	-	-	-	-	-
<b>Sub-Total</b>	<b>224.75</b>	<b>376.86</b>	<b>268.36</b>	<b>221.43</b>	<b>147.40</b>	<b>64.13</b>
<b>4. Current liabilities</b>						
<b>(a) Short-term borrowings</b>	-	-	-	-	-	-
<b>(b) Trade payables</b>	106.41	196.25	207.70	416.99	353.33	494.84
<b>(c) Other current liabilities</b>	65.20	205.51	151.18	178.57	153.74	208.23
<b>(d) Short-term provisions</b>	0.02	11.75	9.13	8.29	11.64	9.54
<b>Sub-Total</b>	<b>171.63</b>	<b>413.51</b>	<b>368.01</b>	<b>603.85</b>	<b>518.71</b>	<b>712.61</b>
<b>TOTAL</b>	<b>600.92</b>	<b>1191.33</b>	<b>1068.27</b>	<b>1163.37</b>	<b>628.66</b>	<b>835.80</b>
<b>II. ASSETS</b>						
<b>1. Non-current assets</b>						
<b>(a) Fixed assets</b>	73.08	291.84	303.50	317.32	336.71	356.81
<b>(b) Non-current investments</b>	-	200.00	-	113.01	104.08	-
<b>(c) Deferred tax assets (net)</b>	2.53	3.33	3.81	3.89	3.24	1.86
<b>(d) Long-term loans and advances</b>	-	-	-	-	-	-
<b>(e) Other Non Current Assets</b>	-	-	-	-	-	-
<b>Sub-Total</b>	<b>75.61</b>	<b>495.17</b>	<b>307.31</b>	<b>434.22</b>	<b>444.03</b>	<b>358.67</b>
<b>2. Current assets</b>						
<b>(a) Current investments</b>	-	-	-	-	-	-
<b>(b) Inventories</b>	67.21	229.67	370.97	419.12	36.97	42.81
<b>(c) Trade receivables</b>	242.64	322.63	242.90	193.73	107.56	173.77
<b>(d) Cash and cash equivalents</b>	28.96	26.57	14.45	21.42	29.65	31.08
<b>(e) Short-term loans and advances</b>	186.50	117.29	132.64	94.88	10.65	229.47
<b>(f) Other Current Assets</b>	-	-	-	-	-	-
<b>Sub-Total</b>	<b>525.31</b>	<b>696.16</b>	<b>760.96</b>	<b>729.15</b>	<b>184.83</b>	<b>477.13</b>
<b>TOTAL</b>	<b>600.92</b>	<b>1191.33</b>	<b>1068.27</b>	<b>1163.37</b>	<b>628.86</b>	<b>835.80</b>

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

(Amount in Lakhs)

Particulars	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	For the year ended March 31, 2013
<b>I. Revenue from operations</b>	1045.01	1983.01	2150.41	2021.23	1959.14	1883.64
<b>II. Other income</b>	48.52	50.48	47.17	34.05	44.66	31.75
<b>III. Total Revenue (I + II)</b>	<b>1093.53</b>	<b>2033.49</b>	<b>2197.58</b>	<b>2055.28</b>	<b>2003.80</b>	<b>1915.39</b>
<b>IV. Expenses:</b>						
<b>Cost of materials consumed</b>	598.50	1311.09	1505.29	1490.13	1514.49	1466.03
<b>Purchases of Stock-in-Trade</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Changes in inventories of finished goods work-in- progress and Stock-in-Trade</b>	169.34	137.25	51.47	(381.24)	1.78	8.45
<b>Employee benefits expense</b>	34.84	73.22	81.34	65.81	60.25	48.08
<b>Finance costs</b>	31.10	41.10	30.17	21.81	7.57	9.12
<b>Depreciation and amortization expense</b>	5.94	12.14	15.21	20.11	24.82	24.04
<b>Other expenses</b>	165.11	292.44	373.69	335.19	282.51	266.96
<b>Total expenses</b>	<b>1004.83</b>	<b>1867.24</b>	<b>2057.17</b>	<b>1551.81</b>	<b>1891.43</b>	<b>1822.68</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>	<b>88.70</b>	<b>166.25</b>	<b>140.41</b>	<b>503.47</b>	<b>112.37</b>	<b>92.71</b>
<b>VI. Exceptional items</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>VII. Profit before extraordinary items and tax (V - VI)</b>	<b>88.70</b>	<b>166.25</b>	<b>140.41</b>	<b>503.47</b>	<b>112.37</b>	<b>92.71</b>
<b>VIII. Extraordinary Items-</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>IX. Profit before tax (VII- VIII)</b>	<b>88.70</b>	<b>166.25</b>	<b>140.41</b>	<b>503.47</b>	<b>112.37</b>	<b>92.71</b>
<b>X. Tax expense:</b>						
<b>(1) Current tax</b>	24.19	54.48	46.27	164.97	37.75	28.99
<b>(2) MAT Credit</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>(3) Deferred tax</b>	0.80	0.48	0.08	(0.65)	(1.38)	(0.33)
<b>(4) Current tax expense relating to prior years</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>XI. Profit (Loss) for the period from continuing operations (VII-VIII)</b>	<b>63.71</b>	<b>111.29</b>	<b>94.06</b>	<b>339.15</b>	<b>75.99</b>	<b>64.04</b>
<b>XII. Profit/(loss) from discontinuing operations</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>XIII. Tax expense of discontinuing operations</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>	0.00	0.00	0.00	0.00	0.00	0.00

<b>XV. Profit (Loss) for the period (XI + XIV)</b>	<b>63.71</b>	<b>111.29</b>	<b>94.06</b>	<b>339.15</b>	<b>75.99</b>	<b>64.04</b>
<b>XVI Earnings per equity share:</b>						
(1) Basic & Diluted	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**STATEMENT OF CASH FLOW AS RESTATED  
ANNEXURE-III**

(Amount in Lakhs)

Particulars	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Restated Net profit Before Tax and Extraordinary Items	88.70	166.25	140.41	503.47	112.37	92.71
<b>Adjustments For:</b>						
Depreciation	5.94	12.14	15.21	20.11	24.82	24.04
Gratuity Provision	-	-	-	-	-	-
Profit on sale of assets	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-
Extraordinary Items (Prior Period Items)	-	-	-	-	-	-
Interest Received	(7.98)	(7.47)	(16.39)	(15.57)	(11.06)	(7.03)
Interest and Finance Charges	31.10	41.10	30.17	21.81	7.57	9.12
Operating Profit before working capital changes	117.75	212.03	169.40	529.81	133.70	118.84
<b>Adjustment For:</b>						
Decrease/(Increase) in Inventories	162.46	141.30	48.15	(382.15)	5.84	2.43
Decrease/(Increase) in Trade receivables	79.98	(79.72)	(49.17)	(86.16)	66.19	18.59
Decrease/(Increase) in Other Current Assets	-	-	-	-	-	-
Decrease/(Increase) in Other Non Current Assets	-	-	-	-	-	-
Decrease/(Increase) in Short Term Loans and Advances	-	-	-	-	-	-
Decrease/(Increase) in Long Term Loans and Advances	-	-	-	-	-	-
(Decrease)/Increase in Trade Payables	(89.83)	(11.46)	(209.29)	63.67	(141.51)	225.24
(Decrease)/Increase in Other Current Liabilities	(140.31)	54.33	(27.39)	24.83	(54.49)	2.40
(Decrease)/Increase in Short Term Provisions	(11.73)	2.63	0.84	(3.35)	2.09	6.70
(Decrease)/Increase in Long Term Provisions	-	-	-	-	-	-
(Decrease)/Increase in Other Non current Liabilities	-	-	-	-	-	-
Cash Generated from Operations	118.33	319.11	(67.45)	146.64	11.83	374.20
Less : Taxes Paid	24.19	54.48	46.27	164.97	37.75	28.99
Net Cash From /(Used In ) Operating Activities (A)	94.13	264.63	(113.72)	(18.33)	(25.92)	345.21

<b>Cash Flow From Investing Activities</b>						
<b>Decrease/(Increase) in Short Term Loans and Advances</b>	(69.21)	15.35	(37.77)	(84.23)	218.83	(141.32)
<b>(Purchase) / Sale of Fixed Assets/ Capital Work In Progress</b>	212.82	(0.48)	(1.40)	(0.80)	(4.72)	(91.33)
<b>Decrease/(Increase) in Non Current investments</b>	200.00	(200.00)	113.01	(8.93)	(104.08)	-
<b>Decrease/(Increase) in Long term Loans &amp; Advances</b>	-	-	-	-	-	-
<b>Net gain / loss on Sale of Investments</b>	-	-	-	-	-	-
<b>Interest Received</b>	7.98	7.47	16.39	15.57	11.06	7.03
<b>Net Cash From /(Used In ) Investing Activities (B)</b>	351.59	(177.67)	90.24	(78.38)	121.08	(225.62)
<b>Cash Flow From Financing Activities</b>						
<b>Net Addition/ Withdrawal of Capital</b>	(260.12)	(142.24)	(0.25)	36.27	(172.30)	(33.65)
<b>Proceeds from Issue of Shares</b>	-	-	-	-	-	-
<b>Increase in Share Premium</b>	-	-	-	-	-	-
<b>Increase in Long Term Loans &amp; Advances</b>	-	-	-	-	-	-
<b>Interest and Finance Charges</b>	(31.10)	(41.10)	(30.17)	(21.81)	(7.57)	(9.12)
<b>(Decrease)/Increase in Short Term Borrowing</b>	-	-	-	-	-	(21.45)
<b>(Decrease)/Increase in Long Term Borrowing</b>	(152.11)	108.50	46.93	74.03	83.27	(55.46)
<b>Net Cash From Financing Activities (c)</b>	(443.32)	(74.84)	16.51	88.49	(96.59)	(119.69)
<b>Net Increase / (Decrease) in Cash (A)+(B)+(C)</b>	2.40	12.12	(6.97)	(8.23)	(1.44)	(0.10)
<b>Cash and Cash equivalents at the beginning of the year</b>	26.57	14.45	21.42	29.65	31.08	31.18
<b>Cash and Cash equivalents at the end of the year</b>	28.96	26.57	14.45	21.42	29.65	31.08

IV. The Cash Flow statement has been prepared under Indirect method as per Accounting Standard-3 "Cash Flow Statements"

V. Figures in Brackets represent outflows

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

#### Significant Accounting Policies and Notes to Accounts

#### ANNEXURE-IV

##### (A) Corporate Information:

M/s. Priti Internation was the proprietorship concern which had business of manufacturing & Dealing in Wooden and Iron Handicraft & Textile handicraft. The same was taken over by **Priti International Limited** vide Business Succession Agreement dated November 11, 2017. The Concern is presently engaged in manufacturing of a wide range of furniture and metal, wooden and textile based handicraft products. The products are commercialised through holding exhibitions at various locations across the globe for their export sales

**(B) Basis of Preparation:**

The Restated Summary Statements of Assets and Liabilities of the Concern as at November 10,2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement for the period / years ended November 10,2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, have been compiled by management from the financial statements of the concern for the period ended on November 10,2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013.

"The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized."

**(C) Significant Accounting Policies :**

**(a) Use of Estimates :**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

**(b) Fixed Assets :**

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation. CENVAT credit availed but not adjusted against excise duty payment is treated as CENVAT credit receivable and shown under 'Loans and Advances'. Fixed assets on which CENVAT credit is not availed is shown at full value.

**(c) Depreciation:**

Up to March 31st, 2014 depreciation on fixed assets is provided on Written Down Value(WDV) Method. at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f April 1st, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013 except non charging of 100% depreciation on assets costing below Rs. 5000/-. The carrying amount as on April 1st, 2014 is depreciated over the balance useful life of asset.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

**(d) Revenue Recognition:**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.

**(D) Foreign Currency Transactions :**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupees at the exchange rate prevailing at the Balance Sheet Date. All exchange differences are dealt with in Profit and Loss Account.

**(E) Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of Investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(F) Employee Benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services. The concern has no obligations, other than the contribution payable to the provident fund.

**As per Accounting Standard- 15: Employee Benefits issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, concern has not obtained the actuarial valuation and not provided for gratuity liability in the financial Statement.**

**(G) Taxation :**

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act'1961 enacted or substantively enacted at the reporting date.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable income and accounting income. Deferred Tax Assets or Differed Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

**(H) Borrowing Cost :**

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(I) Segment Reporting :**

The Concern is mainly operating in two segments, one is Wooden and Iron Handicraft and another is Textile handicraft segment. Considering the nature of the Business and Financial Reporting of the Company, the concern is operating in Two Segments. The concern has not maintained separate data for the purpose of the Segmental Reporting and hence in absence of the data from the we are unable to report on the same.

**(J) Provisions and Contigent Liabilities :**

A provision is recognized when the concern has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Particulars	As at Novem ber 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at Mar ch 31, 2013
(f) Bills Discounted from Bank	-	-	-	-	-	-
(g) Bank Guarantee issued by Bank	-	-	-	-	-	-
(h) Letter of Credit Outstanding	-	-	-	-	-	-
(i) Duty saved against Advanced Authorization/EPCG.	-	-	-	-	-	-
(j) Claim against company not acknowledge as debt.	-	-	-	-	-	-

**(K) Earnings per share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**RECONCILIATION OF RESTATED PROFIT  
ANNEXURE V**

(Amount in Lakhs)

<b>Adjustments for</b>	<b>As at November 10, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Net profit/(loss) after tax as per audited statement of profit & loss	87.81	164.79	139.95	130.40	116.34	93.83
<b><u>Adjustments for:</u></b>						
(Increase)/Decrease in Exp(Note 1)	-	-	-	374.99	(0.02)	(0.06)
Excess / Short Provision for Tax (note 2)	(24.19)	(54.48)	(46.27)	(164.97)	(37.75)	(28.99)
Increase/ Decrease in Depreciation(Note 3)	0.88	1.46	0.46	(1.92)	(3.96)	(1.06)
Differed Tax Liability / Assets Adjustments (Note 4)	(0.80)	(0.48)	(0.08)	0.65	1.38	0.33
<b>Net profit/ (loss) after tax as restated</b>	<b>63.71</b>	<b>111.29</b>	<b>94.06</b>	<b>339.15</b>	<b>75.99</b>	<b>64.04</b>

**Explanatory Notes to the above restatements made in Audited Financial Statements of the Concern for the respective years / period.**

**Adjustments having impact on Profit:**

**Note 1:**

Amounts relating to the prior period & Other incomes/Exp have been adjusted in the year to which the same relates to & Under which head the same relates to.

**Note: 2**

The concern has provided Excess or Short Provision in the year in which the income tax return has been filled. But in restated account, the concern has provided Excess or Short Provision in the year to which it relates.

**Note: 3**

M/s Priti International being a proprietorship firm, depreciation was provided in books of account as per Income Tax Act,1961.But in restated Financials, the same has been calculated as per Companies Act.

**Note: 4**

There is change in Deffered Tax Assets / Liabilities as per Audited Books of Accounts and as per Restated Books and the same has been given effect in the year to which the same relates.

**To give Explanatory Notes regarding Adjustments**

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Concern for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.

Pursuant to the Enactment of the Companies Act, 2013, the Concern has applied the estimated useful lives as specified in the Schedule

**DETAILS OF SHARE HOLDERS FUNDS AS RESTATED  
ANNEXURE-VI**

(Amount in Lakhs)

Particlaurs	As at Novem ber 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>A. Security premium account</b>						
Opening Balance	-	-	-	-	-	-
Add: Securities premium accounts credited on account of share issue	-	-	-	-	-	-
Less : Deletion for issue of Bonus Shares	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
<b>B. Share Holders Fund</b>						
Opening Balance	400.96	431.90	338.09	(37.25)	59.06	28.67
Add: Net Profit/(Loss) for the year	63.71	111.29	94.06	339.15	75.99	64.04
Repayment of Capital	(260.12)	(142.24)	(0.25)	36.27	(172.30 )	(33.65)
Add: Transfer from Reserves	-	-	-	-	-	-
Less: Proposed Dividend	-	-	-	-	-	-
Less: Interim Dividend	-	-	-	-	-	-
Less: ROC Fees	-	-	-	-	-	-
Less: Debtors written off	-	-	-	-	-	-
Less: Other Adjustment (Co Act, 2013)	-	-	-	0.08	-	-
Closing Balance	204.54	400.96	431.90	338.09	(37.25)	59.06
	-	-	-	-	-	-
<b>Total A+B</b>	<b>204.54</b>	<b>400.96</b>	<b>431.90</b>	<b>338.09</b>	<b>(37.25)</b>	<b>59.06</b>

**Notes:**

1. The figures disclosed above are based on the Unconsolidated restated summary statement of assets and liabilities of the Concern
2. The above statement should be read with the notes to Unconsolidated restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure I,II and III.
3. The Written Down Value of the Fixed Assets whose lives have expired as at 01st April, 2014 have been adjusted, in the Opening balance of Profit and Loss Account.

M/s Priti international being a proprietorship there was no constrain on capital , hence share holders funds in some of the financial years were negative.

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

(Amount in Lakhs)

Particlaurs	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>A1. From Banks / NBFC (Secured)</b>						
Axis Bank Loan A/C AUR005700251623	-	-	-	-	-	-
Dewan Housing Finance LTD(DHFL)	-	-	-	-	-	-
HDFC Bank Ltd Auto LoanA/C	-	-	-	3.98	15.47	26.23
Tata Capital Finance Co.	-	-	-	-	-	5.20
<b>A3. From Banks (UnSecured)</b>	-	-	-	-	-	-
<b>Total</b>	-	-	-	3.98	15.47	31.42
<b>B. From Other Parties (Unsecured)</b>	-	-	-	-	-	-
<b>B1. From Promoter / Promoter Group / Group Companies / Other Related Parties</b>	-	-	-	-	-	-
<b><u>Loan From Directors / Promoters Group</u></b>						
Ritesh Lohiya	52.07	40.70	19.96	-	0.65	4.52
Goverdhan das Lohiya	-	93.23	44.46	33.04	53.84	-
Leela Lohiya	-	76.25	58.43	45.01	14.14	-
Ritesh Lohiya H.U.F	88.70	78.12	62.41	49.66	33.44	12.87
Goverdhan das Lohiya(HUF)	83.98	88.56	75.65	64.58	5.97	-
Pierr Dauxx	-	-	-	7.83	6.96	6.28
<b><u>Loan From Share Holders</u></b>	-	-	-	-	-	-
<b>B2. From Financial Institutions</b>	-	-	-	-	-	-
<b>B3. Others(pierr Dauxx Advance)</b>	-	-	-	-	-	-
Pranay Sankhlecha	-	-	-	-	6.24	5.63
Manjulata Sankhlecha	-	-	-	4.19	3.78	3.41
Balaji Gramoudhyog sanstha	-	-	-	6.41	6.92	-
Johri Maal Sanklech HUF	-	-	7.45	6.72	-	-
<b><u>Inter Corporate Deposits</u></b>	-	-	-	-	-	-
<b>Total</b>	224.75	376.86	268.36	217.45	131.93	32.71
<b>Total A+B</b>	224.75	376.86	268.36	221.43	147.40	64.13

**ANNEXURE VIII**

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS INCLUDING CURRENT MATURITIES**

Sr. No.	Lender	Nature of facility		Amount outstanding as at November 10, 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
	Not Applicable						

<b>Ritesh Lohiya</b>			
Particulars	As at		
	10th November, 2017	31st March, 2017	31st March, 2016
<b>Rate of Interest</b>	<b>14.00%</b>	<b>14.00%</b>	<b>14.00%</b>
Opening Balance Cr/(Dr)	40.70	19.96	0.00
Amount Received / Credited	0.00	8.65	11.91
Interest on Loan	12.77	17.45	20.60
Amount Repaid / Adjusted	1.40	5.36	12.55
Outstanding Amount	52.07	40.70	19.96
Repayment Term: Repayable on Demand			

<b>Ritesh Lohiya (HUF)</b>			
Particulars	As at		
	10th November, 2017	31st March, 2017	31st March, 2016
<b>Rate of Interest</b>	<b>14.00%</b>	<b>14.00%</b>	<b>14.00%</b>
Opening Balance Cr/(Dr)	78.12	62.41	49.66
Amount Received / Credited	0.00	5.10	5.60
Interest on Loan	10.58	13.42	9.85
Amount Repaid / Adjusted	0.00	2.81	2.70
Outstanding Amount	88.70	78.12	62.41
Repayment Term: Repayable on Demand			

