



## TITANIUM TEN ENTERPRISE LIMITED

Our Company was incorporated as “Titanium Ten Enterprise Private Limited” at Surat, Gujarat as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated September 18, 2008 bearing Corporate Identification Number U52100GJ2008PTC055075 issued by Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on May 06, 2016 and the name of our Company was changed to “Titanium Ten Enterprise Limited” and a fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company dated June 2, 2016 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U52100GJ2008PLC055075. Our Company has applied for change of name to “Titanium Ten Enterprise Limited” and is awaiting a fresh Certificate of Incorporation consequent upon change of name. For details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapters titled ‘General Information’ and ‘Our History and Certain Other Corporate Matters’ beginning on page 67 and 169 respectively of this Draft Prospectus.

**Registered Office:** Shop No. 901/914, Rajhans Complex, 9th Floor, Ring Road, Surat - 395002, Gujarat, India  
**Tel. No.:** +91 261 2320240 **Fax No.:** +91 261 2321615

**Company Secretary and Compliance Officer of the Company:** Pashmina Chevli  
**Email:** [investors@titaniumten.co.in](mailto:investors@titaniumten.co.in); **Website:** [www.titaniumten.co.in](http://www.titaniumten.co.in)

### PROMOTERS OF OUR COMPANY: ROHITKUMAR KAPADIA AND ILABEN KAPADIA

| THE ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>PUBLIC ISSUE OF 18,16,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH (“EQUITY SHARES”) OF TITANIUM TEN ENTERPRISE LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 15 PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF RS. 5 PER EQUITY SHARE (THE “ISSUE PRICE”), AGGREGATING RS. 272.40 LAKHS (“THE ISSUE”), OF WHICH 96,000 EQUITY SHARES OF FACE VALUE RS. 10/- EACH FOR CASH AT A PRICE OF RS. 15 PER EQUITY SHARE, AGGREGATING RS. 14.40 LAKHS WILL BE RESERVED FOR SUBSCRIPTIONS BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 17,20,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. 15 PER EQUITY SHARE, AGGREGATING RS. 258.00 LAKHS IS HEREINAFTER REFERED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.99% AND 25.56% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.</b></p> |
| THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE OF RS. 15 IS 1.5 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>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 271 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.</b></p>                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>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 264 of this Draft Prospectus.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| RISKS IN RELATION TO FIRST ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>This being the first public issue of the Issuer, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs.10 and the Issue price of Rs. 15 per Equity Share is 1.5 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager as stated in the chapter titled ‘Basis for Issue Price’ beginning on page 102 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.</p>                                                                                                                                                                                                                                                   |
| GENERAL RISKS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. <b>Specific attention of the investors is invited to the section titled ‘Risk Factors’ beginning on page 17 of this Draft Prospectus.</b></p>                                                                                                                                                     |
| ISSUER’S ABSOLUTE RESPONSIBILITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to the Issuer and this Issue, which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect.</p>                                                                                                                                                                                                                                                                                                            |
| LISTING                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>The Equity Shares of our Company offered through this Draft Prospectus are proposed to be listed on the SME platform of BSE Limited (‘BSE’). In terms of the Chapter XB of the SEBI (ICDR) Regulations, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in this Issue. However, our Company has received an approval letter dated [•] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, SME Platform of the BSE shall be the Designated Stock Exchange.</p>                                                                                                                                                                                                                                                                                                                                                                         |

| LEAD MANAGER TO THE ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | REGISTRAR TO THE ISSUE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div style="display: flex; align-items: center;"> <div> <p><b>PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED</b><br/> 406-408, Keshva Premises, Behind Family Court<br/> Bandra Kurla Complex, Bandra (East)<br/> Mumbai - 400051<br/> <b>Tel:</b> +9122 6194 6724<br/> <b>Fax:</b> +9122 2659 8690<br/> <b>Website:</b> <a href="http://www.pantomathgroup.com">www.pantomathgroup.com</a><br/> <b>Email:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a><br/> <b>Investor Grievance Id:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a><br/> <b>Contact Person:</b> Ms. Kirti Kanoria<br/> <b>SEBI Registration No:</b> INM000012110</p> </div> </div> | <div style="display: flex; align-items: center;"> <div> <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b><br/> E2, Ansa Industrial Estate, Sakivihar Road<br/> Sakinaka, Andheri (East), Mumbai – 400 072<br/> <b>Tel:</b> +91 22 40430 200<br/> <b>Fax:</b> +91 22 28475 207<br/> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a><br/> <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a><br/> <b>Investor Grievance Id:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a><br/> <b>Contact Person:</b> Mr. Babu Raphael<br/> <b>SEBI Registration Number:</b> INR000001385</p> </div> </div> |

| ISSUE PROGRAMME      |                       |
|----------------------|-----------------------|
| ISSUE OPENS ON : [•] | ISSUE CLOSES ON : [•] |



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

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



## SECTION I – GENERAL DEFINITION AND ABBREVIATION

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

### Company Related Terms

| Term                                                                                                                            | Description                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Articles or Articles of Association or AOA                                                                                      | The Articles of Association of our Company, as amended from time to time                                                                                                                                                                            |
| Auditor or Statutory Auditor                                                                                                    | The Statutory Auditor of our Company, being M/s. DSI & Co., Chartered Accountants                                                                                                                                                                   |
| Peer Review Auditor                                                                                                             | The Peer Review Auditor of our Company, being Bipinchandra J Modi & Co, Chartered Accountants                                                                                                                                                       |
| Banker to our Company                                                                                                           | The South Indian Bank Limited                                                                                                                                                                                                                       |
| “Board” or “Board of Directors” or “our Board”                                                                                  | The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof                                                                                                                                               |
| Company Secretary and Compliance Officer                                                                                        | The Company Secretary and Compliance Officer of our Company being Pashmina Chevli                                                                                                                                                                   |
| Director(s)                                                                                                                     | The Director(s) of our Company, unless otherwise specified                                                                                                                                                                                          |
| Equity Shares                                                                                                                   | Equity Shares of our Company of face value of Rs. 10/- each fully paid up                                                                                                                                                                           |
| Equity Shareholders                                                                                                             | Persons / Entities holding Equity Shares of our Company                                                                                                                                                                                             |
| Group Companies                                                                                                                 | Such Companies as are included in the chapter titled “ <i>Our Group Companies</i> ” beginning on page 189 of this Draft Prospectus                                                                                                                  |
| Memorandum of Association or Memorandum or MOA                                                                                  | The Memorandum of Association of our Company, as amended from time to time                                                                                                                                                                          |
| “Promoter”, “Promoters” or “our Promoters”                                                                                      | Promoter of our Company being Rohitkumar Kapadia and Ilaben Kapadia                                                                                                                                                                                 |
| Promoter Group                                                                                                                  | Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and as disclosed in the chapter titled “ <i>Our Promoters and Promoter Group</i> ” on page 184 of this Draft Prospectus |
| Registered Office                                                                                                               | The Registered office of our Company situated at Shop No. 901/914, Rajhans Complex, 9 <sup>th</sup> Floor, Ring Road, Surat-395002, Gujarat, India                                                                                                  |
| RoC / Registrar of Companies                                                                                                    | Registrar of Companies, Gujarat at Ahmedabad, located at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013                                                                                                   |
| Shareholders                                                                                                                    | Shareholders of our Company                                                                                                                                                                                                                         |
| “Titanium Ten Enterprise Limited”, or “the Company” ,or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company” | Titanium Ten Enterprise Limited, a Public Limited company incorporated under the provisions of the Companies Act, 1956                                                                                                                              |



## Issue Related Terms

| Term                                                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allocation/ Allocation of Equity Shares              | The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Allotment/ Allot/ Allotted                           | Issue and allotment of Equity Shares of our Company pursuant to Issue of the Equity Shares to the successful Applicants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Allottee(s)                                          | Successful Applicant(s) to whom Equity Shares of our Company have been allotted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Applicant                                            | Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Application Amount                                   | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Prospectus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Application Collecting Intermediaries                | <ol style="list-style-type: none"> <li>1. a 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 recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)(‘broker’) if any</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 in terms of which the prospective investors shall apply for our Equity Shares in the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| ASBA / Application Supported by Blocked Amount       | Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| ASBA Account                                         | Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| ASBA Application Location(s) / Specified Cities      | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| ASBA Investor/ASBA applicant                         | Any prospective investor(s) / applicants(s) in this Issue who apply(ies) through the ASBA process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Banker/Refund Banker to the Issue/ Public Issue Bank | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account and Refund Account will be opened and in this case being ICICI Bank Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 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 BSE on the following link: <a href="http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=6">http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=6</a>                                                                                                                                                                                                        |
| Basis of Allotment                                   | The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Issue Procedure” beginning on page 271 of this Draft Prospectus                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



| Term                                             | Description                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Collecting Centres                               | Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs                                                                                                                   |
| Controlling Branch                               | Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <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                           | A Depository Participant as defined under the Depositories Act, 1996                                                                                                                                                                                                                                                                                                                               |
| Designated Branches                              | Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on <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 Date                                  | The date on which the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account or the amount is unblocked in the ASBA Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted to the successful Applicants                                                                                                     |
| Designated 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 respective websites 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 Stock Exchange                        | SME Platform of BSE Limited                                                                                                                                                                                                                                                                                                                                                                        |
| Draft Prospectus                                 | The Draft Prospectus dated June 9, 2016 issued in accordance with section 26 of the Companies Act, 2013 and filed with the BSE under SEBI (ICDR) Regulations                                                                                                                                                                                                                                       |
| Eligible NRIs                                    | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein                                                                                                                                                                    |
| 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.                                                                                                                                                                                                                |
| First/ Sole Applicant                            | The Applicant whose name appears first in the Application Form or Revision Form                                                                                                                                                                                                                                                                                                                    |
| 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.                                                                                                                                                                                                                        |
| Issue/ Issue Size/ Initial Public Offer/ Initial | Public Issue of 18,16,000 Equity Shares of face value of Rs. 10 each fully paid of Titanium Ten Enterprise Limited for cash at                                                                                                                                                                                                                                                                     |





| Term                             | Description                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Offering/ IPO             | a price of Rs 15 per Equity Share (including a premium of Rs. 5 per Equity Share) aggregating Rs. 272.40 lakhs.                                                                                                                                                                                                                                                                                                     |
| Issue Agreement                  | The agreement dated June 3, 2016 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.                                                                                                                                                                                                                                                           |
| Issue Closing date               | The date on which Issue Closes for Subscription                                                                                                                                                                                                                                                                                                                                                                     |
| Issue Opening Date               | The date on which Issue Opens for Subscription                                                                                                                                                                                                                                                                                                                                                                      |
| Issue Period                     | The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application                                                                                                                                                                                                                                                     |
| Issue Price                      | The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 15 per Equity Share of face value of Rs. 10 each fully paid                                                                                                                                                                                                                                              |
| Issue Proceeds/Gross Proceeds    | Proceeds from the Issue that will be available to our Company, being Rs. 272.40 Lakhs                                                                                                                                                                                                                                                                                                                               |
| Lead Manager / LM                | Lead Manager to the Issue in this case being Pantomath Capital Advisors Private Limited, SEBI registered Category I Merchant Banker                                                                                                                                                                                                                                                                                 |
| Listing Agreement                | The Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited                                                                                                                                                                                                                                                                                                                   |
| Market Making Agreement          | Market Making Agreement dated June 3, 2016 between our Company, Lead Manager and Market Maker.                                                                                                                                                                                                                                                                                                                      |
| Market Maker                     | Market Maker appointed by our Company from time to time, in this case being Rikhav Securities 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 96,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs 15 per Equity Share aggregating Rs. 14.40 lakhs for the Market Maker in this Issue                                                                                                                                                                                                                   |
| Mutual Fund(s)                   | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time                                                                                                                                                                                                                                                                                                    |
| NIF                              | National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India                                                                                                                                                                                                                                                                |
| Net Issue                        | The Issue (excluding the Market Maker Reservation Portion) of 17,20,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs 15 per Equity Share aggregating Rs. 258.00 lakhs by our Company                                                                                                                                                                                             |
| Net Proceeds                     | The Issue Proceeds, less the Issue related expenses, received by the Company.                                                                                                                                                                                                                                                                                                                                       |
| Non Institutional Investors      | All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000                                                                                                                                                                                                                                               |
| OCB/ Overseas Corporate Body     | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue |



| Term                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Person/ Persons                                               | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires                                                                                                                                                                                                                                                          |
| Prospectus                                                    | The Prospectus to be filed with RoC containing, <i>inter-alia</i> , the issue size, the issue opening and closing dates and other information                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Public Issue Account                                          | Account opened with the Banker to the Issue i.e. 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/ Banker to the Issue Agreement | Agreement entered on June 3, 2016 amongst our Company, Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Application Amount on the terms and conditions thereof.                                                                                                                                                                                                                                                                                                                                                                                               |
| Qualified Institutional Buyers or QIBs                        | Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Refund Account                                                | Account to which Application monies to be refunded to the Applicants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Refund Bank / Refund Banker                                   | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited.                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Refund through electronic transfer of funds                   | Refund through ASBA process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Registered Broker                                             | Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell 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="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a> |
| Registrar /Registrar to the Issue                             | Registrar to the Issue, in this case being Bigshare Services Private Limited having registered office at E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai– 400 072, India                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Retail Individual Investor                                    | Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i> ), who apply for an amount less than or equal to Rs 2,00,000                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Revision Form                                                 | The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| SCSB/ Self Certified Syndicate Banker                         | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised</a>                                                                                                                                                                                           |





| Term                     | Description                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | <a href="#">Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time                                                                                                                                                                                                                                                            |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015                                                                                                                                                                                                                                                        |
| SME Platform of BSE      | The SME Platform of BSE for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011                                                                                                                                                                                  |
| Specified Locations      | Collection centres where the SCSBs shall accept application form, 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 June 3, 2016 entered into between the Underwriter and our Company                                                                                                                                                                                                                                                                             |
| Working Day              | (i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday;<br>(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 Related Terms

| Term          | Description                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------|
| ARMs          | Additional Revenue Measures                                                                                     |
| ASEAN         | Association of Southeast Asian Nations                                                                          |
| ASPIRE        | A scheme for Promoting Innovation and Rural Entrepreneurs                                                       |
| ASSOCHAM      | The Associated Chambers of Commerce and Industry of India                                                       |
| BBB           | Better Business Bureaus                                                                                         |
| BC            | Before Christ                                                                                                   |
| BMW           | Bayerische Motoren Werke AG                                                                                     |
| BSE           | Bombay Stock Exchange                                                                                           |
| BSE SENSEX    | Sensex is an index; market indicator of the position of stock that is listed in the BSE (Bombay Stock Exchange) |
| BTRA          | The Bombay Textile Research Association                                                                         |
| CAGR          | Compound Annual Growth Rate                                                                                     |
| CAP           | Corrective Action Plan                                                                                          |
| CARE          | Credit Analysis and Research Limited (CARE Ratings)                                                             |
| CEO           | Chief Executive Officer                                                                                         |
| CGTMSE        | Credit Guarantee Trust Fund for Micro and Small Enterprises                                                     |
| CLCSS         | Credit Linked Capital Subsidy Scheme                                                                            |
| CMIE          | Centre For Monitoring Indian Economy                                                                            |
| CoE           | Centre for Excellence                                                                                           |
| CPI           | Consumer Price Index                                                                                            |
| Credit Suisse | Credit Suisse Business Analytics India                                                                          |
| CSO           | Central Statistics Office                                                                                       |
| CY            | Current Year                                                                                                    |
| DoNER         | Ministry of Development of North Eastern Region                                                                 |
| EIEs          | Emerging Industrial Economies                                                                                   |
| EMDEs         | Emerging Market and Developing Economies                                                                        |
| EMEs          | Emerging Market Economies                                                                                       |
| FDI           | Foreign Direct Investment                                                                                       |
| FICCI         | Federation of Indian Chambers of Commerce and Industry                                                          |



| Term       | Description                                                |
|------------|------------------------------------------------------------|
| FOB        | Freight on Board or Free on Board                          |
| FPI        | Foreign Portfolio Investment                               |
| FY         | Financial Year                                             |
| FYP        | Five Year Plan                                             |
| GDP        | Gross Domestic Product                                     |
| GST        | Goods and Services Tax                                     |
| GVA        | Gross Value Added                                          |
| HDPE       | High-Density Polyethylene                                  |
| HTC        | High Tech Computer Corporations                            |
| IBEF       | India Brand Equity Foundation                              |
| IIP        | Index of Industrial Production                             |
| IMF        | International Monetary Fund                                |
| JV         | Joint Venture                                              |
| LDPE       | Low-Density Polyethylene                                   |
| LLDPE      | Linear Low-Density Polyethylene                            |
| MAI        | Market Access Initiative                                   |
| MAT        | Minimum Alternate Tax                                      |
| MDA        | Market Development Assistance Scheme                       |
| MMF        | Man Made Fibre                                             |
| MMFY       | Man-Made Filament Yarns                                    |
| Mn         | Million                                                    |
| M-o-M      | Month-On-Month                                             |
| MoS        | Minister of State                                          |
| MoU        | Memorandum of Understanding                                |
| MSECDP     | Micro and Small Enterprises- Cluster Development Programme |
| MSMEs      | Micro, Small and Medium Enterprises                        |
| MT         | Million Tones                                              |
| MUDRA      | Micro Unit Development & Refinance Agency Limited          |
| MYEA       | Mid-Year Economic Analysis                                 |
| NER        | North East Region                                          |
| NITI Aayog | National Institution for Transforming India Aayog          |
| NITRA      | Northern India Textile Research Association                |
| NMP        | National Manufacturing Policy                              |
| OIL        | Oil India Limited                                          |
| ONGC       | Oil and Natural Gas Corporation                            |
| PC         | Pay Commission                                             |
| PMEGP      | Prime Minister's Employment Generation Programme           |
| PMI        | Purchasing Managers' Index                                 |
| PMMY       | Pradhan Mantri MUDRA Yojana                                |
| PMO        | Prime Minister's Office                                    |
| PPP        | Purchasing Power Parity                                    |
| PVC        | Polyvinyl Chloride                                         |
| RIL        | Reliance Industries Ltd                                    |
| RIRI       | Rational Investor Ratings Index                            |
| RMG        | Readymade Garments                                         |
| RRTUFS     | Revised Restructured Technology Up gradation Fund Scheme   |
| SASMIRA    | The Synthetic and Art Silk Mills' Research Association     |
| SFURTI     | Scheme of Fund for Regeneration of Traditional Industries  |
| SITP       | The Scheme for Integrated Textile Parks                    |
| SITRA      | The South India Textile Research Association               |
| SMEs       | Small And Medium Enterprises                               |
| TADF       | Technology Acquisition and Development Fund                |