<b>Goverdhandas Lohiya (HUF)</b>			
Particulars	As at		

	<b>10th November, 2017</b>	<b>31st March, 2017</b>	<b>31st March, 2016</b>
<b>Rate of Interest</b>	<b>14.00%</b>	<b>14.00%</b>	<b>14.00%</b>
Opening Balance Cr/(Dr)	88.56	75.65	64.58
Amount Received / Credited	3.80	6.90	25.29
Interest on Loan	6.80	9.71	7.11
Amount Repaid / Adjusted	15.18	3.71	21.33
Outstanding Amount	83.98	88.56	75.65
Repayment Term: Repayable on Demand			

**DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED  
ANNEXURE IX**

(Amount in Lakhs)

Particlaurs	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
WDV As per Companies Act. 1956 / 2013	73.09	291.84	303.50	317.32	336.71	356.81
WDV As per Incometax Act, 1961	82.27	301.91	315.03	329.31	346.70	362.84
Difference in WDV	(9.18)	(10.06)	(11.53)	(11.99)	(9.99)	(6.03)
Gratuity Provision	-	-	-	-	-	-
Other Disallowance including U/s. 43B	-	-	-	-	-	-
Total Timming Differece	(9.18)	(10.06)	(11.53)	(11.99)	(9.99)	(6.03)
Tax Rate as per Income Tax	27.55	33.06	33.06	32.45	32.45	30.90
(DTA) / DTL	(2.53)	(3.33)	(3.81)	(3.89)	(3.24)	(1.86)
Net deferred tax liability	(2.53)	(3.33)	(3.81)	(3.89)	(3.24)	(1.86)

**Deffered Tax Assets & Liabilities Summary**

Particlaurs	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Opening Balance of (DTA) / DTL	(3.33)	(3.81)	(3.89)	(3.24)	(1.86)	(1.54)
Add: Provision for the Year	0.80	0.48	0.08	(0.65)	(1.38)	(0.33)
<b>Closing Balance of (DTA) / DTL</b>	<b>(2.53)</b>	<b>(3.33)</b>	<b>(3.81)</b>	<b>(3.89)</b>	<b>(3.24)</b>	<b>(1.86)</b>

**Other Non Current Liabilities**

Particlaurs	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Provision for Gratuity	-	-	-	-	-	-
<b>Total Non Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**DETAILS OF SHORT TERM BORROWINGS AS RESTATED  
ANNEXURE X**

(Amount in Lakhs)

Particlaurs	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>Loan Repayable on Demand</u></b>						
<b>A. From Banks</b>						
<b>Total (A)</b>	-	-	-	-	-	-
<b>A2 Unsecured</b>						
<b>Total (B)</b>	-	-	-	-	-	-
<b>Total A+B</b>	-	-	-	-	-	-

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM  
BORROWINGS**

ANNEXURE XI

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at November 10,2017	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
	NA	NA	NA	NA	NA	NA	NA

**DETAILS OF TRADE PAYABLES AS RESTATED  
ANNEXURE XII**

(Amount in Lakhs)

Particlaurs	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Sundry Creditors for Goods	86.09	171.63	194.06	403.30	336.46	482.71
Sundry Creditors for services	-	-	-	-	-	-
Sundry Creditors for Expenses	20.32	24.62	13.64	13.70	16.87	12.12
<b>Total</b>	106.41	196.25	207.70	416.99	353.33	494.84

**Notes**

- Outstanding against Purchase / Acquisition of Capital Goods / Assets have been shown under "Sundry Creditors for Capital Goods / Fixed Assets"
- Trade Payables as on November 10,2017 has been taken as certified by the management of the concern
- The Concern has not maintained Saperate data for Transactions With MSME & Other , So in absence of such information , we are unable to report on the same.

**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED  
ANNEXURE XIII**

(Amount in Lakhs)

Particlaurs	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Advance received from customers	65.20	205.51	147.20	167.08	137.79	171.59
Other Current Liabilities	-	-	-	-	-	3.05
<b>Total</b>	<b>65.20</b>	<b>205.51</b>	<b>147.20</b>	<b>167.08</b>	<b>137.79</b>	<b>174.63</b>
<b>Current Maturities of Term Liabilities</b>						
Axis Bank Loan A/C AUR005700251623	-	-	-	-	-	1.85
Dewan Housing Finance LTD(DHFL)	-	-	-	-	-	16.42
HDFC Bank Ltd Auto LoanA/C	-	-	3.98	11.49	10.75	10.14
Tata Capital Finance Co.	-	-	-	-	5.20	5.19
<b>Total</b>	<b>65.20</b>	<b>205.51</b>	<b>151.18</b>	<b>178.57</b>	<b>153.74</b>	<b>208.23</b>

**Notes:**

-Advances Received from Customers have been taken as certified by the management of the concern and no security has been offered by the concern against the same.

**DETAILS OF SHORT TERM PROVISIONS AS RESTATED  
ANNEXURE XIV**

(Amount in Lakhs)

Particlaurs	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Provision for Direct Tax	-	-	-	-	6.63	3.99
Provision for Indirect Tax	-	-	-	-	-	-
Provision for Employee banefits	-	-	-	-	-	-
Provision for Others	0.02	11.75	9.13	8.29	5.01	5.55
<b>Total</b>	<b>0.02</b>	<b>11.75</b>	<b>9.13</b>	<b>8.29</b>	<b>11.64</b>	<b>9.54</b>

**Notes:**

- Provision for Direct Tax have been adjusted against the Advance Tax and TDS Receivables, if any  
- Provision for Audit Fees for the Period ended on November 10,2017 have not been made

**DETAILS OF FIXED ASSETS AS RESTATED  
ANNEXURE XV**

(Amount in Lakhs)

Particlau rs	Buildi ng	Land	Capit al WIP	Plant & Machin ery	Furnitur e & Fixtures	Motor Vehicl es	Comput er	Intangi ble	Total
Gross Block :									
<b>As at March 31, 2012</b>	44.48	212.8 7	-	4.67	0.43	66.02	4.64	-	333.10
As at April 1, 2012	44.48	212.8 7	-	4.67	0.43	66.02	4.64	-	333.10
Additions / (Deletion)	24.55	-	-	0.22	-	65.98	0.58	-	91.33
<b>As at March 31, 2013</b>	69.03	212.8 7	-	4.89	0.43	132.00	5.22	-	424.43
As at April 1, 2013	69.03	212.8 7	-	4.89	0.43	132.00	5.22	-	424.43
Additions / (Deletion)	-	-	-	4.58	-	-	0.15	-	4.72
<b>As at March 31, 2014</b>	69.03	212.8 7	-	9.46	0.43	132.00	5.37	-	429.15
As at April 1, 2014	69.03	212.8 7	-	9.46	0.43	132.00	5.37	-	429.15
Additions / (Deletion)	-	-	-	0.35	-	-	0.45	-	0.80
<b>As at March 31, 2015</b>	69.03	212.8 7	-	9.81	0.43	132.00	5.82	-	429.95
As at April 1, 2015	69.03	212.8 7	-	9.81	0.43	132.00	5.82	-	429.95
Additions / (Deletion)	-	-	-	1.36	0.04	-	-	-	1.40
<b>As at March 31, 2016</b>	69.03	212.8 7	-	11.18	0.46	132.00	5.82	-	431.35
As at April 1, 2016	69.03	212.8 7	-	11.18	0.46	132.00	5.82	-	431.35
Additions / (Deletion)	-	-	-	0.15	0.15	-	0.18	-	0.48
<b>As at</b>	69.03	212.8	-	11.33	0.61	132.00	6.00	-	431.83

Particlau rs	Buildi ng	Land	Capit al WIP	Plant & Machin ery	Furnitur e & Fixtures	Motor Vehicl es	Comput er	Intangi ble	Total
<b>March 31, 2017</b>		7							
As at April 1, 2017	69.03	212.8 7	-	11.33	0.61	132.00	6.00	-	431.83
Additions / (Deletion)	-	(212.8 7)	-	-	0.05	-	-	-	(212.8 2)
<b>As at Novembe r 10, 2017</b>	69.03	-	-	11.33	0.66	132.00	6.00	-	219.01
<b>Accumulat ed Depreciat ion :</b>									
<b>As at March 31, 2012</b>	6.34	-	-	0.90	0.13	33.59	2.62	-	43.58
As at April 1, 2012	6.34	-	-	0.90	0.13	33.59	2.62	-	43.58
Charge for the year	2.22	-	-	0.55	0.05	20.18	1.03	-	24.04
Deduction									
<b>As at March 31, 2013</b>	8.57	-	-	1.45	0.18	53.77	3.65	-	67.62
As at April 1, 2013	8.57	-	-	1.45	0.18	53.77	3.65	-	67.62
Charge for the year	3.02	-	-	0.85	0.04	20.25	0.65	-	24.82
<b>As at March 31, 2014</b>	11.59	-	-	2.31	0.22	74.03	4.29	-	92.45
As at April 1, 2014	11.59	-	-	2.31	0.22	74.03	4.29	-	92.45
Charge for the year	2.80	-	-	1.37	0.06	15.01	0.87	-	20.11
Adjustme nts in Depreciat ion under the Companie	-	-	-	-	-	-	0.08	-	0.08

Particlau rs	Buildi ng	Land	Capit al WIP	Plant & Machin ery	Furnitur e & Fixtures	Motor Vehicl es	Comput er	Intangi ble	Total
s Act ' 2013									
<b>As at March 31, 2015</b>	14.39	-	-	3.68	0.29	89.04	5.25	-	112.63
As at April 1, 2015	14.39	-	-	3.68	0.29	89.04	5.25	-	112.63
Charge for the year	2.66	-	-	1.31	0.04	11.12	0.08	-	15.21
<b>As at March 31, 2016</b>	17.05	-	-	4.98	0.33	100.16	5.33	-	127.85
As at April 1, 2016	17.05	-	-	4.98	0.33	100.16	5.33	-	127.85
Charge for the period	2.53	-	-	1.15	0.07	8.24	0.15	-	12.14
Additions / (Deletion)	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	19.58	-	-	6.14	0.40	108.40	5.47	-	139.99
As at April 1, 2017	19.58	-	-	6.14	0.40	108.40	5.47	-	139.99
Charge for the period	1.48	-	-	0.59	0.04	3.77	0.05	-	5.94
Additions / (Deletion)	-	-	-	-	-	-	-	-	-
<b>As at Novembe r 10, 2017</b>	21.06	-	-	6.73	0.44	112.17	5.52	-	145.92
Net Block :									
<b>As at March 31, 2013</b>	60.46	212.8 7	-	3.43	0.25	78.23	1.58	-	356.81
<b>As at March 31, 2014</b>	57.44	212.8 7	-	7.16	0.20	57.97	1.08	-	336.71
<b>As at March 31, 2015</b>	54.64	212.8 7	-	6.13	0.14	42.96	0.57	-	317.32
<b>As at March</b>	51.98	212.8 7	-	6.19	0.13	31.84	0.50	-	303.50

<b>Particlau rs</b>	<b>Buildi ng</b>	<b>Land</b>	<b>Capit al WIP</b>	<b>Plant &amp; Machin ery</b>	<b>Furnitur e &amp; Fixtures</b>	<b>Motor Vehicl es</b>	<b>Comput er</b>	<b>Intangi ble</b>	<b>Total</b>
<b>31, 2016</b>									
<b>As at March 31, 2017</b>	49.45	212.8 7	-	5.19	0.21	23.60	0.53	-	291.84
<b>As at Novembe r 10, 2017</b>	47.96	-	-	4.60	0.22	19.83	0.48	-	73.08

**DETAILS OF NON-CURRENT INVESTMENTS AS RESTATED  
ANNEXURE XVI**

(Amount in Lakhs)

<b>Particlaurs</b>	<b>As at November 10, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
(a) Investment in Equity instruments	-	-	-	-	-	-
(b) Investments in preference shares	-	-	-	-	-	-
(c) Investments in Government or Trust securities	-	-	-	-	-	-
(d) Investments in Debentures or Bonds	-	-	-	-	-	-
(e) Investments in Mutual Funds	-	-	-	-	-	-
(f) Investments in partnership firms*	-	-	-	-	-	-
(g) Other non-current investments	-	-	-	-	-	-
- Bank FD	-	200.00	-	113.01	104.08	-
- Plot Of Land	-	-	-	-	-	-
<b>Aggregate Amount of Unquoted Investments</b>	-	200.00	-	113.01	104.08	-
<b>Aggregate Cost of Quoted Investments</b>	-	-	-	-	-	-
<b>Aggregate Cost of Unquoted Investments</b>	-	-	-	-	-	-
<b>Aggregate Market Value of Quoted Investments</b>	-	-	-	-	-	-
<b>Total</b>	-	200.00	-	113.01	104.08	-

**DETAILS OF LONG TERM LOANS & ADVANCES AS RESTATED  
ANNEXURE XVII**

(Amount in Lakhs)

Particlours	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Unsecured & Considered Good	-	-	-	-	-	-
Security Deposits	-	-	-	-	-	-
Loans and advances to other parties	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

**DETAILS OF INVENTORIES AS RESTATED  
ANNEXURE XVIII**

(Amount in Lakhs)

Particlours	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
a. Raw Materials and components (Valued at Cost or NRV unless otherwise stated)	11.70	3.87	7.82	5.03	4.07	8.05
Goods-in transit	-	-	-	-	-	-
	11.70	3.87	7.82	5.03	4.07	8.05
b. Consumables (Valued at Cost or NRV unless otherwise stated)	-	0.96	1.06	0.53	0.58	0.66
Goods-in transit	-	-	-	-	-	-
	-	0.96	1.06	0.53	0.58	0.66
c. Finished goods (Valued at Cost or NRV unless otherwise stated)	-	-	-	-	-	-
Goods-in transit	-	-	-	-	-	-
	-	-	-	-	-	-
d. Handicraft Items (Valued at Cost or NRV unless otherwise stated)	55.50	224.84	362.09	413.56	32.32	34.10
Goods-in transit	-	-	-	-	-	-
	55.50	224.84	362.09	413.56	32.32	34.10
e. Trading Inventory	-	-	-	-	-	-
<b>Total</b>	67.21	229.67	370.97	419.12	36.97	42.81

**DETAILS OF TRADE RECEIVABLES AS RESTATED**  
**ANNEXURE XIX**

(Amount in Lakhs)

Particlours	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b><u>(Unsecured and Considered Good)</u></b>						
<b><u>a. From Directors/Promoters/ Promoter Group/Associates/ Relatives of Directors / Group Companies</u></b>						
Over Six Months	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b><u>a. From Others</u></b>						
More then six months	-	9.28	31.51	-	0.19	16.34
Less than Six Months	242.64	313.35	211.40	193.73	107.37	157.43
<b>Total</b>	242.64	322.63	242.90	193.73	107.56	173.77

**Notes:**

- Trade Receivables as on 10th November, 2017 has been taken as certified by the management of the concern
- As per the view of the management of the concern there is no doubtful debt and hence provision for doubtful debts have not been made

**DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED**

**ANNEXURE XX**  
(Amount in Lakhs)

Particlours	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Balances with banks	27.06	13.30	14.32	9.28	22.17	23.61
Cash on hand	1.90	13.27	0.13	12.14	7.48	7.47
<b>Total</b>	28.96	26.57	14.45	21.42	29.65	31.08

**DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED**  
**ANNEXURE XXI**

(Amount in Lakhs)

Particulars	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>A. Loans and advances to related parties</b>						
Secured, considered good	-	-	-	-	-	-
<u>Unsecured, considered good:-</u>	-	-	-	-	-	-
Goverdhandas Lohiya(HUF)	-	-	-	-	-	51.11

<b>Particulars</b>	<b>As at November 10, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Goverdhandas Lohiya(IND)	-	-	-	-	-	60.86
Leela Lohiya	-	-	-	-	-	0.98
Doubtful	-	-	-	-	-	-
Less:Provision for doubtful loans and advances	-	-	-	-	-	-
<b>Sub-Total</b>	-	-	-	-	-	<b>112.95</b>
<b>B. Security Deposits</b>	-	-	-	-	-	-
Secured, considered good	0.08	0.09	0.09	0.09	0.09	0.09
Unsecured, considered good	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
Less:Provision for doubtful loans and advances	-	-	-	-	-	-
<b>Sub-Total</b>	<b>0.08</b>	<b>0.09</b>	<b>0.09</b>	<b>0.09</b>	<b>0.09</b>	<b>0.09</b>
<b>C. Balances with government authorities</b>	-	-	-	-	-	-
(i) VAT / CENVAT credit receivable	30.02	23.71	59.51	34.71	7.17	8.18
(ii) TDS / TCS Receivables	-	-	-	-	-	-
(iii) Advance / Self Assessment Tax	58.66	52.22	63.80	60.09	-	-
(iv) Service Tax Receivable	5.17	6.97	-	-	-	-
(v) Drawback Receivable	22.34	23.83	-	-	-	-
(vi) MAT Credit Entitlement	-	-	-	-	-	-
(vii) GST Receivable	58.28	-	-	-	-	-
(viii) EPF Receivable	-	-	-	-	-	0.21
<b>Sub-Total</b>	<b>174.47</b>	<b>106.73</b>	<b>123.31</b>	<b>94.79</b>	<b>7.17</b>	<b>8.39</b>
<b>D. Others (specify nature)</b>	-	-	-	-	-	-
- Advance to Suppliers	-	-	-	-	-	-
- Advance to Staff	-	-	-	-	-	-

<b>Particulars</b>	<b>As at November 10, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
			-	-		-
- Advance to Others	-	-	-	-	-	-
Arihant Enterpries Jodhpur	-	-	-	-	3.22	3.22
Ess Gee Realty(p)Ltd	-	-	-	-	-	100.00
Balaji Gramodhog sansthen	10.01	9.25	9.25	-	-	4.29
Container Corporation	1.83	0.66	-	-	-	-
Prepaid Insurance	-	-	-	-	-	-
- Other Prepaid Expenses	-	-	-	-	0.17	0.53
- Secured & Considered Good	-	-	-	-	-	-
Advance Payment for Purchase of Fixed Asset	-	-	-	-	-	-
- Interest Receivable	-	-	-	-	-	-
- Other Receivables	0.11	0.57	-	-	-	-
<b>Sub-Total</b>	<b>11.95</b>	<b>10.48</b>	<b>9.25</b>	<b>-</b>	<b>3.39</b>	<b>108.05</b>
<b>Total A+B+C+D</b>	<b>186.50</b>	<b>117.29</b>	<b>132.64</b>	<b>94.88</b>	<b>10.65</b>	<b>229.47</b>

**Notes:**

- Advances Given to Suppliers have been taken as certified by the management of the concern.
- No Securities have been taken by the concern against the advances given to the suppliers
- Advance Tax and TDS Receivables have been adjusted against the Provision for Direct Tax

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED  
ANNEXURE XXII**

<b>Particulars</b>	<b>As at November 10, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b><u>Domestic Sales</u></b>						
Revenue from sale of products:- Mfg. (Net of Goods Return)	-	-	-	-	-	-
Revenue from sale of products:- Trading (Net of Goods Return)	-	-	-	-	-	-
Revenue from sale of products:-] (Net of Goods Return)	-	-	-	-	-	-
<b><u>Export Sales</u></b>	-	-	-	-	-	-
Revenue from sale of products:- Mfg. (Net of Goods Return)	972.04	1,841.33	1,977.99	1,864.26	1,872.03	1,803.72
Revenue from sale of products:- Trading (Net of Goods Return)	-	-	-	-	-	-
<b>Revenue from sale of products</b>	972.04	1,841.33	1,977.99	1,864.26	1,872.03	1,803.72
<b>Sale of services</b>	-	-	-	-	-	-
	972.04	1,841.33	1,977.99	1,864.26	1,872.03	1,803.72
<b>Other operating revenues</b>						
Sale of Sales License	31.10	41.31	62.25	63.46	1.13	-
Drawback	41.87	100.36	110.17	93.52	85.99	79.92
	<b>72.97</b>	<b>141.68</b>	<b>172.42</b>	<b>156.98</b>	<b>87.12</b>	<b>79.92</b>
<b>Gross revenue from operations</b>	1045.01	1983.01	2150.41	2021.23	1959.14	1883.64
<b>Less: Adjustments</b>	-	-	-	-	-	-
<b>Net revenue from operations</b>	1045.01	1983.01	2150.41	2021.23	1959.14	1883.64