| Term              | Description                                                             |
|-------------------|-------------------------------------------------------------------------|
| Texprocil         | The Cotton Textiles Export Promotion Council                            |
| TMTT              | Technology Mission on Technical Textiles                                |
| TUFS              | Technology Up gradation Fund Scheme                                     |
| UAM               | Udyog Aadhaar Memorandum                                                |
| UAN               | Udyog Aadhaar Number                                                    |
| UK                | United Kingdom                                                          |
| UMHW Polyethylene | Ultra-High-Molecular-Weight Polyethylene                                |
| UNIDO             | United Nations Industrial Development Organisation                      |
| UP                | Uttar Pradesh                                                           |
| US Fed            | United States Federal Reserve                                           |
| US\$/ US dollar   | United States Dollar, the official currency of United States of America |
| US/ U.S./ USA     | United States of America                                                |
| WEO               | World Economic Outlook                                                  |
| WIL               | Welspun India Ltd                                                       |
| WPI               | Wholesale Price Index                                                   |

### Conventional and General Terms / Abbreviations

| Term                | Description                                                                                                                                                                           |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A/C                 | Account                                                                                                                                                                               |
| AGM                 | Annual General Meeting                                                                                                                                                                |
| AIF                 | Alternative Investments Fund                                                                                                                                                          |
| AS                  | Accounting Standards as issued by the Institute of Chartered Accountants of India                                                                                                     |
| A.Y.                | Assessment Year                                                                                                                                                                       |
| BSE                 | BSE Limited                                                                                                                                                                           |
| CAGR                | Compounded Annual Growth Rate                                                                                                                                                         |
| CDSL                | Central Depository Services (India) Limited                                                                                                                                           |
| CFO                 | Chief Financial Officer                                                                                                                                                               |
| CMD                 | Chairman and Managing Director                                                                                                                                                        |
| CIN                 | Corporate Identification Number                                                                                                                                                       |
| Companies Act       | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.             |
| Companies Act, 2013 | The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections                                                                                 |
| Depositories        | NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time |
| Depositories Act    | The Depositories Act, 1996, as amended from time to time.                                                                                                                             |
| DIN                 | Director Identification Number                                                                                                                                                        |
| DP                  | Depository Participant                                                                                                                                                                |
| DP ID               | Depository Participant's Identity                                                                                                                                                     |
| EBIDTA              | Earnings before interest, depreciation, tax, amortization and extraordinary items                                                                                                     |
| ECS                 | Electronic Clearing Services                                                                                                                                                          |
| EGM                 | Extraordinary General Meeting                                                                                                                                                         |
| ESIC                | Employee State Insurance Corporation                                                                                                                                                  |
| ESOP                | Employee Stock Ownership Plan                                                                                                                                                         |
| ESPS                | Employee Stock Purchase Scheme                                                                                                                                                        |
| EPS                 | Earnings Per Share                                                                                                                                                                    |
| FDI                 | Foreign Direct Investment                                                                                                                                                             |
| FCNR Account        | Foreign Currency Non Resident Account                                                                                                                                                 |



| Term                                                        | Description                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FEMA                                                        | Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under                                                                                                                                                                             |
| FII(s)                                                      | Foreign Institutional Investors                                                                                                                                                                                                                                                       |
| FIs                                                         | Financial Institutions                                                                                                                                                                                                                                                                |
| FIPB                                                        | The Foreign Investment Promotion Board, Ministry of Finance, Government of India                                                                                                                                                                                                      |
| FPI(s)                                                      | Foreign Portfolio Investor                                                                                                                                                                                                                                                            |
| FVCI                                                        | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000                                                                                                                                     |
| F.Y./FY                                                     | Financial Year                                                                                                                                                                                                                                                                        |
| GAAP                                                        | Generally Accepted Accounting Principles                                                                                                                                                                                                                                              |
| GDP                                                         | Gross Domestic Product                                                                                                                                                                                                                                                                |
| GIR Number                                                  | General Index Registry number                                                                                                                                                                                                                                                         |
| GoI/ Government                                             | Government of India                                                                                                                                                                                                                                                                   |
| HNI                                                         | High Networth Individual                                                                                                                                                                                                                                                              |
| HUF                                                         | Hindu Undivided Family                                                                                                                                                                                                                                                                |
| ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time                                                                                                                                                                                    |
| Indian GAAP                                                 | Generally Accepted Accounting Principles in India                                                                                                                                                                                                                                     |
| ICAI                                                        | Institute of Chartered Accountants of India                                                                                                                                                                                                                                           |
| IFRS                                                        | International Financial Reporting Standards                                                                                                                                                                                                                                           |
| IPO                                                         | Initial Public Offering                                                                                                                                                                                                                                                               |
| IT Rules                                                    | The Income Tax Rules, 1962, as amended from time to time                                                                                                                                                                                                                              |
| INR                                                         | Indian National Rupee                                                                                                                                                                                                                                                                 |
| Key Managerial Personnel/KMP                                | The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 172 of this Draft Prospectus                                                                                                                   |
| LPH                                                         | litre per hour                                                                                                                                                                                                                                                                        |
| Ltd.                                                        | Limited                                                                                                                                                                                                                                                                               |
| MD                                                          | Managing Director                                                                                                                                                                                                                                                                     |
| Mtr                                                         | Meter                                                                                                                                                                                                                                                                                 |
| N/A or N.A.                                                 | Not Applicable                                                                                                                                                                                                                                                                        |
| NAV                                                         | Net Asset Value                                                                                                                                                                                                                                                                       |
| NECS                                                        | National Electronic Clearing Services                                                                                                                                                                                                                                                 |
| NEFT                                                        | National Electronic Fund Transfer                                                                                                                                                                                                                                                     |
| Net Worth                                                   | The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account |
| NOC                                                         | No Objection Certificate                                                                                                                                                                                                                                                              |
| NR                                                          | Non Resident                                                                                                                                                                                                                                                                          |
| NRE Account                                                 | Non Resident External Account                                                                                                                                                                                                                                                         |
| NRI                                                         | Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time                 |
| NRO Account                                                 | Non Resident Ordinary Account                                                                                                                                                                                                                                                         |
| NSDL                                                        | National Securities Depository Limited                                                                                                                                                                                                                                                |
| p.a.                                                        | per annum                                                                                                                                                                                                                                                                             |
| PAN                                                         | Permanent Account Number                                                                                                                                                                                                                                                              |