**DETAILS OF OTHER INCOME AS RESTATED  
ANNEXURE XXIII**

(Amount in Lakhs)

<b>Particulars</b>	<b>As at November 10, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>Nature of Income</b>
Foreign Exchange Fluctuation	8.67	0.11	26.92	12.56	31.07	23.05	Non Recurring & Not Related to Business Activity
Disct income	3.60	-	-	-	-	-	Recurring & Related to Business Activity
Interest Received	7.98	7.47	16.39	15.57	11.06	7.03	Recurring & Related to Business Activity
Liability Written Off	23.20	23.65	-	-	-	-	Non Recurring & Non Related to business
Service Tax Refund	2.38	18.89	3.86	5.92	2.53	1.67	Non Recurring & Related to Business Activities
Misc. Income	2.69	0.36	-	-	-	-	Non Recurring & Non Related to business
<b>Total</b>	<b>48.52</b>	<b>50.48</b>	<b>47.17</b>	<b>34.05</b>	<b>44.66</b>	<b>31.75</b>	
<b>% of PBT</b>	<b>54.70</b>	<b>30.36</b>	<b>33.60</b>	<b>6.76</b>	<b>39.74</b>	<b>34.24</b>	

**DETAILS OF RELATED PARTIES TRANSACTIONS AS RESTATED  
XXIV**

**ANNEXURE**

Name of the Party	Nature Of Relation	Nature of Transaction	Amount Outstanding as on 31.03.12 (Payable)/ Receivable	Amount of Transaction in Debit in 2012-13	Amount of Transaction in Credit in 2012-13	Amount Outstanding as on 31.03.13(Payable)/ Receivable	Amount of Transaction in Debit in 2013-14	Amount of Transaction in Credit in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction in Debit in 2014-15	Amount of Transaction in Credit in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction in Debit in 2015-16	Amount of Transaction in Credit in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction in Debit in 2016-17	Amount of Transaction in Credit in 2016-17	Amount Outstanding as on 31.03.17(Payable)/ Receivable	Amount of Transaction in Debit upto 10.11.2017	Amount of Transaction in Credit upto 10.11.2017	Amount Outstanding as on 10.11.2017(Payable)/ Receivable
Govardh andas Lohiya	Director	Rent	-	2.40	2.40	-	3.00	3.00	-	3.30	3.30	-	4.28	4.28	-	5.40	5.40	-	3.15	3.15	-
		Salary	-	3.60	3.60	-	3.85	3.85	-	4.75	4.75	-	5.90	5.90	-	7.20	7.20	-	4.55	4.55	-
		Unsecured loans	(9.52)	79.57	9.20	60.86	40.01	154.70	(53.84)	193.78	172.98	(33.04)	137.71	149.13	(44.46)	1.06	49.83	(93.23)	107.27	14.04	-
Leela	Mo	Rent																			

Lohiya	the r in Law		-	2.40	2.40	-	3.00	3.00	-	3.30	3.30	-	4.20	4.20	-	-	-	-	-	-	-
		Unsecured loans	(3.65)	9.64	5.01	0.98	9.53	24.65	(14.14)	-	30.88	(45.01)	5.07	18.48	(58.43)	3.07	20.90	(76.25)	87.66	11.41	-
Pierr Dauxx	As sociate Concern	Unsecured loans	(27.19)	27.21	6.30	(6.28)	0.08	0.75	(6.96)	0.10	0.97	(7.83)	8.93	1.10	-	-	-	-	-	-	-
Ritesh Lohiya	Hu sband of Director	Salary	-	3.62	3.62	-	4.20	4.20	-	5.92	5.92	-	7.85	7.85	-	10.20	10.20	-	6.30	6.30	-
		Rent	-	2.40	2.40	-	3.00	3.00	-	3.30	3.30	-	4.28	4.28	-	6.90	6.90	-	4.90	4.90	-
		Unsecured loans	(19.97)	42.04	26.58	(4.52)	21.72	17.86	(0.65)	12.37	11.71	-	1.65	21.61	(19.96)	5.72	26.46	(40.70)	1.73	13.11	(52.07)
Ritesh Lohiya HUF	kar ta of As ses see Family	Rent	-	2.64	2.64	-	3.00	3.00	-	3.30	3.30	-	4.28	4.28	-	6.00	6.00	-	5.25	5.25	-
		Unsecured loans	(10.69)	0.19	2.36	(12.87)	0.55	21.12	(33.44)	2.35	18.57	(49.66)	3.41	16.16	(62.41)	3.74	19.45	(78.12)	0.65	11.23	(88.70)

Govardh andas Lohiya HUF	kar ta of As ses see Fa mil y	Unse cure d loans	(4.0 8)	64. 99	60. 91	-	58. 46	64. 43	(5.9 7)	2.7 2	61. 33	(64. 58)	22. 12	33. 19	(75. 65)	4.8 2	17. 73	(88.5 6)	15. 93	11.3 6	(83.98 )

**DETAILS OF SUMMARY OF ACCOUNTING RATIOS AS RESTATED  
ANNEXURE XXV**

(Amount in Lakhs)

<b>Ratio</b>	<b>As at November 10, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Restated PAT as per statement of profit & loss	63.71	111.29	94.06	339.15	75.99	64.04
Weighted average number of equity shares at the end of the year/ period(C)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
No. of Equity Shares at the end of the year / period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net Worth , as Restated	204.54	400.96	431.90	338.09	(37.25)	59.06
<b>Earnings Per Share</b>						
Basic & Diluted (Rs)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Return on net worth (%)	31.15%	27.76%	21.78%	100.31%	(204.01)%	108.44%
Net Asset value per Equity Share	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Nominal value per equity share (Rs.)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**Notes:**

1The ratios have been Computed as per the following formulas

- (v) Basic Earning per Share  

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year / period}}$$
- (vi) Net Asset Value (NAV) per Equity Share  

$$\frac{\text{Restated Networth of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$$
- (vii) Return on Net Worth (%)  

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Networth of Equity Share Holders}}$$

- Net Profit as restated, as appearing in the statement of profit and losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial information of the Concern.
- M/s Priti International being a proprietorship concern, it is not possible for us to findout EPS/ NAV For the years under consideration,

**CAPITALIZATION STATEMENT AS RESTATED AS AT November 10, 2017  
ANNEXURE XXVI**

(Amount in Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings:</b>		
Short-term Debt (A)	-	-
Long-term Debt (B)	224.75	224.75
<b>Total debts (C)</b>	<b>224.75</b>	<b>224.75</b>
<b>Shareholders' funds</b>		
Shareholders' funds	204.54	NA
<b>Total shareholders' funds (D)</b>	<b>204.54</b>	
<b>Long term debt / shareholders' funds (B/D)</b>	1.10	
<b>Total debt / shareholders' funds (C/D)</b>	1.10	

1. Short term debts represent debts which are due within 12 months from November 10,2017.
2. Long term debts represent debts other than short term debts, as defined above but includes current maturities of long term debt.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Concern as at November 10,2017

**STATEMENT OF TAX SHELTERS AS RESTATED  
ANNEXURE XXVII**

(Amount in Lakhs)

Particulars	As at November 10, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Profit before tax, as restated (A)	88.70	166.25	140.41	503.47	112.37	92.71
Normal Corporate Tax Rate (%)	27.55	33.06	33.06	32.45	32.45	30.90
Minimum Alternative Tax Rate (%)	20.38	20.38	20.38	20.01	20.01	19.06
<b>Adjustments :</b>						
<b>Permanent differences</b>						
Expenses disallowed under Income Tax Act, 1961	-	-	-	3.00	0.02	0.06
Donation	-	-	-	-	-	-
<b>Total permanent differences(B)</b>	-	-	-	3.00	0.02	0.06
<b>Income considered separately (C.)</b>	(7.98)	(7.47)	(16.39)	(15.57)	(11.06)	(7.03)
<b>Timing differences</b>	-	-	-	-	-	-
Depreciation as per Books	5.94	12.14	15.21	20.11	24.82	24.04
Depreciation as per IT Act	6.82	13.61	15.67	18.19	20.87	22.98
Other Disallowance including u/s. 43B	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
<b>Total timing differences (D)</b>	(0.88)	(1.46)	(0.46)	1.92	3.96	1.06
<b>Net adjustments E =</b>	(8.86)	(8.93)	(16.86)	(10.65)	(7.09)	(5.91)

<b>Particulars</b>	<b>As at November 10, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>(B+C+D)</b>						
<b>Tax expense / (saving) thereon</b>	(2.44)	(2.95)	(5.57)	(3.46)	(2.30)	(1.83)
<b>Income from other sources (F)</b>	7.98	7.47	16.39	15.57	11.06	7.03
<b>Exempt Income (G)</b>	-	-	-	-	-	-
<b>Income/(loss) (A+E+F-G)</b>	87.81	164.79	139.95	508.39	116.34	93.83
<b>Brought Forward Loss Set Off</b>	-	-	-	-	-	-
- Ordinary Business Loss	-	-	-	-	-	-
- Unabsorbed Depreciation	-	-	-	-	-	-
- Total	-	-	-	-	-	-
<b>Taxable income/(loss)</b>	87.81	164.79	139.95	508.39	116.34	93.83
<b>Tax as per Normal Provision</b>	24.19	54.48	46.27	164.97	37.75	28.99
<b>Income/(loss) as per MAT</b>	88.70	166.25	140.41	503.47	112.37	92.71
Brought Forward Loss Set Off	-	-	-	-	-	-
<b>Taxable income/(loss) as per MAT</b>	88.70	166.25	140.41	503.47	112.37	92.71
<b>Income tax as per MAT</b>	18.08	33.88	28.62	100.74	21.41	17.67
<b>Tax paid as per "MAT" or "Normal Provisions"</b>	Normal Provision	Normal Provision	Normal Provision	Normal Provision	Normal Provision	Normal Provision

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND  
RESULT OF OPERATIONS**

*Our Company was incorporated as “Priti International Limited” on June 30, 2017. It acquired the ongoing business of M/s Priti International” i.e. the proprietorship of our Prmoter Priti Lohiya vide Business Succession Agreement dated November 11, 2017. Therefore, the Management’s Discussion and Analysis of Financial Condition and Result of Operations of the Company for the period June 30, 2017 to December 31, 2017 has been presented in first part and Management’s Discussion and Analysis of Financial Condition and Result of Operations of the Proprietorship Concern till the date of acquisition has been presented in the second part.*

<b>Particulars</b>	<b>Page Nos.</b>
<b>Management’s Discussion and Analysis of Financial Condition and Result of Operations of the Company for the Period June 30, 2017 to December 31, 2017</b>	<b>232-239</b>
<b>Management’s Discussion and Analysis of Financial Condition and Result of Operations of the Proprietorship Concern for the Financial Years ended March 31, 2017, 2016, 2015, 2014 and 2013 and for the Period April 01, 2017 to November 10, 2017</b>	<b>240-250</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

*Our Company was incorporated as "Priti International Limited" ("the Company") on June 30, 2017. It acquired the ongoing business of M/s Priti International ("the Concern") i.e. the proprietorship of our Promoter Priti Lohiya vide Business Succession Agreement dated November 11, 2017. Therefore, the following discussion and analysis of financial condition and results of operations has been presented for the Company for the period June 30, 2017 to December 31, 2017.*

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which have been included in this Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements for the period ended December 31, 2017 including the related notes and reports, included in this Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the period ended December 31, 2017. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 17 and 16, respectively, and elsewhere in this Prospectus.*

### OVERVIEW

Our Company was originally incorporated as "Priti International Limited" at Jodhpur, Rajasthan as a Public Limited Company under the provision of Companies Act, 2013 vide Certificate of Incorporation dated June 30, 2017 bearing Corporate Identification Number U36994RJ2017PLC058454 issued by the Registrar of Companies, Rajasthan. Our Company acquired the business of Proprietorship Concern of our Promoter Priti Lohiya viz. M/s. Priti International through Business Succession Agreement dated November 11, 2017. Consequently, Business of this proprietorship firm was merged into Priti International Limited. The Corporate Identification number of our Company is U36994RJ2017PLC058454.

We are primarily engaged in manufacturing and exporting of Handicraft Products. We also deal in manufacturing of wooden, metal and textile based furniture and handicrafts products, upcycling and recycling of various kinds of raw, unusable and waste metal and wooden articles. Our products range from solid wooden and metal furniture articles, home furnishing items, creative wooden and metal articles for various uses, textile based products like cushions, pillow covers, rugs and carpets, handbags, travel bags and backpacks, pet products, etc.

Our company is promoted by Goverdhan Das Lohiya, Priti Lohiya, Ritesh Lohiya, Goverdhan Das Lohiya HUF and Ritesh Lohiya HUF. Our promoter, Priti Lohiya commenced the business of handicraft products in the name and style M/s. Priti International, a proprietary concern in year 2002 at facilities located at Basni and Boranada in Jodhpur, Rajasthan. The running business of M/s. Priti International was acquired by Priti International Limited on November 11, 2017 vide Business Succession Agreement. Our promoters play an active role in the day to day affairs of the company.

Our financial performance (based on the audited financials of the M/s. Priti International i.e. the erstwhile proprietorship of Our Promoter Priti Lohiya) reflects decline in total revenue from Rs. 2,055.29 lakhs in the FY 2014-15 to Rs. 1,978.91 lakhs in the FY 2016-17. However, our EBITDA has increased from Rs. 180.18 lakhs in the FY 2014-15 to Rs. 226.76 lakhs in the FY 2016-17, representing a CAGR of 12.18%. Further, our EBITDA margin has increased from 8.77% in FY 2014-15 to 11.46% in the FY 2016-17 and our profits for the year has increased from Rs. 130.40 lakhs in the FY 2014-15 to Rs. 164.79 lakhs in the FY 2016-17, representing a CAGR of 12.42%.

We majorly cater our products in the international market. We export our products to wholesalers and retailers from countries such as Spain, Belgium, Holland, Netherlands, Turkey, England, China, Greece, Germany etc. Apart from them, we also export our products to customers working on some specific projects e.g. newly constructed hotels, restaurants, bars & pubs, etc.

The main factors which differentiate our products from those of our competitors are the uniqueness and creativity which we incorporate in our products. Each of the products are designed with the thought of creating a lasting impression on the minds of its users.

## **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE INCORPORATION**

In the opinion of the Board of Directors of our Company, there have not arisen, since the date incorporation, 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. Our Company acquired the running business of M/s Priti International i.e. erstwhile proprietorship of our Promoter Priti Lohiya, vide Business Succession Agreement dated November 11, 2017, for a total consideration of Rs. 154.39 lakhs.
2. The Shareholders approved and passed resolution on December 05, 2017 to increase the borrowing limits of the company upto Rs. 50,000 lakhs.
3. The Shareholders approved and passed resolution on January 08, 2018 to authorise the Board of Directors to raise funds by making Initial Public Offering.

## **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 17 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Supply and availability of raw material
- Competition and price cutting from existing and new entrants
- Brand image
- Rate of interest policies
- Economic and Demographic conditions
- Changes in laws and regulations that apply to Handicraft Industry in domestic and overseas markets

## **OVERVIEW OF REVENUE AND EXPENSES**

### **Revenue and Expenses**

Our revenue and expenses are reported in the following manner:

#### ***Total Revenue***

Our Total Revenue comprises of revenue from operations and other income.

*Revenue from operations:* Our revenue from operations comprises of revenue from export sales of manufactured solid wood furniture, metal furniture, upcycled, refurbished and recycled waste materials, cushions, handbags, backpacks, pillows and pillow covers, stools made from textile materials, pet care products, etc.

*Other Income:* Our other income comprises of income from duty drawback, interest on term deposits and miscellaneous receipts.

#### ***Expenses***

Our expenses comprise of cost of material consumed, changes in inventories of finished goods, employee benefit expenses, depreciation and amortisation expenses and other expenses.

*Cost of material consumed:* Cost of material consumed consists of consumption of raw and waste iron, copper, aluminium and other metals, raw wooden materials, yarn, fabrics and other recyclable textile materials.

*Changes in inventories of finished goods:* It includes changes in inventories of finished goods such as manufactured solid wood furniture, metal furniture, upcycled, refurbished and recycled waste materials, cushions, handbags, backpacks, pillows and pillow covers, stools made from textile materials, pet care products, etc.

*Employee benefit expense:* Our employee benefit expenses include salary & wages, directors' remuneration and contribution to provident funds.

*Depreciation and amortisation expenses:* Depreciation and amortisation expenses comprise of depreciation on tangible fixed assets and amortisation of intangible assets.

*Other expenses:* Our other expenses majorly consist of electricity expenses, carriage inwards, job work charges, water expenses, bank commission, clearing and transportation, international fair & exhibition expenses, administration expenses, consultancy fees, loss on foreign exchange rate fluctuation, factory rent, insurance expenses and write off of preliminary expenses.

### Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit and loss for the period ended December 31, 2017 the components of which are also expressed as a percentage of total revenue for such period:

(Rs. in Lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,		
<b>Total Revenue:</b>				
Revenue from operations	318.83			
As a % of Total Revenue	98.52%			
Other income	4.79			
As a % of Total Revenue	1.48%			
<b>Total Revenue</b>	<b>323.63</b>			
<b>Expenses:</b>				
Cost of material consumed	329.08			
As a % of Total Revenue	101.69%			
Changes in inventories of finished goods	(89.57)			
As a % of Total Revenue	(27.68%)			
Employee benefit expenses	12.81			
As a % of Total Revenue	3.96%			
Finance costs	-			
As a % of Total Revenue	-			
Depreciation and amortization expense	2.21			
As a % of Total Revenue	0.68%			
Other expenses	47.59			
As a % of Total Revenue	14.70%			
<b>Total Expenses</b>	<b>302.11</b>			
As a % of Total Revenue	93.35%			
<b>Profit before exceptional,</b>	<b>21.51</b>			

Particulars	For the period ended December 31, 2017	For the year ended March 31,		
<b>extraordinary items and tax</b>				
As a % of Total Revenue	<b>6.65%</b>			
Exceptional items	-			
<b>Profit before extraordinary items and tax</b>	<b>21.51</b>			
As a % of Total Revenue	<b>6.65%</b>			
Extraordinary items	-			
<b>Profit before tax</b>	<b>21.51</b>			
<b>PBT Margin</b>	<b>6.65%</b>			
Tax expense :				
(i) Current tax	7.71			
(ii) Deferred tax	(2.17)			
(iii) MAT Credit	-			
<b>Total Tax Expense</b>	<b>5.54</b>			
<b>% of Total Revenue</b>	<b>1.71%</b>			
<b>Profit for the year/ period</b>	<b>15.97</b>			
<b>PAT Margin</b>	<b>4.94%</b>			

### *Review of Operations for the Period Ended December 31, 2017*

#### *Total Revenue*

Our total revenue from for the period ended December 31, 2017 was Rs. 323.63 lakhs which comprised of following:

#### *Revenue from operations*

Revenue from operations for the period ended December 31, 2017 amounted to Rs. 318.83 lakhs which was primarily on account of revenue from export sales of manufactured solid wood furniture, metal furniture, upcycled, refurbished and recycled waste materials, cushions, handbags, backpacks, pillows and pillow covers, stools made from textile materials, pet care products, etc. Our revenue from sales of wooden and iron furniture and handicraft was Rs. 249.74 lakhs and that from sales of textile handicrafts was Rs. 69.10 lakhs for the period ended December 31, 2017.

#### *Other income*

Other income of Rs. 4.79 lakhs for the period ended December 31, 2017 comprised of income from duty drawback of Rs. 4.48 lakhs, interest income on term deposits of Rs. 0.31 lakhs and miscellaneous income of Rs. 0.01 lakhs.

#### *Total Expenses*

Total expenses, excluding tax amounted to Rs. 302.11 lakhs for the period ended December 31, 2017 which comprised of following:

#### *Cost of material consumed*

Cost of material consumed for the period ended December 31, 2017 was Rs. 329.08 lakhs which comprised of raw and waste iron, copper, aluminium and other metals, raw wooden materials, yarn, fabrics and other recyclable textile materials.

#### *Changes in inventories of finished goods*

Changes in inventories of stock in trade amounted to Rs. (89.57) lakhs for the period ended December 31, 2017.

### *Employee Benefit Expenses*

Our employee benefit expenses for the period ended December 31, 2017 were Rs. 12.81 lakhs which primarily comprised of salary and wages of Rs. 7.96 lakhs, directors' remuneration of Rs. 4.40 lakhs and contribution to provident fund of Rs. 0.45 lakhs.

### *Depreciation and Amortization Expenses*

Depreciation charged on fixed assets was Rs. 2.21 lakhs for the period ended December 31, 2017.

### *Other expenses*

Our other expenses for the period ended December 31, 2017 were Rs. 47.59 lakhs which majorly comprised of clearing & transportation expenses of Rs. 18.73 lakhs, write off of preliminary expense of Rs. 9.42 lakhs, jobwork charges of Rs. 9.16 lakhs, international fair & exhibition expenses of Rs. 2.46 lakhs, factory rent of Rs. 2.00 lakhs, administrative expenses of Rs. 1.92 lakhs, bank commission of Rs. 1.76 lakhs, etc. among others.

### *Profit before Tax*

Our Profit before tax for the period ended December 31, 2017 was Rs. 21.51 lakhs.

### *Tax Expenses*

Our tax expenses for the period ended December 31, 2017 were Rs. 5.54 lakhs.

### *Profit after Tax*

Our profit after tax for the period ended December 31, 2017 was Rs. 15.97 lakhs.

### ***Other Key Ratios***

The table below summaries key ratios in our Restated Financial Statements for the period ended December 31, 2017:

<b>Particulars</b>	<b>For the period ended December 31, 2017</b>
Fixed Asset Turnover Ratio	3.98
Debt Equity Ratio	-
Current Ratio	1.66

*Fixed Asset Turnover Ratio:* This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Statements.

*Debt Equity Ratio:* This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Financial Statements.

*Current Ratio:* This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

### ***Cash Flow***

The table below summaries our cash flows from our Restated Financial Information for the period ended December 31, 2017:

(Rs. in lakhs)

<b>Particulars</b>	<b>For the period ended December 31, 2017</b>
Net cash (used in)/ generated from operating activities	(196.54)
Net cash (used in)/ generated from investing activities	(152.39)

<b>Particulars</b>	<b>For the period ended December 31, 2017</b>
Net cash (used in)/ generated from financing activities	384.14
Net increase/ (decrease) in cash and cash equivalents	35.22
Cash and Cash Equivalents at the beginning of the period	-
Cash and Cash Equivalents at the end of the period	35.22

### ***Operating Activities***

*Period Ended December 31, 2017*

Our net cash used in operating activities was Rs. 196.54 lakhs for period ended December 31, 2017. Our operating profit before working capital changes was Rs. 23.72 lakhs for the period ended December 31, 2017 which was primarily adjusted by payment of income tax of Rs. 7.71 lakhs, increase in trade receivables by Rs. 317.45 lakhs, increase in loans and advances receivable by Rs. 153.54 lakhs, increase in inventories of raw materials and finished goods by Rs. 96.66 lakhs, increase in other current assets by Rs. 8.91 lakhs, increase in other non-current Assets by Rs. 5.25 lakhs, increase in trade payables by Rs. 199.28 lakhs, increase in other current liabilities by Rs. 157.81 lakhs and increase in short term provisions by Rs. 12.17 lakhs.

### ***Investing Activities***

*Period Ended December 31, 2017*

Net cash used in investing activities was Rs. 152.39 lakhs for the period ended December 31, 2017. This was primarily on account of purchase of fixed assets of Rs. 82.39 lakhs and investment in term deposit of Rs. 70.00 lakhs.

### ***Financing Activities***

*Period Ended December 31, 2017*

Net cash generated from financing activities for period ended December 31, 2017 was Rs. 384.14 lakhs primarily consisting of increase in share capital of Rs. 189.35 lakhs and increase in securities premium by Rs. 194.79 lakhs.

### ***Financial Indebtedness***

As on December 31, 2017, our Company does not have any outstanding borrowings. For further details, refer chapter titled "*Financial Statements*" beginning on page 163 of this Prospectus.

### ***Related Party Transactions***

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, loans & advances given and taken and Issue of Equity Shares. For further details of such related parties under AS-18, refer chapter titled "*Financial Statements*" beginning on page 163 of this Prospectus.

### ***Contingent Liabilities***

As on December 31, 2017, our Company does not have any Contingent Liabilities. For further details, refer chapter titled "*Financial Statements*" beginning on page 163 of this Prospectus.

### ***Off-Balance Sheet Items***

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

### ***Qualitative Disclosure about Market Risk***

#### **Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

### **Interest Rate Risk**

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

### **Effect of Inflation**

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

### **Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

### **Reservations, Qualifications and Adverse Remarks**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 163 of this Prospectus, there have been no reservations, qualifications and adverse remarks.

### **Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 163 of this Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period June 30, 2017 up to December 31, 2017.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, since incorporation.

### **Unusual or Infrequent Events or Transactions**

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except as described in chapter titled “*Risk Factors*” beginning on page 17 of this Prospectus.

### **Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations**

Other than as described in the section titled “*Risk Factors*” beginning on page 17 of this Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known**

Other than as described in chapter titled “*Risk Factors*” beginning on page 17 of this Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

### **Competitive Conditions**

We have competition with Indian manufacturers and our results of operations could be affected by competition in the handicrafts industry in Indian market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled “*Risk Factors*” beginning on page 17 of this Prospectus.

### **Status of any Publicly Announced New Products or Business Segments**

Except as disclosed elsewhere in the Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

### **Significant Dependence on a Single or Few Suppliers or Customers**

Significant proportion of our revenues have been derived from a limited number of customers. The % of Contribution of our Company’s customer and supplier vis a vis the total revenue from operations respectively as of December 31, 2017 is as follows:

	<b>Customers</b>	<b>Suppliers</b>
Top 5 (%)	74.64	47.48
Top 10 (%)	92.97	64.27

### **Seasonality of Business**

The nature of business is not seasonal.

### **Significant Developments after December 31, 2017 that May Affect Our Results of Operations**

Except as set out in this Prospectus and as mentioned below, in the opinion of the Board of Directors of our Company and to our knowledge, no circumstances have arisen since the date of incorporation which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

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

*Our Company was incorporated as "Priti International Limited" ("the Company") on June 30, 2017. It acquired the ongoing business of M/s Priti International ("the Concern") i.e. the proprietorship of our Promoter Priti Lohiya vide Business Succession Agreement dated November 11, 2017. Therefore, the following discussion and analysis of financial condition and results of operations has been presented for the Concern for the period April 01, 2017 to November 10, 2017, and for the financial year ended March 31, 2017, 2016 and 2015.*

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which have been included in this Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements for the financial years ended 31<sup>st</sup> March 2017, 2016 & 2015 and for the period April 01, 2017 to November 10, 2017 including the related notes and reports, included in this Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the period November 10, 2017. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, 2013, SEBI Regulations and other relevant accounting practices in India.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 17 and 16 respectively, and elsewhere in this Prospectus.*

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

- Supply and availability of raw material
- Competition and price cutting from existing and new entrants
- Brand image
- Rate of interest policies
- Economic and Demographic conditions
- Changes in laws and regulations that apply to Handicraft Industry in domestic and overseas markets

### OVERVIEW OF REVENUE AND EXPENSES

#### Revenue and Expenses

Our revenue and expenses are reported in the following manner:

#### ***Total Revenue***

Our Total Revenue comprises of revenue from operations and other income.

***Revenue from operations:*** Our revenue from operations comprises of revenue from export sales of manufactured solid wood furniture, metal furniture, upcycled, refurbished and recycled waste materials, cushions, handbags, backpacks, pillows and pillow covers, stools made from textile materials, pet care products, etc.

***Other Income:*** Our other income comprises of income from foreign exchange fluctuations, discount income, interest received, liability written off, service tax refund and misc. income.

#### ***Expenses***

Our expenses comprise of cost of material consumed, changes in inventories of finished goods, employee benefit expenses, depreciation and amortisation expenses and other expenses.

*Cost of material consumed:* Cost of material consumed consists of consumption of raw and waste iron, copper, aluminium and other metals, raw wooden materials, yarn, fabrics and other recyclable textile materials.

*Changes in inventories of finished goods:* It includes changes in inventories of finished goods such as manufactured solid wood furniture, metal furniture, upcycled, refurbished and recycled waste materials, cushions, handbags, backpacks, pillows and pillow covers, stools made from textile materials, pet care products, etc.

*Employee benefit expense:* Our employee benefit expenses include salary & wages, directors' remuneration and contribution to provident funds.

*Depreciation and amortisation expenses:* Depreciation and amortisation expenses comprise of depreciation on tangible fixed assets and amortisation of intangible assets.

*Other expenses:* Our other expenses majorly consist of electricity expenses, carriage inwards, job work charges, water expenses, bank commission, clearing and transportation, international fair & exhibition expenses, administration expenses, consultancy fees, loss on foreign exchange rate fluctuation, factory rent, insurance expenses and write off of preliminary expenses.

### Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit and loss for the financial year ended March 31, 2017, 2016, 2015 and the period April 01, 2017 to November 10, 2017 the components of which are also expressed as a percentage of total revenue for such period:

(Rs. in Lakhs)

Particulars	For the period April 01, 2017 to November 10, 2017	For the financial year ending March 31		
		2017	2016	2015
<b>Total Revenue:</b>				
Revenue from operations	1,045.01	1,983.01	2,150.41	2,021.23
As a % of Total Revenue	95.56%	97.52%	97.85%	98.34%
Other income	48.52	50.48	47.17	34.05
As a % of Total Revenue	4.44%	2.48%	2.15%	1.66%
<b>Total Revenue</b>	<b>1093.53</b>	<b>2033.48</b>	<b>2197.58</b>	<b>2055.28</b>
<b>Expenses:</b>				
Cost of material consumed	598.50	1,311.09	1,505.29	1,490.13
As a % of Total Revenue	54.73%	64.48%	68.50%	72.50%
Changes in inventories of finished goods and WIP	169.34	137.25	51.47	(381.24)
As a % of Total Revenue	15.49%	6.75%	2.34%	(18.55%)
Employee benefit expenses	34.84	73.22	81.34	65.81
As a % of Total Revenue	3.19%	3.60%	3.70%	3.20%
Finance costs	31.10	41.10	30.17	21.81
As a % of Total Revenue	2.84%	2.02%	1.37%	1.06%
Depreciation and amortization expense	5.94	12.14	15.21	20.11
As a % of Total Revenue	0.54%	0.60%	0.69%	0.98%
Other expenses	165.12	292.42	373.68	335.19
As a % of Total Revenue	15.10%	14.38%	17.00%	16.31%
<b>Total Expenses</b>	<b>1,004.83</b>	<b>1,867.23</b>	<b>2,057.17</b>	<b>1,551.81</b>

Particulars	For the period April 01, 2017 to November 10, 2017	For the financial year ending March 31		
		2017	2016	2015
As a % of Total Revenue	91.89%	91.82%	93.61%	75.50%
<b>Profit before exceptional, extraordinary items and tax</b>	<b>88.70</b>	<b>166.25</b>	<b>140.41</b>	<b>503.47</b>
As a % of Total Revenue	8.11%	8.18%	6.39%	24.50%
Exceptional items	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>88.70</b>	<b>166.25</b>	<b>140.41</b>	<b>503.47</b>
As a % of Total Revenue	8.11%	8.18%	6.39%	24.50%
Extraordinary items	-	-	-	-
<b>Profit before tax</b>	<b>88.70</b>	<b>166.25</b>	<b>140.41</b>	<b>503.47</b>
<b>PBT Margin</b>	<b>8.11%</b>	<b>8.18%</b>	<b>6.39%</b>	<b>24.50%</b>
Tax expense :				
(i) Current tax	24.19	54.48	46.27	164.97
(ii) Deferred tax	0.80	0.48	0.08	(0.65)
(iii) MAT Credit	-	-	-	-
<b>Total Tax Expense</b>	<b>24.99</b>	<b>54.96</b>	<b>46.35</b>	<b>164.32</b>
<b>% of Total Revenue</b>	<b>2.29%</b>	<b>2.70%</b>	<b>2.11%</b>	<b>8.00%</b>
<b>Profit for the year/ period</b>	<b>63.71</b>	<b>111.29</b>	<b>94.06</b>	<b>339.15</b>
<b>PAT Margin</b>	<b>5.83%</b>	<b>5.47%</b>	<b>4.28%</b>	<b>16.50%</b>

***Review of Operations For the period April 01, 2017 to November 10, 2017***

***Total Revenue***

Our total revenue for the period April 01, 2017 to November 10, 2017 was Rs. 1093.53 lakhs which comprised of following:

***Revenue from operations***

Revenue from operations for the period April 01, 2017 to November 10, 2017 amounted to Rs.1045.01 lakhs which was on account of revenue from export sales of manufactured solid wood furniture, metal furniture, upcycled, refurbished and recycled waste materials, cushions, handbags, backpacks, pillows and pillow covers, stools made from textile materials, pet care products, etc. It also included other operating income of Rs. 72.97 lakhs on account of Sale of Import License and Duty Drawback.

***Other income***

Other income of Rs. 48.52 lakhs for the period April 1, 2017 to November 10, 2017 comprised of write off of liability amounting to Rs. 23.20 lakhs, foreign exchange rate fluctuation income amounting to Rs. 8.67 lakhs, interest on term deposits amounting to Rs. 7.98 lakhs, discount income amounting to Rs. 3.60 lakhs, service tax refund amounting to Rs. 2.38 lakhs and misc. income amounting to Rs. 2.69 lakhs.

***Total Expenses***

Total expenses, excluding tax amounted to Rs. 1004.83 lakhs for the period April 01, 2017 to November 10, 2017 which comprised of following:

***Cost of material consumed***

Cost of material consumed for the period April 01, 2017 to November 10, 2017 was Rs. 598.50 lakhs which comprised of raw and waste iron, copper, aluminium and other metals, raw wooden materials, yarn, fabrics and other recyclable textile materials.

### *Changes in inventories of finished goods and WIP*

Changes in inventories of stock in trade amounted to Rs. 169.34 lakhs for the period April 01, 2017 to November 10, 2017.

### *Employee Benefit Expenses*

Our employee benefit expenses for the period April 01, 2017 to November 10, 2017 were Rs. 34.84 lakhs which comprised of salary and wages amounting to Rs. 32.59 lakhs, and contribution to provident fund of Rs. 1.59 lakhs and staff welfare expenses amounting to Rs. 0.66 lakhs.

### *Finance Costs*

Our finance costs for the period for the period April 01, 2017 to November 10, 2017 was Rs. 31.10 lakhs which primarily comprised of interest on long term unsecured loan from related party amounting to Rs. 31.00 lakhs and other borrowing costs of Rs. 0.10 lakhs.

### *Depreciation and Amortization Expenses*

Depreciation charged on fixed assets was Rs. 5.94 lakhs for the period April 01, 2017 to November 10, 2017.

### *Other expenses*

Our other expenses for the period April 01, 2017 to November 10, 2017 were Rs. 165.12 lakhs which majorly comprised of clearing & transportation expenses amounting to Rs. 71.01 lakhs, international fair expenses amounting to Rs. 21.67 lakhs, job work expenses amounting to Rs. 20.76 lakhs, rent amounting to Rs. 16.24 lakhs, packing expenses amounting to Rs. 12.75 lakhs, electricity expenses amounting to Rs. 7.10 lakhs, Commission and Brokerage of Rs. 6.34 lakhs etc. among others.

### *Profit before Tax*

Our Profit before tax for the period April 01, 2017 to November 10, 2017 was Rs. 88.70 lakhs.

### *Tax Expenses*

Our tax expenses for the period April 01, 2017 to November 10, 2017 were Rs. 24.99 lakhs.

### *Profit after Tax*

Our profit after tax for the period April 01, 2017 to November 10, 2017 was Rs. 63.71 lakhs.

## **FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16**

### ***Total Revenue***

Our total revenue decreased by 7.47% to Rs. 2033.48 lakhs for the financial year 2016-17 from Rs. 2197.58 lakhs for the financial year 2015-16 due to the factors described below:

### *Revenue from operations*

Our revenue from operations decreased by 7.78% to Rs. 1983.01 lakhs for the financial year 2016-17 from Rs. 2150.41 lakhs for the financial year 2015-16. The decrease was primarily due to decrease in export sale by 6.91% to Rs. 1841.33 for financial year 2016-17 from Rs. 1977.99 lakhs for the financial year 2015-16. Due to decrease in export orders, sale of import license also decreased by 33.64% to Rs. 41.31 lakhs for the financial year 2016-17 from Rs. 62.25 for the financial year 2015-16. Similarly, Due to decrease in export sales, our duty drawback income also decreased by 8.90% to Rs. 100.36 lakhs for the financial year 2016-17 from Rs. 110.17 for the financial year 2015-16.

### *Other income:*

Our other income increased by 7.01% to Rs. 50.48 lakhs for the financial year 2016-17 from Rs. 47.17 lakhs for the financial year 2015-16 mainly due to writing off liability amounting to Rs. 23.65 lakhs in financial year 2016-17 and significant increase in service tax refund by 389.79% to Rs. 18.89 for financial year 2016-17 from Rs. 3.86 lakhs for financial year 2015-16. However the increase was

partially offset by significant decrease in foreign exchange rate fluctuation income by 99.58% to Rs. 0.11 lakhs for financial year 2016-17 from Rs. 26.92 lakhs for financial year 2015-16 and decrease in our interest income by 54.46% to Rs. 7.47 lakhs for the financial year 2016-17 from Rs. 16.39 for the financial year 2015-16.

### ***Total Expenses***

Our total expenses decreased by 9.23% to Rs. 1867.23 lakhs for the financial year 2016-17 from Rs. 2057.17 lakhs for the financial year 2015-16, due to the factors described below:

#### *Cost of material consumed*

Our cost of material consumed decreased by 12.90% to Rs. 1311.09 lakhs for the financial year 2016-17 from Rs. 1505.29 lakhs for the financial year 2015-16 due to decrease in our revenue from operations.

#### *Changes in inventories of finished goods and WIP*

Our inventory of finished goods and WIP increased significantly by 166.65% to Rs. 137.25 lakhs for the financial year 2016-17 from Rs. 51.47 lakhs for the financial year 2015-16.

#### *Employee benefits expenses*

Our employee benefit expenses decreased by 9.97% to Rs. 73.22 lakhs for the financial year 2016-17 from Rs. 81.34 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in salary wages by 9.41% to Rs. 69.36 lakhs for financial year 2016-17 from Rs. 76.57 lakhs for financial year 2015-16 and contribution to provident and other funds by 19.81% to Rs. 3.13 lakhs for financial year 2016-17 from Rs. 3.91 lakhs for financial year 2015-16.

#### *Finance costs*

Our finance costs increased by 36.21% to Rs. 41.10 lakhs for the financial year 2016-17 from Rs. 30.17 lakhs for the financial year 2015-16. The increase was on account of increase in interest expense as our long term unsecured loans and borrowings from related party increased to Rs. 376.86 lakhs as on March 31, 2017 from Rs. 268.36 lakhs as on March 31, 2016.

#### *Depreciation expense*

Our depreciation expense decreased by 20.17% to Rs. 12.14 lakhs for the financial year 2016-17 from Rs. 15.21 lakhs for the financial year 2015-16.

#### *Other expenses*

Our other expenses decreased by 21.75% to Rs.292.42 lakhs for the financial year 2016-17 from Rs. 373.68 lakhs for the financial year 2015-16. The decrease was majorly on account of decrease in packaging charges by Rs. 84.87 lakhs, carriage inward expenses by Rs. 9.03 lakhs, fair expenses by Rs. 3.95 lakhs in the financial year 2016-17. However the decrease of was partially offset by increase in clearing and transportation expenses by Rs. 8.40 lakhs, rent expenses by Rs. 6.67 lakhs, commission and brokerage by Rs. 5.91 lakhs, among others in the financial year 2016-17 as compared to financial year 2015-16.

*Profit before tax:* Our profit before tax increased by 18.40% to Rs. 166.25 lakhs for the financial year 2016-17 from Rs. 140.41 lakhs for the financial year 2015-16 mainly due to decrease in our expenses.

*Tax expenses:* Our tax expenses increased by 18.59% to Rs. 54.96 lakhs for the financial year 2016-17 from Rs. 46.35 lakhs for the financial year 2015-16. The increase was primarily due to increase in our profit before tax.