| Term                                                             | Description                                                                                                                                                           |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAT                                                              | Profit After Tax                                                                                                                                                      |
| Pvt.                                                             | Private                                                                                                                                                               |
| PBT                                                              | Profit Before Tax                                                                                                                                                     |
| P/E Ratio                                                        | Price Earnings Ratio                                                                                                                                                  |
| QIB                                                              | Qualified Institutional Buyer                                                                                                                                         |
| RBI                                                              | Reserve Bank of India                                                                                                                                                 |
| RBI Act                                                          | The Reserve Bank of India Act, 1934, as amended from time to time                                                                                                     |
| RoNW                                                             | Return on Net Worth                                                                                                                                                   |
| Rs. / INR                                                        | Indian Rupees                                                                                                                                                         |
| RTGS                                                             | Real Time Gross Settlement                                                                                                                                            |
| SCRA                                                             | Securities Contracts (Regulation) Act, 1956                                                                                                                           |
| SCRR                                                             | Securities Contracts (Regulation) Rules, 1957                                                                                                                         |
| SCSB                                                             | Self Certified Syndicate Bank                                                                                                                                         |
| SEBI                                                             | Securities and Exchange Board of India                                                                                                                                |
| SEBI Act                                                         | Securities and Exchange Board of India Act, 1992, as amended from time to time                                                                                        |
| SEBI Insider Trading Regulations                                 | The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time |
| SEBI Takeover Regulations / Takeover Regulations / Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011                                                            |
| SICA                                                             | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time                                                                                |
| SME                                                              | Small Medium Enterprise                                                                                                                                               |
| SSI Undertaking                                                  | Small Scale Industrial Undertaking                                                                                                                                    |
| Stock Exchange(s)                                                | SME Platform of BSE Limited                                                                                                                                           |
| Sq.                                                              | Square                                                                                                                                                                |
| Sq. mtr                                                          | Square Meter                                                                                                                                                          |
| TAN                                                              | Tax Deduction Account Number                                                                                                                                          |
| TRS                                                              | Transaction Registration Slip                                                                                                                                         |
| TIN                                                              | Taxpayers Identification Number                                                                                                                                       |
| TNW                                                              | Total Net Worth                                                                                                                                                       |
| u/s                                                              | Under Section                                                                                                                                                         |
| UIN                                                              | Unique Identification Number                                                                                                                                          |
| US/ U.S./ USA/ United States                                     | United States of America                                                                                                                                              |
| USD or US\$                                                      | United States Dollar                                                                                                                                                  |
| U.S. GAAP                                                        | Generally accepted accounting principles in the United States of America                                                                                              |
| UOI                                                              | Union of India                                                                                                                                                        |
| WDV                                                              | Written Down Value                                                                                                                                                    |
| WTD                                                              | Whole-time Director                                                                                                                                                   |
| w.e.f.                                                           | With effect from                                                                                                                                                      |
| YoY                                                              | Year over year                                                                                                                                                        |

Notwithstanding the following: -

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 315 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;



- ii. In the chapter titled “*Financial Statements as Restated*” beginning on page 194 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that chapter;
- iii. In the section titled “*Risk Factors*” beginning on page 17 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 105 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that chapter; and

In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 228 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that chapter.





## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 194 this Draft Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 194 of this Draft Prospectus.

### CURRENCY OF PRESENTATION

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

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

### INDUSTRY AND MARKET DATA

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

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

Although we believe that industry data used in this Draft Prospectus is reliable, it has not been independently verified by the Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on



various factors, including those discussed in the section titled "*Risk Factors*" on page 17 of this Draft Prospectus. Accordingly, investment decisions should not be based solely on such information.

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



## FORWARD LOOKING STATEMENT

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

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

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

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



## SECTION II – RISK FACTORS

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

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 137, “*Our Industry*” beginning on page 108 and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 228 respectively, of this Draft Prospectus as well as other financial information contained herein.

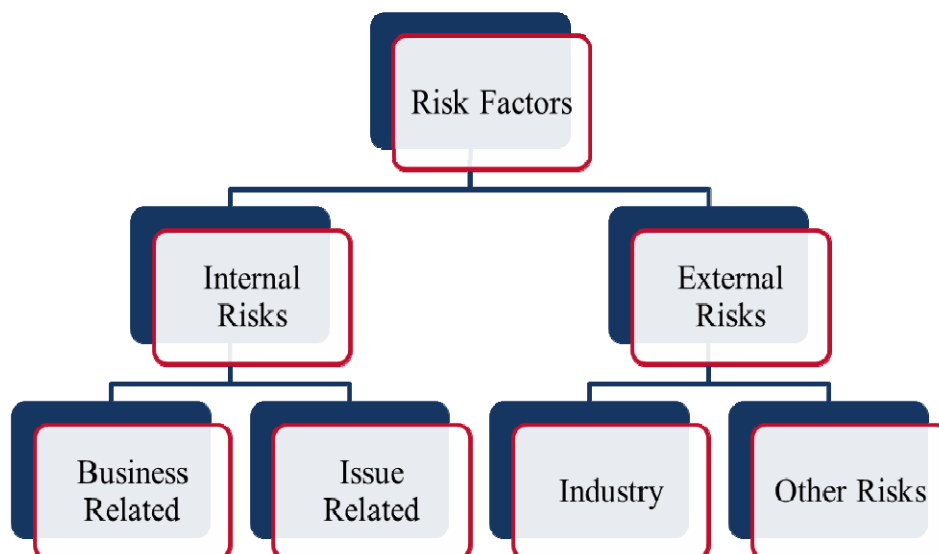
The following factors have been considered for determining the materiality of Risk Factors:

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

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



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



## Internal Risks

### Business Related

- 1. There are certain tax related proceedings and claims involving our Chief Executive Officer and the same are pending at different stages before the Judicial / Statutory authorities. Any adverse rulings by such authorities against our chief executive officer may have an adverse material impact on our business operations.**

Our Chief Executive Officer (CEO) Mr Tejus Kapadia is involved in the proceedings under Customs Act, 1962 and is in the process of filing appeal in the High Court against the Commissioner of Customs (Import), Nhavasheva in the matter relating to differential amount of Customs Duty in one of the High Seas Sale transaction done by his proprietary concern. Further, Notices have been issued under Income Tax Act, 1961 for the payment of outstanding demand which are pending with Income Tax Department; any adverse decision in such proceedings may adversely affect our business operations. Also, there is no assurance that in future, we, our promoters, our directors or group companies may not face legal proceedings; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Companies see the chapter titled “*Outstanding Litigation and Material Developments*” on page 240 of this Draft Prospectus.

Except as mentioned above, there are no legal proceedings by or against our Company, Directors, Promoters or Group Companies. 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>             |                      |                                |                 |                 |                     |                                              |                                          |
| <b>By the Company</b>      | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil                                          | Nil                                      |
| <b>Against the Company</b> | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil                                          | Nil                                      |
| <b>Promoters</b>           |                      |                                |                 |                 |                     |                                              |                                          |
| <b>By the Promoter</b>     | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil                                          | Nil                                      |



| 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) |
|---------------------------------------|----------------------|--------------------------------|-----------------|-----------------|---------------------|----------------------------------------------|------------------------------------------|
| Against the Promoter                  | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil                                          | Nil                                      |
| <b>Group Companies</b>                |                      |                                |                 |                 |                     |                                              |                                          |
| By Group Companies                    | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil                                          | Nil                                      |
| Against Group Companies               | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil                                          | Nil                                      |
| <b>Directors other than promoters</b> |                      |                                |                 |                 |                     |                                              |                                          |
| By the Directors                      | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil                                          | Nil                                      |
| Against the Directors                 | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil                                          | Nil                                      |
| <b>Other Significant Persons</b>      |                      |                                |                 |                 |                     |                                              |                                          |
| By them                               | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil                                          | Nil                                      |
| Against them                          | Nil                  | Nil                            | 6               | Nil             | Nil                 | Nil                                          | 91.30                                    |

\*N.A. = Not Applicable

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

Our products are based on fashion as well specific needs of customers. We also undertake research activities with our yarn suppliers to ensure that varied range of fabrics are produced. Our purchase and sales model includes various intermediaries who may connect with our competitors and share details of the specialties of our products. We may not be able to protect our trade secrets and may not be able to detect the same as well. We have not entered into any non-disclosure agreements with our intermediaries and thus our efforts towards our marketing and manufacturing research activities may be leaked to other players in the market. This may affect the demand and exclusivity of our products and make us subject to fierce competition thereby adversely affecting our business, financial condition and results of operations.

**3. Our Company has purchased second hand machinery from overseas vendors.**

Our Company owns certain second hand machines purchased from overseas vendors. Our Company may not have been able to obtain adequate warranty/ guarantee from the vendors of such machines. Our Company may not, also, be able to source replacements / spare parts for such machines easily or at all, as and when required. This may result in delay/stoppages of our business operations. We may also have to look for replacement of such machines entailing substantial capital expenditure. Any such adverse developments may have a material and adverse effect on our financial condition and results of operations.

Also the speed and efficiency of a second hand machine differs from that of a new machine. The quality and precision of knitting of fabric is partially dependent on the speed of operation of machines. It may be possible that our process of knitting and quality may be affected by usage of such second hand machinery thereby affecting our sales and results of operations.



**4. Our trading activities contribute majority of our revenue from operations.**

Our Company is engaged in manufacturing as well as trading of yarn, grey cloth and fabrics. As at December 31 2015, March 31, 2015 and March 31, 2014 our turnover from trading operations contributed to 89.89%, 85.06% and 87.24% respectively of our total revenue from operations. As the fundamental law of trading demands huge dependence on suppliers, our trading operations shall remain vulnerable to the extent of such dependence. Any irregularities, shortfall in supplies, delays in trading cycles, inability to procure or deliver the traded goods may adversely affect our financial condition and results of operations.

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

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers nor has any marketing tie up for our products. 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.

**6. Any fluctuation in the prices and demand of our basic raw materials i.e. Synthetic Yarn will affect our manufacturing costs which could adversely affect our revenues and results of operations.**

We have no control on the prices of Synthetic Yarn which is our basic raw material and also forms part of our export sales. The prices of yarn could fluctuate due to limited availability and demand. Such fluctuations in prices of raw material and our inability to negotiate at optimum market rates may affect our profitability. We typically do not enter into any long term supply agreements with our suppliers. We may be unable to control the factors affecting the price at which we procure our raw material. 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.

**7. Underutilization of capacity of our existing manufacturing facility may adversely affect our business, results of operations and financial condition.**

The capacities of various product types at our manufacturing plant have not been fully utilized over the last three financial years, the details of which are as follows:

| Product Name          | Actual    |         |         |
|-----------------------|-----------|---------|---------|
|                       | 2012-13   | 2013-14 | 2014-15 |
| Knitted Fabrics (kgs) | 556670.22 | 289313  | 483352  |
| Sized Beam Yarn (kgs) | 9204.05   | 8455    | 10248   |
| Grey Cloth (mtrs)     | 350105.25 | 47284   | 0       |

**\*Above data Includes figures for capacity utilised for job-work contracts as well.**

Our Company currently has installed production capacity of about 6 Lakhs kgs p.a. of knitted fabrics, which is currently being under utilised. Due to lack of working capital and financial capabilities, we have not been fully utilising these capacities and we cannot assure that we shall be able to utilize our existing or proposed manufacturing facilities to their full capacity or up to an optimum capacity. Non-utilisation of the same may lead to loss of profits or can result in lower than expected margins, and may adversely affect our business, results of operations and financial condition. Our management aims to enhance utilisation of existing production capacity which again is subject to several variables like availability of raw material, power, proper working of machinery, orders on hand, supply / demand, manpower, etc.