*Profit after tax:* Our profit after tax increased by 18.31% to Rs. 111.29 lakhs for the financial year 2016-17 from Rs. 94.06 lakhs for the financial year 2015-16 due to factors mentioned above.

## **FINANCIAL YEAR 2015-16 COMPARED WITH FINANCIAL YEAR 2014-15**

### ***Total Revenue***

Our total revenue increased by 6.92% to Rs. 2197.58 lakhs for the financial year 2015-16 from Rs. 2055.28 lakhs for the financial year 2014-15 due to the factors described below:

*Revenue from operations*

Our revenue from operations increased by 6.39 % to Rs. 2150.41 lakhs for the financial year 2015-16 from Rs. 2021.23 lakhs for the financial year 2014-15. The increase was primarily due to increase in export sale by 6.10 % to Rs. 1977.99 in financial year 2015-16 from Rs. 1864.26 lakhs in the financial year 2014-15 backed by increase in export orders. Followed by increase in export sales, our duty drawback income also increased by 17.80% to Rs. 110.17 lakhs for the financial year 2015-16 from Rs. 93.52 lakhs for the financial year 2014-15. However, the increase was partially offset by a slight decrease in sale of import license by 1.89% to Rs. 62.25 lakhs for financial year 2015-16 from Rs. 63.46 lakhs for the financial year 2014-15.

*Other income:*

Our other income increased by 38.55% to Rs. 47.17 lakhs for the financial year 2015-16 from Rs. 34.05 lakhs for the financial year 2014-15. The increase was primarily on account of increase in foreign exchange rate fluctuation income by Rs. 14.37 lakhs to Rs. 26.92 lakhs for the financial year 2015-16 from Rs. 12.56 lakhs for the financial year 2014-15 and increase in interest on term deposits income by Rs. 0.82 lakhs. However, the increase was partially offset by decrease in service tax refund income by Rs. 2.06 lakhs to Rs. 3.86 for the financial year 2015-16 from Rs 5.92 lakhs for the financial year 2014-15.

***Total Expenses***

Our total expenses increased by 32.57% to Rs. 2057.17 lakhs for the financial year 2015-16 from Rs. 1551.18 lakhs for the financial year 2014-15, due to the factors described below:

*Cost of material consumed*

Our cost of material consumed increased by 1.02% to Rs. 1505.29 lakhs for the financial year 2015-16 from Rs. 1490.13 lakhs for the financial year 2014-15 due to increase in our revenue from operations.

*Changes in inventories of finished goods and WIP*

Changes in inventories of finished goods and WIP inventory decreased significantly by 113.50% to Rs. 51.47 lakhs for the financial year 2015-16 from Rs. (381.24) lakhs for the financial year 2014-15.

*Employee benefits expenses*

Our employee benefit expenses increased by 23.59% to Rs. 81.34 lakhs for the financial year 2015-16 from Rs. 65.81 lakhs for the financial year 2014-15. The increase was primarily due to increase in salary wages by 24.21% to Rs. 76.57 lakhs for financial year 2015-16 from Rs. 61.64 lakhs for financial year 2014-15, contribution to provident and other funds by 15.77% to Rs. 3.91 lakhs for the financial year 2015-16 from Rs. 3.37 lakhs for the financial year 2014-15 and staff welfare expenses by Rs. 8.21% to Rs. 0.87 lakhs for the financial year 2015-16 from Rs. 0.80 lakhs for the financial year 2014-15.

*Finance costs*

Our finance costs increased by 38.37% to Rs. 30.17 lakhs for the financial year 2015-16 from Rs. 21.81 lakhs for the financial year 2014-15. The increase was primarily on account of increase in interest expense on our long term unsecured loans and borrowings from relatives of our Proprietor Priti Lohiya by Rs. 9.86 lakhs in the financial year 2015-16 which was partially offset decrease in interest on long term loans by Rs. 1.49 lakhs in the financial year 2015-16. Increase in our finance costs was in line with increase in our total borrowings which were Rs. 268.36 lakhs as on March 31, 2016 as compared to Rs. 221.43 lakhs as on March 31, 2015.

*Depreciation expense*

Our depreciation expense decreased by 24.36% to Rs. 15.21 lakhs for the financial year 2015-16 from Rs. 20.11 lakhs for the financial year 2014-15.

*Other expenses*

Our other expenses increased by 11.48% to Rs. 373.68 lakhs for the financial year 2015-16 from Rs. 335.19 lakhs for the financial year 2014-15. Our other expenses increased by Rs. 48.12 lakhs which was majorly on account of increase in packaging charges by Rs. 27.94 lakhs, clearing and transportation expenses by Rs. 8.30 lakhs, job work expenses by Rs. 4.71 lakhs, rent expenses by Rs. 3.23 lakhs, however the increase was partially offset by decrease in fair expenses by Rs. 5.41 lakhs, professional and legal charges by Rs. 1.54 lakhs among others in the financial year 2015-16.

*Profit before tax*

Our profit before tax decreased by 72.11 % to Rs. 140.41 lakhs for the financial year 2015-16 from Rs. 503.47 lakhs for the financial year 2014-15.

*Tax expenses*

Our tax expenses decreased by 71.80% to Rs. 46.35 lakhs for the financial year 2015-16 from Rs. 164.32 lakhs for the financial year 2014-15. The decrease was primarily due to decrease in profit before tax in the financial year 2015-16.

*Profit after tax*

Our profit after tax decreased by 72.26% to Rs. 94.06 lakhs for the financial year 2015-16 from Rs. 339.15 lakhs for the financial year 2014-15 due to the factors mentioned above.

**Other Key Ratios**

The table below summaries key ratios in our Restated Financial Statements for the financial year ended March 31, 2017, 2016, 2015 and for the period April 01, 2017 to November 10, 2017:

Particulars	For the period April 01, 2017 to November 10, 2017	The financial year ended March 31		
		2017	2016	2015
Fixed Asset Turnover Ratio	14.30	6.79	7.09	6.37
Debt Equity Ratio	1.10	0.94	0.63	0.69
Current Ratio	3.06	1.68	2.07	1.21

*Fixed Asset Turnover Ratio:* This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Statements.

*Debt Equity Ratio:* This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Financial Statements.

*Current Ratio:* This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

**Cash Flow**

The table below summaries our cash flows from our Restated Financial Information for the financial year ended March 31, 2017, 2016, 2015 and for the period April 1, 2017 to November 10, 2017:

(Rs. in lakhs)

Particulars	For the period April 01, 2017 to November 10, 2017	The financial year ended March 31		
		2017	2016	2015
Net cash (used in)/ generated from operating activities	94.13	264.63	(113.72)	(18.33)
Net cash (used in)/ generated from investing activities	351.59	(177.67)	90.24	(78.38)
Net cash (used in)/ generated from financing activities	(443.32)	(74.84)	16.51	88.49
Net increase/ (decrease) in cash and cash equivalents	2.40	12.12	(6.97)	(8.23)
Cash and Cash Equivalents at the beginning of the period	26.57	14.45	21.42	29.65
Cash and Cash Equivalents at the end of the period	28.96	26.57	14.45	21.42

### ***Operating Activities***

*Period April 01, 2017 to November 10, 2017*

Our net cash generated from operating activities was Rs. 94.13 lakhs for period April 01, 2017 to November 10, 2017. Our operating profit before working capital changes was Rs. 117.75 lakhs For the period April 01, 2017 to November 10, 2017 which was primarily adjusted by payment of income tax of Rs. 24.19 lakhs, decrease in inventories by Rs. 162.46 lakhs, decrease in trade receivables by Rs. 79.98 lakhs, decrease in trade payables by Rs. 89.83 lakhs, decrease in short term provisions by Rs. 11.73 lakhs, decrease in other current liabilities by Rs. 140.31 lakhs.

*Financial Year 2016-17*

Our net cash generated from operating activities was Rs. 264.63 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 212.03 lakhs for the financial year 2016-17 which was primarily adjusted by payment of income tax of Rs. 54.48 lakhs, decrease in inventories by Rs. 141.30 lakhs, increase in trade receivables by Rs. 79.92 lakhs, decrease in trade payables by Rs. 11.46 lakhs, increase in short term provisions by Rs. 2.63 lakhs and increase in other current liabilities by Rs. 54.33 lakhs.

*Financial Year 2015-16*

Our net cash used in operating activities was Rs. 113.72 lakhs for the financial year ended 2015-16. Our operating profit before working capital changes was Rs. 169.40 lakhs for the financial year 2015-16 which was primarily adjusted by payment of income tax of Rs. 46.27 lakhs, increase in trade receivables by Rs. 49.17 lakhs, decrease in inventories by Rs. 48.15 lakhs, decrease in trade payables by Rs. 209.29 lakhs, increase in short term provisions by Rs. 0.84 lakhs and increase in other current liabilities by Rs. 27.39 lakhs.

*Financial Year 2014-15*

Our net cash used in operating activities was Rs. 18.33 lakhs for the financial year ended 2014-15. Our operating profit before working capital changes was Rs. 529.81 lakhs for the financial year 2015-16 which was primarily adjusted by payment of income tax of Rs. 164.97 lakhs, increase in inventories by Rs. 382.15, increase in trade receivables by Rs. 86.16 lakhs, increase in trade payables by Rs. 63.67 lakhs, decrease in short term provisions by Rs. 3.35 lakhs and increase in other current liabilities by Rs. 24.83 lakhs.

### ***Investing Activities***

*Period April 01, 2017 to November 10, 2017*

Net cash generated from investing activities was Rs. 351.59 lakhs for the period April 01, 2017 to November 10, 2017. This was primarily on account of sale of fixed assets amounting to Rs. 212.82 lakhs, sale of non-current investment amounting to Rs. 200.00 lakhs and receipt of interest amounting to Rs. 7.98 lakhs which was partially offset by increase in short term loan and advances amounting to Rs. 69.21 lakh for the period April 01, 2017 to November 10, 2017.

#### *Financial Year 2016-17*

Net cash used in investing activities was Rs. 177.67 lakhs for the financial year 2016-17. This was primarily on account of non-current investments made amounting to Rs. 200.00 lakhs and purchase of fixed assets amounting to Rs. 0.48 lakhs which was partially offset by decrease in short term loan and advances amounting to Rs. 15.35 lakhs and receipt of interest of Rs. 7.47 lakhs for the financial year 2016-17.

#### *Financial Year 2015-16*

Net cash generated from investing activities was Rs. 90.24 lakhs for the financial year 2015-16. This was primarily on account of sale of non-current investments amounting to Rs. 113.01 lakhs and receipt of interest amounting to Rs. 16.39 lakhs which was partially offset by increase in short term loan and advances amounting to Rs. 37.77 lakh and purchase of fixed assets amounting to Rs. 1.40 lakhs for the financial year 2015-16.

#### *Financial Year 2014-15*

Net cash used in investing activities was Rs. 78.38 lakhs for the financial year 2014-15. This was primarily on account of increase of short term loans and advances by Rs. 84.23 lakhs, purchase of non-current investments amounting to Rs. 8.93 lakhs and purchase of fixed asset amounting to Rs. 0.80 lakhs which was partially offset by receipt of interest amounting to Rs. 15.57 lakhs for the financial year 2014-15.

### ***Financing Activities***

#### *Period April 01, 2017 to November 10, 2017*

Net cash used in financing activities for the period April 01, 2017 to November 10, 2017 was Rs. 443.32 lakhs primarily consisting of decrease in proprietor's capital by Rs. 260.12 lakhs, decrease in long term borrowings by Rs. 152.11 lakhs and payment of interest and finance charges amounting to Rs. 31.10 lakhs for the period April 01, 2017 to November 10, 2017.

#### *Financial Year 2016-17*

Net cash used in financing activities for the financial year 2016-17 was Rs. 74.84 lakhs lakhs primarily consisting of decrease in proprietor's capital by Rs. 142.24 lakhs and payment of interest and finance charges amounting to Rs. 41.10 lakhs which was partially offset by proceeds from long term borrowings amounting to Rs. 108.50 lakhs for the financial year 2016-17.

#### *Financial Year 2015-16*

Net cash generated from financing activities for the financial year 2015-16 was Rs. 16.51 lakhs primarily due to increase in long term borrowings by Rs. 46.93 lakhs which was partially offset by payment of interest and finance charges amounting to Rs. 30.17 lakhs and decrease in proprietor's capital by Rs. 0.25 lakhs for the financial year 2015-16.

#### *Financial Year 2014-15*

Net cash generated from financing activities for the financial year 2014-15 was Rs. 88.49 lakhs primarily due to increase in long term borrowings by Rs. 74.03 lakhs and increase in proprietor's capital by Rs. 36.27 lakhs which was partially offset by payment of interest and finance charges amounting to Rs. 21.81 lakhs for the financial year 2014-15.

### ***Financial Indebtedness***

As on November 10, 2017, the Concern was having outstanding borrowings of Rs. 224.75 lakhs. The said borrowings were long term in nature and were fully unsecured taken from the related parties of

Priti Lohiya (i.e. the Proprietor). For further details, refer chapter titled “*Financial Statements*” beginning on page 163 of this Prospectus.

### ***Related Party Transactions***

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, loans & advances given and taken and Issue of Equity Shares. For further details of such related parties under AS-18, refer chapter titled “*Financial Statements*” beginning on page 163 of this Prospectus.

### ***Contingent Liabilities***

As on December 31, 2017, the Concern did not have any Contingent Liabilities. For further details, refer chapter titled “*Financial Statements*” beginning on page 163 of this Prospectus.

### ***Off-Balance Sheet Items***

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

### ***Qualitative Disclosure about Market Risk***

#### **Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

#### **Interest Rate Risk**

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

#### **Effect of Inflation**

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### **Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

#### **Reservations, Qualifications and Adverse Remarks**

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 163 of this Prospectus, there have been no reservations, qualifications and adverse remarks.

#### **Material Frauds**

There are no material frauds, as reported by the auditor, committed against the Concern.

#### **Unusual or Infrequent Events or Transactions**

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

#### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected the Concern's operations or are likely to affect income from continuing operations except as described in chapter titled "*Risk Factors*" beginning on page 163 of this Prospectus.

**Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known**

Other than as described in chapter titled "*Risk Factors*" beginning on page 17 of this Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

**Competitive Conditions**

We have competition with Indian manufacturers and our results of operations could be affected by competition in the handicrafts industry in Indian market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "*Risk Factors*" beginning on page 17 of this Prospectus.

**Status of any Publicly Announced New Products or Business Segments**

Except as disclosed elsewhere in the Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

**Seasonality of Business**

The nature of business is not seasonal.

## **FINANCIAL INDEBTEDNESS**

As on December 31, 2017, our company does not have any outstanding borrowings. For more details, please refer chapter titled "*Financial Statements as Restated*" beginning on page 163 of this Prospectus.

## **SECTION VI- LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Except, as stated in this section and mentioned elsewhere in this Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Subsidiaries, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters, Subsidiaries or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on January 15, 2018 determined that outstanding dues to creditors in excess of Rs. 5.00 lakhs as per last audited financial statements shall be considered as material dues ("Material Dues").

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered 'material' for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 5.00 lakhs as determined by our Board, in its meeting held on January 15, 2018.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to the contrary, the information provided is as of the date of this Prospectus.

#### **LITIGATIONS INVOLVING OUR COMPANY**

##### **LITIGATIONS AGAINST OUR COMPANY**

###### **Criminal Litigations**

Nil

###### **Civil Proceedings**

Nil

###### **Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Proceedings against Our Company for economic offences/securities laws/ or any other law**

Nil

**Penalties in Last Five Years**

Nil

**Pending Notices against our Company**

Nil

**Past Notices to our Company**

Nil

**Disciplinary Actions taken by SEBI or stock exchanges against Our Company**

Nil

**Defaults including non-payment or statutory dues to banks or financial institutions**

Nil

**Details of material frauds against the Company in last five years and action taken by the Companies.**

Nil

**LITIGATIONS FILED BY OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

**LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY**

**LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

**LEELA LOHIYA**

**FOR AY 2003-04**

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on July 28, 2016 under Section 220(2) and notice under Section 245 of the Income Tax Act, 1961 against Leela Lohiya for an outstanding demand amounting to **Rs. 128/-**. The amount is currently outstanding.

**FOR AY 2004-05**

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on July 28, 2016 under Section 220(2) and notice under Section 245 of the Income Tax Act, 1961 against Leela Lohiya for an outstanding demand amounting to **Rs. 2,560/-**. The amount is currently outstanding.

*For litigation pertaining to Goverdhan das Lohiya, Priti Lohiya and Ritesh Lohiya who are the Directors as well as the Promoters, please refer head 'Litigation against the Promoter/s'.*

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Past Penalties imposed on our Directors**

Nil

**Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law**

Nil

**Directors on list of wilful defaulters of RBI**

Nil

**LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

## **LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY**

### **LITIGATIONS AGAINST OUR PROMOTER/S**

#### **Criminal Litigations**

Nil

#### **Civil Proceedings**

Nil

#### **Taxation Matters**

##### **GOVERDHANDAS LOHIYA**

###### **FOR AY 2016-17**

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on November 4, 2016 under Section 245 of the Income Tax Act, 1961 against Goverdhan das Lohiya for an outstanding demand amounting to **Rs. 2,650/-**. The amount is currently outstanding.

##### **RITESH LOHIYA**

###### **FOR AY 2012-13**

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on October 28, 2017 under Section 220(2) and notice under Section 245 of the Income Tax Act, 1961 against Ritesh Lohiya for an outstanding demand amounting to **Rs. 2684/-**. The amount is currently outstanding

##### **GOVERDHANDAS LOHIYA – HUF**

###### **FOR AY 2004-05**

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on December 14, 2017 under Section 220(2) of the Income Tax Act, 1961 (hereinafter referred to as the "Act") and notice under Section 245 of the Act against Goverdhan das Lohiya - HUF for an outstanding demand amounting to **Rs. 6,300/-**. The amount is currently outstanding.

###### **FOR AY 2012-13**

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on December 09, 2017 under Section 220(2) of the Income Tax Act, 1961 (hereinafter referred to as the "Act") and notice under Section 245 of the Act against Goverdhan das Lohiya - HUF for an outstanding demand amounting to **Rs. 10/-**. The amount is currently outstanding.

###### **FOR AY 2013-14**

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on December 08, 2017 under Section 220(2) of the Income Tax Act, 1961 (hereinafter referred to as the "Act") and notice under Section 245 of the Act against Goverdhan das Lohiya - HUF for an outstanding demand amounting to **Rs. 4343/-**. The amount is currently outstanding.

##### **RITESH LOHIYA – HUF**

###### **FOR AY 2004-05**

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on December 30, 2004 under Section 143(1) of the Income Tax Act, 1961 (hereinafter referred to as the "Act") and notice under Section 245 of the Act dated

December 09, 2013 against Ritesh Lohiya - HUF for an outstanding demand amounting to **Rs. 1,320/-**. The amount is currently outstanding.

#### **FOR AY 2012-13**

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on December 09, 2013 under Section 154 of the Income Tax Act, 1961 (hereinafter referred to as the "Act") and notice under Section 245 of the Act dated December 09, 2013 against Ritesh Lohiya - HUF for an outstanding demand amounting to **Rs. 450/-**. The amount is currently outstanding.

#### **Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

#### **Past Penalties imposed on our Promoters**

Nil

#### **Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law**

Nil

#### **Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

Nil

#### **Penalties in Last Five Years**

Nil

#### **Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past.**

Nil

#### **Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

#### **LITIGATIONS FILED BY OUR PROMOTER/S**

##### **Criminal Litigations**

#### **1. RITESH LOHIA v. STATE OF RAJASTHAN**

Ritesh Lohia (hereinafter referred as the "**Complainant**") has filed an FIR bearing No. 0140/2017 on June 21, 2017 at Shastri Nagar Police station, District Jodhpur City (West) under **Section 154** of the Code of Criminal Procedure against two unknown persons (hereinafter referred to as the "**Accused**"). The facts as stated in the FIR are as follows. On June 20, 2017, around 8.30 p.m., the accused arrived at the Complainant's house on the pretext of meeting the Complainant and started firing bullets. As mentioned in the FIR, the Complainant claimed that the accused had come to scare, frighten, kill and extort ransom from the Complainant. As per the FIR and the verbal information, the offence has taken place under Sections 307, 336, 387 read with Section 34 of the Indian Penal Code, 1860 and Section 3 read with Section 25 of the Arms Act, 1959. The report submitted by the Complainant has been registered as case no. 140 dated June 21, 2017 in the Register of offences. As informed, the Police have arrested the accused and the interrogation is on. Five empty bullets and one bullet shield found at the place of incidence has been taken into custody. The matter is currently pending.

##### **Civil Proceedings**

Nil

## **Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

## **LITIGATIONS INVOLVING SUBSIDIARY / GROUP COMPANY OF OUR COMPANY**

As on date of this Prospectus, our company does not have any group company or subsidiary company.

## **OTHER MATTERS**

Nil

## **DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES**

Nil

## **OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

Nil

## **MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter — “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 231 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

## **OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

As of December 31, 2017, our Company had 94 creditors, to whom a total amount of Rs. 199.28 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated January 15, 2018, considered creditors to whom the amount due exceeds Rs. 5.00 lakhs as per our Company’s restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

<b>Creditors</b>	<b>Amount (Rs. in Lakhs)</b>
B.L. Leather	16.45
Sidani Art & Handicrafts	12.61
Shri Dadu Dayal Arts	10.74
S.S. Handicraft	9.14
Shukur Handicrafts	9.02
Shyam Art Rugs	8.93
S.G. Plywoods	7.43
Chhagan Lal Textiles	7.34
Shri Dadu Dayal Arts	7.15
Shri Hanuman Chemicals	6.41
Jyoti Art & Craft	6.38
Srisrimal Exports	6.35
Sunlight Chemicals	5.46

<b>Creditors</b>	<b>Amount (Rs. in Lakhs)</b>
Shining Art	5.20

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see the website of our Company [www.pritiinternationalltd.com](http://www.pritiinternationalltd.com).

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.pritiinternationalltd.com](http://www.pritiinternationalltd.com), would be doing so at their own risk.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of manufacturing and export of wooden, metal and textile based handicraft product, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled “*Key Industry Regulations and Policies*” on page 128 of this Prospectus.

The Company has its business located at:

**Registered Office:** Plot No. F-43 Basni 1st Phase, Jodhpur, 342001, Rajasthan, India.

### **Manufacturing Unit:**

**Unit 1** - Khasara No. 20/2, Boranada, Opposite Meera Sansthan, Jodhpur - 342001, Rajasthan, India.

**Unit 2** - Plot No. F-43, Basni 1st Phase, Jodhpur - 342005, Rajasthan, India.

**Liason Office:** No. 1, Abhay Chambers, Chopasni Road, Jodhpur – 342001, Rajasthan, India.

**Sales and Corporate Office:** Number 1, Abhay Chambers, Chopasni Road, Jodhpur – 342001, Rajasthan, India.

**Warehouse:** It is within the manufacturing units.

**Raw Material storage:** It is within the manufacturing units.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### **APPROVALS FOR THE ISSUE**

#### **Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on December 13, 2017, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting held on January 08, 2018 authorized the Issue.

#### **In- principle approval from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated March 05, 2018 bearing reference no. NSE/LIST/39107.

#### **Agreements with NSDL and CDSL**

1. The Company has entered into an agreement dated May 03, 2018 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated April 27, 2018 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE974Z01015.

## **INCORPORATION AND OTHER DETAILS**

1. A sole proprietorship concern was carrying on the business in the name and style of “M/s PRITI INTERNATIONAL.”
2. The Certificate of Incorporation dated June 30, 2017 issued by the Registrar of Companies, Central Registration Centre, in the name of “PRITI INTERNATIONAL LIMITED”.
3. On November 11, 2017, the business of M/s PRITI INTERNATIONAL was acquired by PRITI INTERNATIONAL LIMITED.
4. The Corporate Identification Number (CIN) of the Company is U36994RJ2017PLC058454.

## **APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

<b>Sr. No.</b>	<b>Description</b>	<b>Authority</b>	<b>Registration No./ Reference No./ License No.</b>	<b>Date of Issue</b>	<b>Date of Expiry</b>
1	Certificate of Importer-Exporter Code (IEC) for Priti International Limited	Foreign Trade Development Officer, Ministry of Commerce and Industry, Government of India	IEC Code : AAJCP2782Q	August 09, 2017	In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the IEC by the concerned licensing authority.
2	Certificate of Importer-Exporter Code (IEC) for Priti International (both the branch offices)	Foreign Trade Development Officer, Ministry of Commerce and Industry, Government of India	IEC No.: 1303001985	May 24, 2002	In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
					unless in the meantime, the consequential changes are affected in the IEC by the concerned licensing authority.
4	Udyog Aadhar Memorandum	Ministry of Micro, Small and Medium Enterprises, Government of India	RJ22B0012410	Date of Commencement: June 30, 2017	NA
4	Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit	District Industries Centre, Jodhpur	080-15-11-00132 Part II	June 12, 2008	NA

#### **TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAJCP2782Q	July 05, 2017	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	JDHP07799B	July 03, 2017	Perpetual
3	Goods and Service Tax Identification Number (GSTIN) and Registration Certificate	Government of India	08AAJCP2782Q1ZK	August 11, 2017 Date of Liability – July 01,	NA

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
				2017	
3	Certificate of Registration (under Rajasthan Value Added Tax Act, 2003 read with Rule 14(1)(a) and Rule 15 (2) of the Rajasthan Value Added Tax Rules, 2006)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Rajasthan	08272554802	Original Certificate: June 27, 2002  Amendment Certificate: May 20, 2010	NA
4	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AAHPL5238QSD002	Original: July 06, 2011	NA
5	Certificate of Registration Central Sales Tax (under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Assistant Commercial Tax Officer, Commercial Tax Department, Jodhpur, Government of Rajasthan.	08272554802 (Central)	Original Certificate: June 27, 2002  Amendment Certificate: May 20, 2010	Until Cancelled
6	Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002)	Deputy Commissioner, Central Excise Division, Jodhpur, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AAHPL5238QEM001	July 30, 2010	It is valid only for manufacturing Unit 1. No corrections in the certificate will be valid unless the request for any correction or change is applied for and the same is acknowledged.


*Note: Professional Tax is not applicable in the state of Rajasthan, hence the company does not have PTEC and PTRC certificate.*

### **LABOUR RELATED APPROVALS/REGISTRATIONS**

Sr. No.	Description	Authority	Registration No./Reference No./License No.	Date of Issue
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952)	Assistant PF Commissioner, S.R.O Jodhpur, Rajasthan	RJ/JDR/PF/30092	April 16, 2012

### **INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS**

#### **TRADEMARKS**

Sr. No.	Trademark	Trade mark Type	Class	Applicant	Applicati on No.	Date of Applicat ion	Validity/ Renewal	Registrati on status
1.		Device	20	Priti Internati onal Limited	3656142	October 12, 2017	NA	Advertized bef acc

**Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.**

#### **PENDING APPROVALS:**

1. An application for registration of trademark is filed before the Trademark Registry and it is currently pending.
2. An application for change in name from PRITI INTERNATIONAL to PRITI INTERNATIONAL LIMITED for Employees Provident Fund Registration Certificate has been made and is currently pending.

### **MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY**

1. Company is yet to apply for the following approvals:
  - a) License to Work Factory (under Factories Act, 1948);
  - b) Employees State Insurance Registration Certificate;
  - c) Consent to Establish with the Rajasthan Pollution Control Board;

Consent to Operate under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008.

## 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 December 13, 2017 and by the shareholders of our Company by a Special Resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the Extraordinary General Meeting of our Company held on January 08, 2018 at registered office of the Company

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor our Directors, our Promoter, relatives of Promoter, our Promoter Group, and our Group Companies has been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoter, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are associated with the securities market in any manner, including securities market related business.

### 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 Emerge Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

#### We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the Lead Manager 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 64 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 40 of the Companies Act, 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled "*General Information*" beginning on page 64 of this Prospectus.
5. The Promoters of our company have a track record of more than 3 Years and their proprietorship Priti International (whose business was taken over by our Company, for more information refer chapter titled "*Our History and Certain Other Corporate Matters*" beginning on page 138 of this

Prospectus) has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application.

6. Net worth of the Company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website [www.pritiinternationalltd.com](http://www.pritiinternationalltd.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, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE**

**“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, 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 EXCHANGE / BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE 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, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
  - 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE**
  - 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.**
  - 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
  - 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS’ CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOTED FOR COMPLIANCE**
  - 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 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT FORM ONLY**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:**
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.” *COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE PROSPECTUS*

**ADDITIONAL CONFIRMATIONS / CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE 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. – NOTED FOR COMPLIANCE
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. – NOTED FOR COMPLIANCE
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.
- (6) WE CONFIRM THAT UNDERWRITING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.
- (7) WE CONFIRM THAT MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**Note:**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under Section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the 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, Rajasthan Jaipur, in terms of Section 26 of the

Companies Act, 2013.

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website [www.pritiinternationalltd.com](http://www.pritiinternationalltd.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 15, 2018, the Underwriting Agreement dated January 15, 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated January 15, 2018 entered into among the Market Maker, Lead Manager and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to Lead Manage this 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**

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer "Annexure A" of this Prospectus and the website of the Lead Manager at [www.pantomathgroup.com](http://www.pantomathgroup.com)

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity

Shares of the Company. The 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 Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this 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 applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/39107 dated March 05, 2018 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”

#### **FILING**

The 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. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC situated at Registrar Of Companies Corporate Bhawan, G/6-7 Second Floor Residency Area Civil Lines Jaipur-302001 Rajasthan. India.

## LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from EMERGE Platform of NSE. However application will be made to the EMERGE Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The EMERGE Platform of NSE has given its in-principle approval for using its name in our Prospectus *vide* its letter dated March 05, 2018.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of NSE, 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 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of the National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

## CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Chief Executive Officer, the Statutory Auditors, the Peer Reviewed Auditors, the Banker to the Company; and (b) Lead Manager, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of this Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this 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:

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits.
- Report of the Peer Reviewed Auditor on the Restated Financial Statements of the Proprietorship Concern for the year ended March 31, 2017, 2016, 2015, 2014 and 2013 and period ended November 10, 2017.
- Report of the Peer Reviewed Auditor on the Restated Financial Statements for the period ended as on December 31, 2017.

## EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses, and listing fees. For details of total expenses of the Issue, refer to chapter “*Objects of the Issue*” beginning on page 83 of this Prospectus.

## DETAILS OF FEES PAYABLE

### Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Mandate Letter issued by our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office. **Fees Payable to the Registrar to the 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 15, 2018, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send allotment advice by registered post / speed post / under certificate of posting.

#### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

#### **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION**

We have not made any previous rights and / or public issues since incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this 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 71 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 Companies are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this 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 unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the 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 Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on December 13, 2017. For further details, please refer to the chapter titled “*Our Management*” beginning on page 142 of this Prospectus.

Our Company has appointed Shivani Arora as Compliance Officer and she may be contacted at the following address:

**Shivani Arora**

**Priti International Limited**

Plot No.F-43 Basni, Ist Phase

Jodhpur-342001,Rajasthan, India.

**Tel:** 0291-2431367

**Fax:** Not Available

**Email:** [cs@pritiinternationaltd.com](mailto:cs@pritiinternationaltd.com)

**Website:** [www.pritiinternationaltd.com](http://www.pritiinternationaltd.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, etc.

#### **CHANGES IN AUDITORS SINCE INCORPORATION**

Our First Auditor M/s Rajkumar Sanklecha and Company, Chartered Accountants resigned on October 25, 2017. Our Company appointed M/s J.K. Daga and Associates, Chartered Accountants as the new auditor on December 05, 2017. Except this, there has been no change in Auditors of our Company since incorporation.

#### **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 71 of this Prospectus, our Company has not capitalized its reserves or profits during the last five years.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **PURCHASE OF PROPERTY**

Other than as disclosed in this 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 Promoters and / or Directors have any direct or indirect interest in any payment made there under.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## **SECTION VII- ISSUE INFORMATION TERMS OF THE ISSUE**

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Prospectus, the Prospectus, the Abridged Prospectus, Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 02, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 01, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

### **RANKING OF EQUITY SHARES**

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page no 329 of this Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 162 of this Prospectus.

### **FACE VALUE AND ISSUE PRICE PER SHARE**

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. 75 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “*Basis for Issue Price*” beginning on page 92 of this Prospectus. At any given point of time there shall be only one denomination of Equity Shares.

### **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page no 329 of this Prospectus.

## **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated April 27, 2018, amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated May 03, 2018, amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is 1600 Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 1600 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1600 Equity Share subject to a minimum allotment of 1600 Equity Shares to the successful applicants.

## **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity**

Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

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

#### **JOINT HOLDER**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

#### **NOMINATION FACILITY TO APPLICANTS**

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Applicants, 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 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **PERIOD OF OPERATION OF SUBSCRIPTION LIST OF PUBLIC ISSUE**

Issue Opening Date	June 11, 2018
Issue Closing Date	June 13, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	June 18, 2018
Initiation of Unblocking	On or before June 19, 2018
Credit of Equity Shares to demat accounts of Allottees	On or before June 20, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	On or before June 21, 2018

The above timetable is indicative and does not constitute any obligation on our Company, and the LM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken

within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period. On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of Applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, not later than 5.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public issue, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Any time mentioned in this Prospectus is Indian Standard Time.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106( R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

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

## **MIGRATION TO MAIN BOARD**

Our company may migrate to the Main board of National Stock Exchange of India Limited from SME Exchange on a later date subject to the following:

- a. *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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 National Stock Exchange of India Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- b. *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

## **MARKET MAKING**

The shares issued and transferred through this Issue are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on EMERGE Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 64 of this Prospectus.

## **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of 1600 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 EMERGE Platform of National Stock Exchange of India Limited.

## **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

## **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the

dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

#### **APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 71 of this Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 329 of this Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital does not exceed ten crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 275 and 283 of this Prospectus.

### Following is the issue structure:

Initial Public Issue of 7,00,800 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 75 (including a premium of Rs. 65) aggregating to Rs. 525.60 lakhs ('the issue').

The Issue comprises a Net Issue to the public of 6,65,600 Equity Shares (the "Net Issue"), a reservation of 35,200 Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion') The Issue and Net Issue will constitute 27.01% and 25.66% of the post-Issue paid-up Equity Share capital of our Company.

Particulars	Net issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares</b>	6,65,600 Equity Shares	35,200 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.98 % of Issue Size	5.02 % of Issue Size
<b>Basis of Allotment / Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 1600 equity shares and further allotment in multiples of 1600 equity shares each. For further details please refer to the section titled " <i>Issue Procedure</i> " beginning on page 283 of the Prospectus	Firm allotment
<b>Mode of Bid cum Application</b>	All Applicants shall make the application (Online or Physical through ASBA Process only)	Through ASBA Process only
<b>Minimum Bid Size</b>	<b><i>For QIB and NII</i></b> Such number of Equity Shares in multiples of 1600 Equity Shares such that the Application size exceeds Rs 2,00,000 <b><i>For Retail Individuals</i></b> 1600 Equity shares	1600 Equity Shares of Face Value of Rs. 10.00 each
<b>Maximum Bid Size</b>	<b><i>For Other than Retail Individual Investors:</i></b> For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable. <b><i>For Retail Individuals:</i></b> 1600 Equity Shares	1600 Equity Shares of Face Value of Rs 10 each
<b>Mode of Allotment</b>	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
<b>Trading Lot</b>	1600 Equity Shares	1600 Equity Shares, however the Market Maker may accept odd lots if any in the market

Particulars	Net issue to Public*	Market Maker Reservation Portion
		as required under the SEBI ICDR Regulations
<b>Terms of payment</b>	The entire Bid Amount will be payable at the time of submission of the Bid Form	

*\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, in an issue made other than through the book building process, allocation in the net offer to public category shall be made as follows:*

- (a) minimum fifty per cent. to retail individual investors; and
- (b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- (c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

For the purpose of sub-regulation 43 (4), *if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the LM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

#### **ISSUE OPENING DATE**

<b>Issue Opening Date</b>	June 11, 2018
<b>Issue Closing Date</b>	June 13, 2018

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) included below under section “**Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Application Collecting Intermediaries. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form.

Further the Equity shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### APPLICATION FORM

Pursuant to SEBI Circular dated January 01, 2016 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA Mode. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis	Blue

(ASBA )

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

#### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com).

#### **WHO CAN APPLY?**

In addition to the category of Applicants set forth under “– *General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;

- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **PARTICIPATION BY ASSOCIATED/ AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS**

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRI'S APPLYING ON NON REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non residents (except for those applying on non repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

#### **APPLICATIONS BY ELIGIBLE NRI'S/RFPI'S ON REPATRIATION BASIS**

Application Forms have been made available for eligible NRIs at our Registered Office and at the Registered Office of the Lead manager. Eligible NRI Applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the Forms meant for Resident Indians and should not use the forms meant for the reserved category. Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of 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.

**As per the current regulations, the following restrictions are applicable for investments by FPIs:**

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. 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; provided nothing contained in this clause 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 Depository Receipts or Global

Depository 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.
- e) 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.

4. 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.
5. 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.
6. 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.
7. 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.

8. 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.
9. 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.

10. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
11. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.
12. An FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
13. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **APPLICATIONS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the 'IRDA Investment Regulations'), are broadly set forth below:

1. *Equity shares of a company*: The least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. *The entire group of the investee company*: not more than 15% of the respective funds in case of life insurer or 15% of investment assets in case of general insurer or re-insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

3. *The industry sector in which the investee company operates:* not more than 15% of the fund of a life insurer or a general insurer or a re-insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amount calculated under points (1), (2) and (3) above, as the case may be.

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2500 Lacs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lacs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

With respect to applications by VCFs, FVCIs, and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, 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 their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of Rs. 25 crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 crore, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **APPLICATIONS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Applications made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable

investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus/ Prospectus.

#### **INFORMATION FOR THE APPLICANTS**

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one regional newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Prospectus with the RoC at least five days before the Issue Opening Date.
3. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.
4. Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorised agent(s).
5. Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application Forms submitted by Applicants whose beneficiary account is inactive shall be rejected.
6. The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
7. Except for applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
8. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

#### **METHOD AND PROCESS OF APPLICATIONS**

1. Applicants are required to submit their applications during the Issue Period only through the following Application Collecting intermediary
  - i)* an SCSB, with whom the bank account to be blocked, is maintained
  - ii)* a syndicate member (or sub-syndicate member), if any
  - iii)* a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
  - iv)* a depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

- v) a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.

The Intermediaries shall accept applications from all Applicants and they shall have the right to vet the applications during the Issue Period in accordance with the terms of the Prospectus.

The Applicant cannot apply on another Application Form after one Application Form has been submitted to Application Collecting intermediaries. Submission of a second Application Form to either the same or to another Application Collecting Intermediary will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue.

2. The intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.
3. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

4. Upon receipt of the Application Form directly or through other intermediary, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, and If sufficient funds are not available in the ASBA Account the application will be rejected.
5. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.
6. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue

## **TERMS OF PAYMENT**

### **Terms of Payment**

The entire Issue price of Rs. 75/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Registrar to the Issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account post finalisation of Basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism for Applicants**

The Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
2. The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
3. The Application collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be re will be responsible for blocking the necessary amounts in the ASBA Accounts (v) Application accepted and uploaded but not sent to SCSBs for blocking of funds..
4. Neither the Lead Manager nor our Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.

5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Application Collecting Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for;
  - Bank account number.
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Application Collecting Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
12. The Application Collecting Intermediaries will be given time till 1.00 P.M on the next working day after the Issue Closing Date to verify the PAN No, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with

Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

13. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications.

#### **ALLOCATION OF EQUITY SHARES**

1. The Issue is being made through the Fixed Price Process wherein 35,200 Equity Shares shall be reserved for Market Maker. 3,32,800 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.
2. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of the SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) Our Company has entered into an Underwriting agreement dated January 15, 2018.
- b) A copy of the Prospectus will be filed with the RoC in terms of Section 26 of the Companies Act.

#### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation.

#### **ISSUANCE OF ALLOTMENT ADVICE**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

#### **GENERAL INSTRUCTIONS**

##### ***Do's:***

- 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.
- Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that you have requested for and receive a acknowledgement;
- All applicants should submit their applications through the ASBA process only.

***Dont's:***

- 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 Application Collecting Intermediaries. 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.
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue
- Do not submit Applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant
- Do not submit more than five Application Forms per ASBA Account.

Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

**INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Application Collecting Intermediaries. Application Forms, which do not bear the stamp of the Application Collecting Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker ('broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broadbase the reach of Investors by substantially enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer

Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details, PAN Nos, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **SUBMISSION OF APPLICATION FORM**

All Application Forms duly completed shall be submitted to the Application Collecting Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

#### **COMMUNICATIONS**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

## **IMPERSONATION**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*“Any person who—*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

*shall be liable for action under Section 447.”*

## **UNDERTAKINGS BY THE COMPANY**

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed on sixth day from issue closure date. Working Days from the Issue Closing Date;
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
4. That our Promoter’s contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.

## **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Lead manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

## **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated April 27, 2018, among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated May 03, 2018, among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE974Z01015.

## PART B

### GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus/Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through Fixed Price Issue. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website of the **Lead Manager** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

##### 2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under chapter XB of the SEBI (ICDR) Regulations, wherein as per:

- Regulation 106M (1): An issuer whose post-issue face value Capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR)

Regulation.

## 2.2 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M(1) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The company should have track record of at least 3 years
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive
- (g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- (k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer
- (l) The Company should have a website.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital

does not exceed Rs. 1,000 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of NSE for listing of our Equity Shares.

### **2.3 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.4 ISSUE PERIOD**

The Issue shall be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period.

Details of Issue Period are also available on the website of Stock Exchange(s).

### **2.5 MIGRATION TO MAIN BOARD**

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

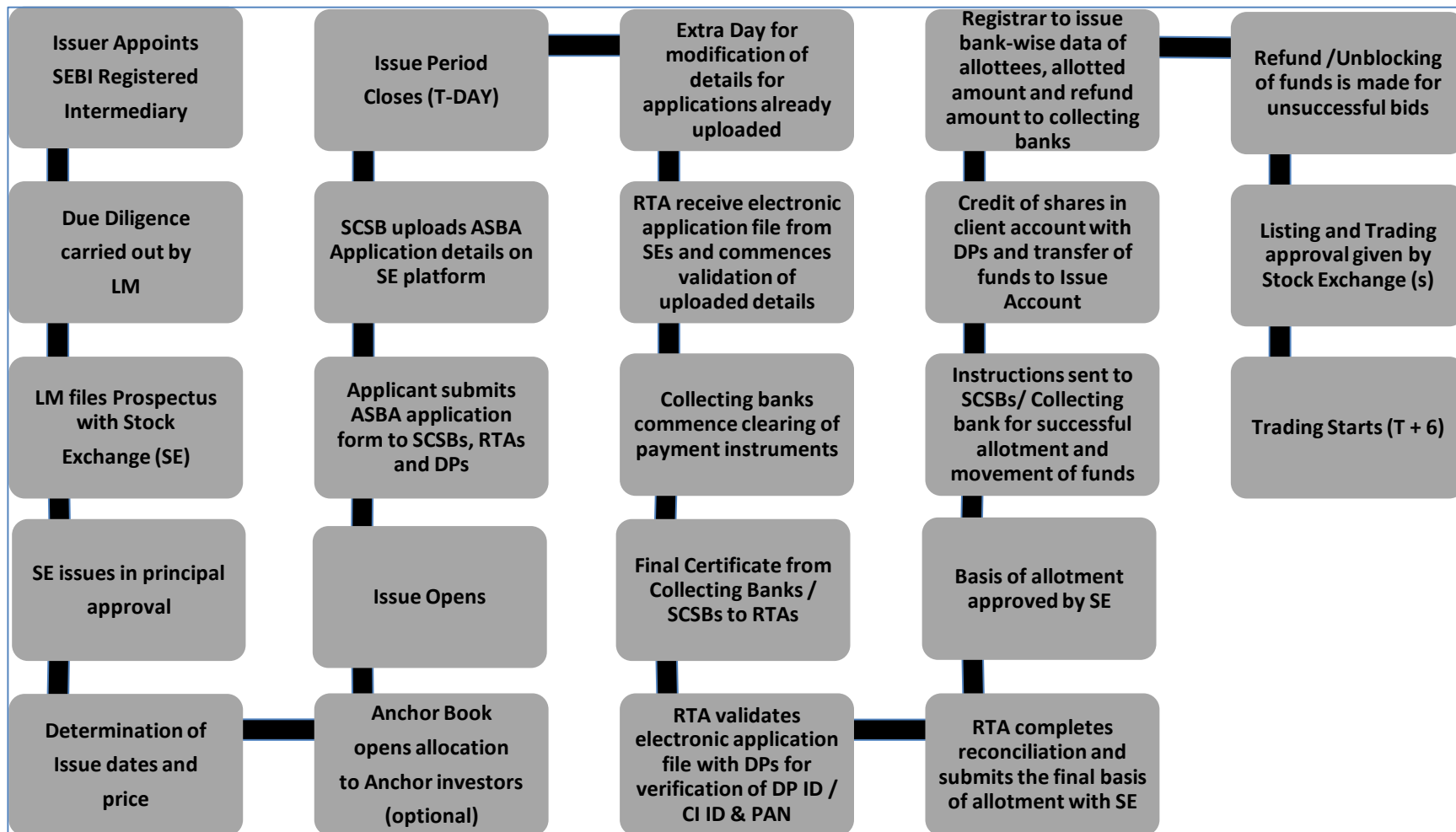
- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows



### **SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE**

*Each Applicant should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

### **SECTION 4: APPLYING IN THE ISSUE**

**Fixed Price Issue:** Applicants should only use the specified Application Form either bearing the stamp of Application Collecting Intermediaries as available or downloaded from the websites of the

Stock Exchanges. Application Forms are available Designated Branches of the SCSBs, at the registered office of the Issuer and at the corporate office of LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Application Form for various categories of Applicants is as follows:

<b>Category</b>	<b>Colour of the Application</b>
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue
Anchor Investors (where applicable) & Applicants applying in the reserved category	Not Applicable

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### **4 INSTRUCTIONS FOR FILING THE APPLICATION FORM (FIXED PRICE ISSUE)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GUID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

# R Application Form

<b>COMMON APPLICATION FORM</b>	<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE - R</b> Registered Office: Plot No. F-43, Basni, 1st Phase, Jodhpur - 342 001, Rajasthan, India. Tel. No.: 0291-2431367; Fax No.: NA; CIN: U36994RJ2017PLC058454 Website: www.pritiinternationaltd.com; Email: info@pritiinternationaltd.com	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
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<b>P</b> PRITI To, The Board of Directors PRITI INTERNATIONAL LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN - _____	Date : _____ Application Form No. _____
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BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
SCSB / BANK BRANCH STAMP & CODE	SCSB / BANK BRANCH SERIAL NO.	

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Individual(s) - IDI <input type="checkbox"/> Non-Resident Indians (Non-Repatriation Basis) - NRI <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> National Investment Funds - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please Specify) - OTH
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<b>4. APPLICATION DETAILS</b> No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ ___/- per share <sup>1 &amp; 2</sup> (In Figures) _____ (In Words) _____	<b>5. CATEGORY</b> <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
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<sup>1</sup> Please note that applications must be made in minimum of \_\_\_\_\_ shares and further multiples of \_\_\_\_\_ shares accordingly.  
<sup>2</sup> Please note that the trading of equity shares will be only in dematerialised mode on the SME Platform of BSE Limited.

<b>7. PAYMENT DETAILS</b> Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____	<b>PAYMENT OPTION : Full Payment</b>
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I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b> _____ Date: _____, 2018	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b> _____
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<b>P</b> PRITI	<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE - R</b>	Acknowledgement Slip for Broker/SCSB/DP/RTA Application Form No. _____
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DPID / CLID: _____ Amount Blocked (₹ in figures) _____ Bank & Branch _____ ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____	PAN of Sole/First Bidder: _____ Stamp & Signature of SCSB Branch _____
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<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE - R</b>	In Figures _____ In Words _____ No. of Equity Shares Amount Blocked (₹) _____ ASBA Bank A/c No.: _____ Bank & Branch: _____	<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b> _____	<b>Name of Sole / First Applicant</b> _____ <b>Acknowledgement Slip for Applicant</b> <b>Application Form No.</b> _____
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TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

www.sapprints.com

# NR Application Form

<b>COMMON APPLICATION FORM</b>	<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE - NR</b> Registered Office: Plot No. F-43, Basni, 1st Phase, Jodhpur - 342 001, Rajasthan, India. Tel. No.: 0291-2431367; Fax No.: NA; CIN: U36994RJ2017PLC058454 Website: www.pritiinternationaltd.com; Email: info@pritiinternationaltd.com	<b>FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCI's ETC. APPLYING ON A REPATRIATION BASIS</b>	
<b>P</b> PRITI	To, <b>The Board of Directors</b> PRITI INTERNATIONAL LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN - _____	
		Date : _____ Application Form No. _____	
<b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>	<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>	
		Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____	
<b>SCSB / BANK BRANCH STAMP &amp; CODE</b>	<b>SCSB / BANK BRANCH SERIAL NO.</b>	<b>2. PAN OF SOLE/FIRST APPLICANT</b>	
		_____	
<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		<b>6. INVESTOR STATUS</b>	
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.		<input type="checkbox"/> Non-Resident Indians (Repatriation basis)    NRI	
<b>4. APPLICATION DETAILS</b>		<input type="checkbox"/> FII or Sub Account not a Corporate / Foreign Individual    FII	
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ ___/- per share <sup>1 &amp; 2</sup>		<input type="checkbox"/> FII Sub Account Corporate/ Individual    FII SA	
(In Figures) _____	(In Words) _____	<input type="checkbox"/> Foreign Venture Capital Investor    FVCI	
		<input type="checkbox"/> Foreign Portfolio Investors    FPI	
		<input type="checkbox"/> Others (Please Specify) _____    OTH	
		<input type="checkbox"/> QIB	
<sup>1</sup> Please note that applications must be made in minimum of _____ shares and further multiples of _____ shares accordingly. <sup>2</sup> Please note that the trading of equity shares will be only in dematerialised mode on the SME Platform of BSE Limited.			
<b>7. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : Full Payment</b>	
Amount Blocked (₹ in Figures) _____ (₹ in words) _____			
ASBA Bank A/c No. _____			
Bank Name & Branch _____			
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.			
<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>		<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	
Date: _____, 2017		I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
		1) _____	
		2) _____	
		3) _____	
		<b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Application in Stock Exchange System)	
TEAR HERE			
<b>P</b> PRITI	<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker / SCSB / DP / RTA</b>	
		Application Form No. _____ PAN of Sole/First Bidder _____	
DPID / CLID _____	Amount Blocked (₹ in figures) _____	Bank & Branch _____	
ASBA Bank A/c No. _____	Stamp & Signature of SCSB Branch		
Received from Mr./Ms. _____			
Telephone / Mobile _____	Email _____		
TEAR HERE			
<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE - NR</b>	In Figures _____	In Words _____	<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>
No. of Equity Shares _____			<b>Name of Sole / First Applicant</b>
Amount Blocked (₹) _____			_____
ASBA Bank A/c No.: _____			<b>Acknowledgement Slip for Applicant</b>
Bank & Branch: _____			<b>Application Form No.</b>

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

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#### 4.1.1 : NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

- makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or
- makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,

Shall be liable for action under section 447 of the said Act.

- (d) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT

- (a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim ("PAN Exempted Applicants"). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- (b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- (c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.
- (d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### **4.1.4 FIELD NUMBER 4: APPLICATION DETAILS**

- (a) The Issuer may mention Price in the Prospectus. However a prospectus registered with RoC contains one price.
- (b) Minimum And Maximum Application Size

##### **i. For Retail Individual Applicants**

The Application must be for a minimum of 1600 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 1600 Equity Shares.

##### **ii. For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 1600 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

- (c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to any other Application Collecting Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (e) The following applications may not be treated as multiple Applications:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- iii. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- (c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.

(d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD 7: PAYMENT DETAILS**

(a) Please note that, providing bank account details in the space provided in the Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### **4.1.7.1 Payment instructions for Applicants**

- (a) Applicants may submit the Application Form in physical mode to the Application Collecting Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one Bank Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained. In case Applicant applying through Application Collecting Intermediary other than SCSB, after verification and upload, the Application Collecting Intermediary shall send to SCSB for blocking of fund.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and subsequent transfer of the Application Amount against the Allotted Equity Shares, if any, to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

##### **4.1.8 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public

Issue Account, and (iv) details of rejected/ partial/ non allotment ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

#### **4.1.8.1 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### **4.1.8.2 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediaries, as applicable, for submission of the Application Form.

- (a) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Applicants should contact the Registrar to the Issue.
  - ii. In case of applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- (b) The following details (as applicable) should be quoted while making any queries -

- i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application And ASBA Account Number and Name.
- ii. In case of ASBA applications, ASBA Account number in which the amount equivalent to the application amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise/withdraw their applications till closure of the Issue period
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

# Revision Form – R

<b>COMMON APPLICATION FORM</b>	<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE- REVISION - R</b> Registered Office: Plot No. F-43, Basni, 1st Phase, Jodhpur – 342 001, Rajasthan, India. Tel. No.: 0291- 2431367; Fax No.: NA; CIN: U36994RJ2017PLC058454 Website: www.pritiinternationaltd.com; Email: info@pritiinternationaltd.com	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
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 <b>To, The Board of Directors PRITI INTERNATIONAL LIMITED</b>	<b>FIXED PRICE SME ISSUE</b> ISIN - _____	Date: _____ Application Form No. _____
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BROKER'S / SCSB / DP / RTA STAMP & CODE	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT
SCSB / BANK BRANCH STAMP & CODE	SCSB / BANK BRANCH SERIAL NO.	Mr. / Ms. _____ Address _____ _____
		Ttd. No (with STD code) / Mobile _____
		2. PAN OF SOLE/FIRST APPLICANT _____
		3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS NSDL <input type="checkbox"/> CDSL <input type="checkbox"/>
		For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION  PHYSICAL

Options	No. of Equity Shares applied (Application must be in multiples of 1 equity shares)									Price per Equity Share (₹) +/- (In Figures)									
	(In Figures)									Issue Price			Discount, if any			Net Price			
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																			
(OR) Option 2																			
(OR) Option 3																			

Options	No. of Equity Shares applied (Application must be in multiples of 1 equity shares)									Price per Equity Share (₹) +/- (In Figures)									
	(In Figures)									Issue Price			Discount, if any			Net Price			
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																			
(OR) Option 2																			
(OR) Option 3																			

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE (GID) AND HEREBY AGREE AND CONFIRM THE 'INVESTOR UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2018	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>  _____
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	<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE - REVISION - R</b>	Acknowledgement Slip for Broker/SCSB/DP/RTA	Application Form No. _____
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DPID/CLID _____	PAN _____	
Additional Amount Blocked (₹ in figures) _____	Bank & Branch _____	SCSB Branch Stamp & Signature
ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____ Email _____		

<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE - REVISION - R</b>	Option 1    Option 2    Option 3 No. of Equity Shares _____ Issue Price _____ Additional Amount Blocked (₹) _____ ASBA Bank A/c No.: _____ Bank & Branch: _____	Stamp & Signature of Broker / SCSB / DP / RTA _____	Name of Sole / First Applicant _____ _____ _____ Acknowledgment Slip for Applicant Application Form No. _____
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**Revision Form – NR**

<b>COMMON APPLICATION FORM</b>	<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE- REVISION - NR</b> Registered Office: Plot No. F-43, Basni, 1st Phase, Jodhpur – 342 001, Rajasthan, India. Tel. No.: 0291-2431367; Fax No.: NA; CIN: U36994RJ2017PLC058454 Website: www.pritiinternationaltd.com; Email: info@pritiinternationaltd.com	<b>FOR NON-RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCI's ETC. APPLYING ON A REPATRIATION BASIS</b>
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<b>P</b> PRITI	To, The Board of Directors PRITI INTERNATIONAL LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN - _____	Date: _____
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<b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>	<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ _____ <input type="checkbox"/> Mr. <input type="checkbox"/> Ms. Tel. No (with STD code) / Mobile _____
<b>SCSB / BANK BRANCH STAMP &amp; CODE</b>	<b>SCSB / BANK BRANCH SERIAL NO.</b>	
		<b>2. PAN OF SOLE/FIRST APPLICANT</b> _____
		<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID _____

**PLEASE CHANGE MY APPLICATION**  PHYSICAL

Options	No. of Equity Shares applied (Application must be in multiples of equity shares)									Price per Equity Share (₹) / -									
	(In Figures)									(In Figures)									
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																			
(OR) Option 2					NOT APPLICABLE										NOT APPLICABLE				
(OR) Option 3					NOT APPLICABLE										NOT APPLICABLE				

Options	No. of Equity Shares applied (Application must be in multiples of equity shares)									Price per Equity Share (₹) / -									
	(In Figures)									(In Figures)									
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1
Option 1																			
(OR) Option 2					NOT APPLICABLE										NOT APPLICABLE				
(OR) Option 3					NOT APPLICABLE										NOT APPLICABLE				

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2017	I/We authorize the SCSB to do all acts as are necessary to make the Application in this issue 1) _____ 2) _____ 3) _____	

<b>P</b> PRITI	<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE - REVISION - NR</b>	Acknowledgement Slip for Broker/SCSB/DP/RTA	Application Form No. _____
DPID / CLID _____	PAN _____		

Additional Amount Blocked (₹ in figures) _____	Bank & Branch _____	<b>SCSB Branch Stamp &amp; Signature</b>
ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____ Email _____		

<b>PRITI INTERNATIONAL LIMITED - PUBLIC ISSUE - REVISION - NR</b>	Option 1	Option 2	Option 3	<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>		<b>Name of Sole / First Applicant</b>
No. of Equity Shares						
Issue Price						
Additional Amount Blocked (₹)						
ASBA Bank A/c No.:						<b>Acknowledgment Slip for Applicant</b>
Bank & Branch:						<b>Application Form No.</b>

#### **4.2.1. NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2. APPLICATION REVISION ‘FROM’ AND ‘TO’**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.
- (b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should exceed Rs. 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3. PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
- (b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

#### **4.2.4. SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3 SUBMISSION OF REVISION FORM/ APPLICATION FORM**

#### **4.3.1 Applicants may submit completed application form / Revision Form in the following manner:-**

<b>Mode of Application</b>	<b>Submission of Application Form</b>
All Investors Application	To the Application Collecting Intermediaries as mentioned in the Prospectus/ Application Form

## **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

### **5 APPLICANTS MAY NOTE THAT THERE IS NO BID CUM APPLICATION FORM IN A FIXED PRICE ISSUE**

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Application Collecting Intermediaries and apply only through ASBA facility.

ASBA Applicants may submit an Application Form either in physical/electronic form to the Application Collecting Intermediaries authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other

category.

## **6 GROUNDS OF REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 (other than minor having valid depository accounts as per demographic details provided by the depository);
- 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 1600;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/ first Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date, unless the extended time is permitted by NSE.
- Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section the GUID.

**APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE APPLICATION COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being Fixed Price Issue, this section is not applicable for this Issue.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

### **7.1 BASIS OF ALLOTMENT**

Allotment will be made in consultation with the EMERGE Platform of National Stock Exchange of India (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For applications where the proportionate allotment works out to less than 1600 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 1600 equity shares; and
  - ii. The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- (d) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 1600 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 1600 equity shares subject to a minimum allotment of 1600 equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 1600 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up

to 110% of the size of the issue specified under the Capital Structure mentioned in this Prospectus.

- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:
- i. As per Regulation 43(4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net offer of shares to the public shall be made available for allotment to
    - individual applicants other than retails individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working

Days of the Issue Closing Date.

## **8.2 GROUNDS FOR REFUND**

### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

### **8.2.2 MINIMUM SUBSCRIPTION**

This 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).