8. *We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favourable terms at a future date, may have an adverse effect on our operations, profitability and growth prospects*

Our business demands substantial funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, at a future date, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

Summary of our working capital position is given below:

*Amount (Rs. In Lakhs)*

| Particulars                                           | For the year ended March 31, |          |          |          |          | For the period ended December 2015 |
|-------------------------------------------------------|------------------------------|----------|----------|----------|----------|------------------------------------|
|                                                       | 2011                         | 2012     | 2013     | 2014     | 2015     |                                    |
| <b>A. Current Assets</b>                              |                              |          |          |          |          |                                    |
| a. Inventories                                        | 146.17                       | 637.07   | 252.18   | 437.67   | 274.65   | 481.17                             |
| b. Trade Receivables                                  | 1,079.33                     | 1,625.09 | 2,688.16 | 2,103.14 | 3,925.08 | 2,373.48                           |
| c. Cash and Cash Equivalents                          | 210.86                       | 297.79   | 359.67   | 357.52   | 375.08   | 382.50                             |
| d. Short Term Loans & Advances                        | 14.97                        | 27.05    | 14.10    | 12.64    | 20.44    | 13.41                              |
| <b>B. Current Liabilities</b>                         |                              |          |          |          |          |                                    |
| a. Trade Payables                                     | 384.76                       | 578.35   | 1003.87  | 365.61   | 2032.43  | 745.88                             |
| b. Other Current Liabilities                          | 44.69                        | 47.37    | 67.85    | 69.63    | 77.15    | 152.08                             |
| c. Short Term Provisions                              | 12.66                        | 22.28    | 17.27    | 17.51    | 21.13    | 12.45                              |
| <b>Working Capital (A-B)</b>                          | 1,009.22                     | 1,938.99 | 2,225.11 | 2,458.20 | 2,464.55 | 2,340.15                           |
| <b>Inventories as % of total current assets</b>       | 10.07%                       | 24.63%   | 7.61%    | 15.04%   | 5.98%    | 14.80%                             |
| <b>Trade receivables as % of total current assets</b> | 74.37%                       | 62.82%   | 81.11%   | 72.25%   | 85.42%   | 73.02%                             |

Our Working capital requirements are in line with the industry standards. The textile industry is working capital intensive and involves a lot of investment in trade receivables and inventory. We intend to continue growing by reaching to other geographical areas. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page 96 of this Draft Prospectus.

#### 9. *Ours is a High Volume-Low Margin Business*

Our Company is into the growing phase of business cycle. Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to raw material procurement, timely sales / order execution and continuous cost control of non core activities. For the period ended on December 31, 2015 and for the financial year 2014-15, 2013-14 and 2012-13 our revenue was Rs. 6,533.21 lakhs, 10,471.50 lakhs, 10,426.78 lakhs and 9,586.25 lakhs respectively. Our Profit before Tax Margin and Profit after Tax Margin were lower than 1% for



each period. As part of our growth strategy, we have already initiated steps for increase our revenue of operations, and cater to wider markets. Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. For further details regarding the discussions and explanations for our past results, please refer to the chapter titled “*Management’s Discussions and Analysis of Financial Condition and Results of Operations*” beginning on page 228 of this Draft Prospectus.

**10. *Our dependence on imported raw materials may affect our profitability. We are also subject to risks arising from exchange rate fluctuations.***

Our raw material requirement is met by procuring the same from international suppliers. Presently, we are the authorized representative of an Indonesian supplier, for the sales of yarn in the Surat textile market. There is a possibility that we may lose this advantage if our international supplier enters into such exclusive supply agreements with our competitors. Our dependence on imports may adversely affect our profitability in case there may be a strain in trade relations of India with any of the supplying countries from where raw materials are imported or the suppliers face any sort of problems due to internal issues of producing countries.

We incur expenses in foreign currencies during the normal course of business for purchasing products from our global suppliers at mutually agreed prices. Further, on the export of our products we 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. Fluctuations in the exchange rates may affect our Company to the extent of cost of goods and sales in foreign currency terms. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect our Company’s results of operations.

**11. *Disclosure relating to Promoter Group of our Company does not include entity(ies) in which certain of our Promoters’ relatives may have an interest.***

Our Promoter Group includes persons who by virtue of being relatives fall under the definition of “immediate relatives” but, as such, do not form part of the “Promoter Group” of the Company. Moreover, the said relatives do not own any shareholding in our Company.

| Relationship with Promoter | Rohitkumar Kapadia  | Ilaben Kapadia      |
|----------------------------|---------------------|---------------------|
| Brother                    | -                   | Munnesh Choksi      |
| Brother                    | -                   | Kamal Choksi        |
| Sister                     | Surekhaben Marfatia | Daxaben Sutaria     |
| Spouse's Brother           | Munnesh Choksi      | -                   |
| Spouse's Brother           | Kamal Choksi        | -                   |
| Spouse's Sister            | Daxaben Sutaria     | Surekhaben Marfatia |

There is an informal business disassociation with the aforesaid relatives and our Promoters vide declaration cum affidavit dated May 27, 2016 has submitted that information related to business/financial interest held by the said relatives is not accessible for the purpose of disclosure in this Draft Prospectus. Therefore, the disclosures made in this Draft Prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group.



**12. Currently we have an aggregate outstanding export obligation of Rs. 516.04 Lacs, which needs to be fulfilled between the years 2018 to 2021. Failure to meet export obligation would entail payment of the amount of duty saved together with interest.**

Currently, we have an outstanding export obligation of Rs. 516.04 Lacs which needs to be fulfilled between the years 2018 to 2021. This amount pertains to various procured capital assets imported at concessional rate of import duty under the EPCG scheme. For further information of details of the licenses and outstanding export obligations please refer chapter titled “Our Business” beginning on page 137 of this Draft Prospectus.

**13. In previous years, our Company had ventured into diversified business avenues but has not continued into such business ventures at present.**

Our Company had ventured into sale of diamonds in the Financial Years 2011-12 and 2012-13 and had purchased stock of chemicals in in the Financial Year 2011-12. We have not been able to achieve success in these lines of business and such operations do not form part of the core business of our Company. Although the Company had generated revenue from such operations in previous years, we will not be continuing into these businesses other than for sale of stock in possession, if any. Also, we may not be able to sell such stock at profitable prices which may cause our Company to incur losses.