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

## **8.3 MODE OF REFUND**

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### **8.3.1 Mode of making refunds**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

## **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not done within the 4 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants
Allot/ Allotment/ Allotted	Unless the context otherwise requires, issue and/ allotment of Equity Shares of our Company pursuant to the Issue to successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	Successful Applicant(s) to whom Equity Shares of our Company have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company through ASBA in terms of the Prospectus. (All the applicants should make application through ASBA only).
Application	An indication to make an offer during the Issue Period by an Applicant pursuant to submission of an Application Form, to subscribe for or purchase our Equity Shares at Issue Price, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Collecting Intermediaries / Designated Intermediaries	<ol style="list-style-type: none"> <li>6. an SCSB, with whom the bank account to be blocked, is maintained</li> <li>7. a syndicate member (or sub-syndicate member), if any</li> <li>8. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')</li> <li>9. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>10. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol>
Application Form	The form, whether physical or electronic, in terms of which the Applicant shall make an application to subscribe to the Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all Applicants to make application authorizing a SCSBs to block the application amount in the ASBA Account maintained with such SCSBs.
ASBA Account	Account maintained by an ASBA applicant with SCSBs which will be blocked by such SCSBs to the extent of the appropriate Application Amount and as defined in the Application Form.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Jodhpur.
Banker(s) to the Issue/Public Issue	The banks which are clearing members and registered with SEBI as Banker with whom the Public Issue Account will be opened and in this

<b>Term</b>	<b>Description</b>
Banker(s)	case being ICICI Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be allotted to successful applicants under the issue which is described in the chapter titled "Issue Procedure" beginning on page 283 of this Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the National Stock Exchange of India Limited.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1996.
Designated CDP Locations	Such centres of the CDPs where Applicant can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchanges ( <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time
Designated Date	The date on which the amount blocked by the SCSBs is transferred from the ASBA Accounts to the Public Issue Account or the amount is unblocked in the ASBA Account, as appropriate, after the issue is closed, following which the equity shares shall be allotted to the successful applicants in terms of this Prospectus.
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchanges ( <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time

<b>Term</b>	<b>Description</b>
Designated Branches	SCSB Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility">http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility</a>
Designated Exchange	Stock National Stock Exchange of India Limited.
Draft Prospectus	The Draft Prospectus dated February 08, 2018 issued in accordance with Section 26 of the Companies Act, 2013 and filed with National Stock Exchange of India Limited under SEBI (ICDR) Regulations.
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI.
Issue Agreement	The agreement dated January 15, 2018 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 after which the Designated Branches and the Registered Brokers will not accept any applications, which shall be notified in All edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard, and Jodhpur edition of the Regional newspaper Prabhat Abhinandan, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Issue Opening Date	The date on which the Designated Branches and the Registered Brokers shall start accepting applications, which shall be notified in all edition of the English national newspaper Business Standard, All edition of the Hindi national newspaper Business Standard, and Jodhpur edition of the Regional newspaper Prabhat Abhinandan, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	The price at which Equity Shares are being issued and allotted by our Company under this Prospectus being Rs. 75 per Equity Share of face value of Rs. 10 each fully paid.
Issue Proceeds	Proceeds to be raised by our Company through this Issue being Rs. 525.60 lakhs, for further details please refer chapter title “ <i>Objects of the Issue</i> ” beginning on page 83 of this Prospectus.
Issue/ Public Offer/ Initial Offer/ Initial Public Offer/ Initial Public	Size/ Initial Public Public Issue of 7,00,800 Equity Shares of face value Rs. 10 each fully paid of Priti International Limited for cash at a price of Rs. 75 per Equity Share (the “ <i>Issue Price</i> ”) (including a premium of Rs. 65 per Equity

<b>Term</b>	<b>Description</b>
Offering/ IPO	Share) aggregating up to Rs. 525.60 Lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited
LM / Lead Manager	The Lead Manager for the Issue being Pantomath Capital Advisors Private Limited, SEBI registered Category I Merchant Banker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The reserved portion of 35,200 Equity Shares of face value of Rs. 10 each fully paid at an Issue Price of Rs. 75/- each to be subscribed by Market Maker in this Issue.
Market Making Agreement	The Market Making Agreement dated January 15, 2018 between our Company, Lead Manager and Market Maker.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 6,65,600 Equity Shares of face value Rs. 10/- each fully paid of Priti International Limited for cash at a price of Rs. 75/- per Equity Share (the “ <i>Issue Price</i> ”) aggregating up to Rs. 499.20 Lakhs.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
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 official Gazette of India.
Non Institutional Investors or NIIs	All Applicants, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 200,000 but not including NRIs other than Eligible NRIs
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, joint venture, or trust

<b>Term</b>	<b>Description</b>
	or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus, to be filed with the ROC in accordance with the provisions of Section 26 of the Companies Act, 2013 containing , <i>inter-alia</i> , the issue size, the issue opening and closing dates and other information
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Agreement	An agreement entered into on January 15, 2018 between our Company, Lead Manager, Banker and Refund Banker to the Issue and Registrar to the Issue for collection of the application amounts on the terms and condition thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations 2009
Refund Account	Account from which Application monies to be refunded to the applicants
Refund Bank / Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited
Registered Broker	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or National Stock Exchange of India Limited having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.bseindia.com/members/MembershipDirectory.aspx">http://www.bseindia.com/members/MembershipDirectory.aspx</a> & <a href="https://www1.nseindia.com/membership/dynaContent/find_a_broker.htm">https://www1.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar / Registrar to the Issue / RTI	Registrar to the Issue being Bigshare Services Private Limited.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors/RIIs	Individual applicants (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs. 2,00,000 in this Issue.
Revision Form	The Form used by Applicants to modify the quantity of Equity Shares in any of their Application Forms or any Previous Revision Form(s)
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
Self Certified Syndicate Bank or SCSB	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA including blocking of

<b>Term</b>	<b>Description</b>
	bank account, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility">http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility</a>
SME Exchange	EMERGE Platform of National Stock Exchange of India Limited
SME Platform of NSE	The EMERGE Platform of National Stock Exchange of India Limited 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
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The Agreement dated January 15, 2018 entered into amongst the Underwriter and our Company.
Working Days	(iii) Till Application / Issue closing date: All days other than a Saturday, Sunday or a Public holiday; (iv) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any

‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

##### **i. Investment by FPIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

##### **ii. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 that is:

The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company

and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

**iii. Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.**

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles

Sr. No	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable.</b>
<b>Interpretation Clause</b>		
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) “These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) “Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) *“The Company” shall mean “ <b>PRITI INTERNATIONAL LIMITED</b> ”	<b>Company</b>
	(f) “ExecUTOR” or “AdminiSTRATOR” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>ExecUTOR or AdminiSTRATOR</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and “Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>

<b>Sr. No</b>	<b>Particulars</b>	
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.	<b>Special Resolution</b>
	(x) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(y) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(z) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(aa) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(bb) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
<b>3.</b>	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
	b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed	

Sr. No	Particulars	
	in the Act from time to time.	
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64of the Act.	<b>Increase of capital by the Company how carried into effect</b>
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.	<b>New Capital same as existing capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non Voting Shares</b>
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
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.	<b>Voting rights of preference shares</b>
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital	<b>Provisions to apply on issue of Redeemable Preference Shares</b>

Sr. No	Particulars	
	<p>Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	
10.	<p>The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11.	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	<b>Debentures</b>
12.	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	<b>Issue of Sweat Equity Shares</b>
13.	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>	<b>ESOP</b>
14.	<p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p>	<b>Buy Back of shares</b>
15.	<p>Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of</p>	<b>Consolidation, Sub-Division And Cancellation</b>

Sr. No	Particulars	
	smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
<b>MODIFICATION OF CLASS RIGHTS</b>		
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	<b>Modification of rights</b>
19.	The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
20.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>21.</b>	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
<b>22.</b>	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
<b>23.</b>	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
<b>24.</b>	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
<b>25.</b>	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc.to be a debt payable immediately.</b>
<b>26.</b>	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
<b>27.</b>	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
<b>28.</b>	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	<b>CERTIFICATES</b>	
<b>29.</b>	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the	<b>Share Certificates.</b>

Sr. No	Particulars	
	<p>Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
30.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new	Issue of new certificates in place of those defaced,

Sr. No	Particulars	
	<p>Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<b>lost or destroyed.</b>
<b>31.</b>	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	<b>The first named joint holder deemed Sole holder.</b>
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	<b>Maximum number of joint holders.</b>
<b>32.</b>	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>
<b>33.</b>	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
	<b>UNDERWRITING AND BROKERAGE</b>	
<b>34.</b>	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid	<b>Commission</b>

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	down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	
35.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
<b>CALLS</b>		
36.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
37.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
38.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
39.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
40.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
41.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
42.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has	<b>Sums deemed to be calls.</b>

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	been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	
43.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
44.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
45.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	
46.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time	<b>Company to have Lien on shares.</b>

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	in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	
47.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>
48.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
<b>FORFEITURE AND SURRENDER OF SHARES</b>		
49.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice may be given.</b>
50.	The notice shall name a day (not being less than fourteen days from	<b>Terms of notice.</b>

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	<p>the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	
51.	<p>If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.</p>	<b>On default of payment, shares to be forfeited.</b>
52.	<p>When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.</p>	<b>Notice of forfeiture to a Member</b>
53.	<p>Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.</p>	<b>Forfeited shares to be property of the Company and may be sold etc.</b>
54.	<p>Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.</p>	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
55.	<p>The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.</p>	<b>Effect of forfeiture.</b>
56.	<p>A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.</p>	<b>Evidence of Forfeiture.</b>
57.	<p>The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.</p>	<b>Title of purchaser and allottee of Forfeited shares.</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>58.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
<b>59.</b>	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
<b>60.</b>	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.	<b>Validity of sale</b>
<b>61.</b>	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
<b>62.</b>	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
<b>63.</b>	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	<b>Transfer Form.</b>
<b>64.</b>	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the	<b>Transfer not to be registered except on production of instrument of transfer.</b>

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	<p>transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p>	
65.	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p>	<b>Directors may refuse to register transfer.</b>
66.	<p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.</p>	<b>Notice of refusal to be given to transferor and transferee.</b>
67.	<p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.</p>	<b>No fee on transfer.</b>
68.	<p>The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p>	<b>Closure of Register of Members or debentureholder or other security holders.</b>
69.	<p>The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.</p>	<b>Custody of transfer Deeds.</b>
70.	<p>Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.</p>	<b>Application for transfer of partly paid shares.</b>

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71.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
72.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
73.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72of the Companies Act.	<b>Titles of Shares of deceased Member</b>
74.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
75.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may,	<b>Registration of persons entitled to share otherwise than by transfer.</b>

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	with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>(Transmission clause).</b>
76.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
77.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
78.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
79.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
80.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
	<b>NOMINATION</b>	
81.	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time,	<b>Nomination</b>

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	<p>nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	
82.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	Transmission of Securities by nominee
	<b>DEMATERIALIZATION OF SHARES</b>	
83.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	Dematerialisation of Securities
	<b>JOINT HOLDER</b>	
84.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	Joint Holders
85.	(a) The Joint holders of any share shall be liable severally as well	Joint and several

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	as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
<b>SHARE WARRANTS</b>		
<b>86.</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
<b>87.</b>	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	<b>Deposit of share warrants</b>
<b>88.</b>	(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	<b>Privileges and disabilities of the holders of share warrant</b>

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	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.	
89.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		
90.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	<b>Conversion of shares into stock or reconversion.</b>
91.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
92.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stock holders.</b>
93.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	<b>Regulations.</b>
<b>BORROWING POWERS</b>		
94.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>
95.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges	<b>Issue of discount etc. or with special privileges.</b>

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	and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	
96.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
97.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
98.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
99.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
<b>MEETINGS OF MEMBERS</b>		
100.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
101.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(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	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>

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	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.	
102.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
103.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
104.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
105.	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>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.</p> <p>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.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	<b>Chairman with consent may adjourn meeting.</b>
106.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
107.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
108.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
<b>VOTES OF MEMBERS</b>		

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109.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands ,upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
110.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
111.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for 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.	<b>Casting of votes by a member entitled to more than one vote.</b>
112.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
113.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
114.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
115.	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Votes of joint members.</b>
116.	Votes may be given either personally or by attorney or by proxy or	<b>Votes may be given</b>

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	in case of a company, by a representative duly Authorised as mentioned in Articles	<b>by proxy or by representative</b>
<b>117.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
<b>118.</b>	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
<b>119.</b>	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
<b>120.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
<b>121.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>

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<b>122.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
<b>123.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
<b>124.</b>	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>
<b>125.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
<b>DIRECTORS</b>		
<b>126.</b>	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	<b>Number of Directors</b>
<b>127.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
<b>128.</b>	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	<b>Nominee Directors.</b>
<b>129.</b>	The Board may appoint an Alternate Director to act for a Director	<b>Appointment of</b>

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	(hereinafter called “The Original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>alternate Director.</b>
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
131.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
132.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
133.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>		
134.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	<b>Meetings of Directors.</b>
135.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	<b>Chairperson</b>
136.	Questions arising at any meeting of the Board of Directors shall be	<b>Questions at Board</b>

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	decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>meeting how decided.</b>
137.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
138.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
139.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meetings how to be governed.</b>
140.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
141.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>
142.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
143.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in	<b>Power to fill casual vacancy</b>

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	whose place he is appointed would have held office if had not been vacated as aforesaid.	
<b>POWERS OF THE BOARD</b>		
144.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
145.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property , rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
	(5) To insure and keep insured against loss or damage by fire or	<b>To insure</b>

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	otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other	<b>To give Security by way of indemnity.</b>

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	powers, provisions, covenants and agreements as shall be agreed upon;	
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine or signing powers.</b>
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	<b>Transfer to Reserve Funds.</b>
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants,	<b>To appoint and remove officers and other</b>

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	<p>legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<b>employees.</b>
	<p>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p>	<b>To appoint Attorneys.</b>
	<p>(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p>	<b>To enter into contracts.</b>
	<p>(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.</p>	<b>To make rules.</b>
	<p>(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.</p>	<b>To effect contracts etc.</b>
	<p>(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's</p>	<b>To apply &amp; obtain concessions licenses etc.</b>

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	constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	
(25)	To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
(26)	To redeem preference shares.	<b>To redeem preference shares.</b>
(27)	To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
(28)	To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.	
(29)	To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
(30)	To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
(31)	To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.	
(32)	To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.	
(33)	From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the	

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	<p>possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
146.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/ Wholetime Directors.</b>
147.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be	<b>Remuneration of Managing or Wholetime</b>

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	fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Director.</b>
148.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
149.	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>

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	<p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	
<b>THE SEAL</b>		
150.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<b>The seal, its custody and use.</b>
151.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	<b>Deeds how executed.</b>
<b>Dividend and Reserves</b>		
152.	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<b>Division of profits.</b>
153.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>

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154.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
155.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
156.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
157.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
158.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
159.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
160.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
161.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
162.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
163.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent	<b>Dividends how remitted.</b>

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	<p>through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
<b>164.</b>	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
<b>165.</b>	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
<b>CAPITALIZATION</b>		
<b>166.</b>	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	<b>Capitalization.</b>
<b>167.</b>	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of</p>	<b>Fractional Certificates.</b>

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	<p>shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	
<b>168.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
<b>169.</b>	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
<b>FOREIGN REGISTER</b>		
<b>170.</b>	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
<b>DOCUMENTS AND SERVICE OF NOTICES</b>		
<b>171.</b>	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>

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172.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
<b>WINDING UP</b>		
173.	Subject to the provisions of Chapter XX of the Act and rules made thereunder— (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	
<b>INDEMNITY</b>		
174.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	<b>Directors' and others right to indemnity.</b>
175.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or	<b>Not responsible for acts of others</b>

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	effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
	<b>SECRECY</b>	
176.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>

## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the Prospectus has been delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Plot No. F-43 Basni Ist Phase, Jodhpur, 342001, Rajasthan, 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.

#### **Material Contracts**

1. Issue Agreement dated January 15, 2018 between our Company and the Lead Manager.
2. Agreement dated January 15, 2018 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated January 15, 2018 between our Company and Underwriter viz. Lead Manager.
4. Market Making Agreement dated January 15, 2018 between our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated January 15, 2018 amongst our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated April 27, 2018.
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated May 03, 2018.

#### **Material Documents**

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Resolution of the Board dated December 13, 2017 authorizing the Issue
3. Special Resolution of the shareholders passed at the EGM dated January 08, 2018 authorizing the Issue.
4. Statement of Tax Benefits dated February 05, 2018 issued by our Peer Reviewed Auditor M/s. N.K. Aswani & Co., Chartered Accountants.
5. Report of the Peer Reviewed Auditor, M/s. N.K. Aswani & Co, Chartered Accountants on the Restated Financial Statements for the period ended December 31, 2017.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Finance Officer, Statutory Auditors, Peer Reviewed Auditors, Legal Advisor to the Issue, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Company, Public Issue Bank/Bankers to the Issue And Refund Bankers to the Issue to act in their respective capacities.

7. Copy of approval from National Stock Exchange of India Limited *vide* letter dated March 05, 2018, to use the name of National Stock Exchange of India Limited in this offer document for listing of Equity Shares on EMERGE Platform of National Stock Exchange of India Limited.

None of the contracts or documents mentioned in this Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

Signed by all the Directors of our Company

Name and designation	Signature
<b>Goverdhan Das Lohiya</b> Chairman & Executive Director	<u>Sd-</u>
<b>Priti Lohiya</b> Managing Director	<u>Sd-</u>
<b>Ritesh Lohiya</b> Executive Director	<u>Sd-</u>
<b>Leela Lohiya</b> Non-Executive Director	<u>Sd-</u>
<b>Mahak Singhvi</b> Independent Director	<u>Sd-</u>
<b>Pankaj Baheti</b> Independent Director	<u>Sd-</u>

Signed by Chief Financial Officer and Company Secretary & Compliance Officer of the Company

Sd/-

**Ritesh Lohiya**

Chief Financial Officer

Sd/-

**Shivani Arora**

Company Secretary & Compliance Officer

Place: Jodhpur, Rajasthan

Date: May 31, 2018

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**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	South West Pinnacle Exploration Limited	35.85	78.00	February 19, 2018	93.60	3.72% (-2.45%)	0.13% (1.33%)	Not Applicable
2.	Macpower CNC Machines Limited	36.61	140.00	March 22, 2018	149.00	84.54% (4.44%)	Not Applicable	Not Applicable
3.	Benara Bearings and Pistons Limited	33.49	63.00	April 3, 2018	64.00	3.97% (5.41%)	Not Applicable	Not Applicable
4.	Soni Soya Products Limited	4.50	25.00	April 12, 2018	26.00	0.40% (3.33%)	Not Applicable	Not Applicable
5.	Vera Synthetic Limited	5.34	40.00	April 12, 2018	45.00	5.00% (3.33%)	Not Applicable	Not Applicable
6.	S.S. Infrastructure Development Consultants Limited	17.11	40.00	April 12, 2018	42.95	5.75% (3.33%)	Not Applicable	Not Applicable
7.	Mahickra Chemicals Limited	5.25	25.00	April 26, 2018	35.00	93.60% (-0.12%)	Not Applicable	Not Applicable
8.	Akshar Spintex Limited	26.99	40.00	May 11, 2018	40.00	Not Applicable	Not Applicable	Not Applicable
9.	Softtech Engineers Limited	22.81	80.00	May 11, 2018	88.00	Not Applicable	Not Applicable	Not Applicable
10.	Innovator Façade Systems Limited	40.76	72.00	May 24, 2018	72.00	Not Applicable	Not Applicable	Not Applicable

*Note:*

*Affordable Robotic & Automation Limited has registered its Red Herring Prospectus with Registrar of Companies.*

*Shree Vasu Logistics Limited, Nakoda Group of Industries Limited and Latteys Industries Limited have registered their Prospectus with Registrar of Companies and are in Process of listing.*

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

## SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
15-16	*9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	**24\$	204.56	-	-	5	5	3	8	-	1	5	10	1	6
17-18	***30\$\$	610.90	-	-	4	10	7	9	-	1	2	11	2	4
18-19	****8\$\$\$	156.25	-	-	-	1	-	4	-	-	-	-	-	-

\*The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

\*\*The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infracore Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016 December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

\*\*\*The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC

Machines Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018, February 19, 2018 and March 22, 2018 respectively.

\*\*\*\*The scripts of Benara Bearings and Pistons Limited, Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited and Innovator Façade Systems Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018, April 12, 2018, April 26, 2018, May 11, 2018, May 11, 2018 and May 24, 2018 respectively.

\$. As on 30th trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

\$\$ The scripts of One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited, Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 days, 180 Days and 180 Days respectively from the date of listing.

\$\$\$ The scripts of Benara Bearings and Pistons Limited, Soni Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Akshar Spintex Limited, Softtech Engineers Limited and Innovator Façade Systems Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 30 Days, 30 Days and 30 days respectively from the date of listing.

*Note: Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.*