**14. Negative trend in the Synthetic Textiles Sector has been impacting and contributing to the stagnation in growth prospects of our business operations.**

As per a past and recent market reports, due to market conditions of the synthetic textile sector such as continuing overcapacity, falling capacity utilisations, dumping from China, and continuously falling raw material prices (led by crude prices) are the major reasons for a continuing negative outlook for this sector. These reasons have impacted our revenue from operations over the years as disclosed in the table below which clearly depicts stagnancy in the revenue generated by our Company from sales of synthetic textiles. Although the adoption of synthetic and blended garments is picking up which may positively drive the consumption and demand of the products of this sector in the medium term of FY 17. (Source: India Ratings & Research- Outlook Report- FY17 Outlook: Textiles)

Summary of our revenue from operations over the years is given below:

(Amount Rs. in Lakhs)

| Particulars             | For the year ended 31 March 2012 | For the year ended 31 March 2013 | For the year ended 31 March 2014 | For the year ended 31 March 2015 | For the period ended 31 December 2015 |
|-------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------------|
| Revenue from Operations | 10,391.11                        | 9,586.24                         | 10,426.78                        | 10,471.50                        | 6,533.21                              |

**15. The shortage or non-availability of power facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.**

Our manufacturing processes requires substantial amount of power facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot supplemented / augmented by alternative / independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high in view of increasing oil prices and other constraints. We are mainly dependent on State Government for meeting our electricity requirements and get power supply by M/s. Dakshin Gujarat Vij Company Limited. Since we are majorly dependent on third party power supply; there may be factors beyond our control affecting the supply of power. Any disruption / non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.



**16. *Our future growth may be restricted by our limited manufacturing capacity of our facility.***

Our manufacturing facility situated at Surat enables us to produce knitted fabrics which constitute the entirety of the volume of sales from manufacturing. As on date of this Draft Prospectus, we have warping machines to produce beams and knitting machines to convert beams into fabrics, which are running close to their installed capacity. If we are unable to expand the manufacturing capacity in our manufacturing facility, we may not be able to tap growth opportunities in the domestic as well as international textile market. However our management believes that we have sufficient area which can be utilized for installing additional capacity and our Company can increase the manufacturing capacity by buying new machineries as and when required. To enable the same, we may be required to avail further credit and loan facilities from banks and/or financial institutions in the future.

**17. *We are subject to certain restrictive covenants in debt facilities provided to us by our lenders.***

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. For further details in this regard, please refer to chapter titled 'Financial Indebtedness' beginning on page 237 of this Draft Prospectus.

**18. *Our Promoter and shareholders have provided personal guarantees and securities to certain loan facilities availed by us, which if revoked or released may require alternative guarantees and securities, repayment of amounts due or termination of the facilities.***

Our Promoter and shareholders have provided personal guarantees and securities in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked or securities released, the lenders for such facilities may require alternate guarantees or securities, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees or securities satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

**19. *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.

**20. *We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business, some of approvals are required to be transferred in the name of Titanium Ten Enterprise Limited from Titanium Ten Enterprise Private Limited pursuant to name change of our company and the failure to obtain or apply for change of name for them in a timely manner may adversely affect our operations.***

We require a number of approvals, licenses, registrations and permits for our business. Additionally, we may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Approvals like TAN and Professional Tax Registration Certificate are currently not traceable by the company. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that



have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. Further a complete series of approvals may be and is required to be obtained for our manufacturing unit. For more information, see chapter titled “*Government and Other Statutory Approvals*” beginning on page 247 of this Draft Prospectus.

Also, we were a private limited company in the name of “Titanium Ten Enterprise Private Limited” which was carrying business of manufacturing of knitted fabrics and trading of Textile related products. As per Companies Act, 2013, a private limited company can be converted into public limited company. After complying with the relevant procedure of Companies Act, 2013, the said private limited company was converted into a public limited company. After conversion there was change of name of the company from “Titanium Ten Enterprise Private Limited” to “Titanium Ten Enterprise Limited.” We shall be taking necessary steps for transferring the approvals in new name of our company. In case we fail to transfer/obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business

If we fail to obtain/convert any applicable approvals, licences, registrations and permits in a timely manner, we may not be able to expand our business on time, or at all, which could affect our business and results of operations. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

The material approvals, licences or permits required for our business include trade licence, Export licences, labour related approvals, excise and tax laws, environment laws and shops and establishment licences, as applicable. See chapter titled “*Government and other Statutory Approvals*” beginning on page 247 of this Draft Prospectus for further details on the required material approvals for the operation of our business. Any failure to apply for and obtain the required approvals, licences, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licences, registrations and permits would result in a delay in the our business operations which could otherwise adversely affect our financial condition, results of operations and prospects.

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

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It also is 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.

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

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





**23. *Our results of operations may be materially adversely affected by our failure to anticipate and respond to changes in fashion trends and customer preferences in a timely manner.***

Our results of operations depend upon the continued demand by customers for our products and design. We believe that our success depends in large part upon our ability to anticipate, gauge and respond in a timely manner to changing fashion trends and customer's demands and preferences and upon the appeal of our products. If we are unable to anticipate customers 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 misjudgement 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 reputation, results of operations and financial condition.

**24. *Conflicts of interest may arise out of common business undertaken by our Company and our Promoter Group Entities.***

Our Promoter Group Entities, M/s. Titanium Venture, M/s. Tejus and M/s. Kapadia are authorized to carry out business similar to that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group Entities in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies in which our Promoters have interests. There can be no assurance that our Promoters or our Promoter Group Entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 1,219.71.44 Lakhs as on December 31, 2015. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information please refer chapter titled "*Financial Indebtedness*" on page 237 of this Draft Prospectus.

**26. *Introduction of alternative technology may reduce demand for our existing products and may adversely affect our profitability and business prospects***

End products made by using our synthetic yarns, yarn beams and knitted fabrics are majorly used by dyeing entities. Our customers may decide to seek alternative technology coupled with the development of more alternatives in types of yarn, cloth and fashion/trend prevailing in the market which may adversely affect the demand for our products, our business and profitability if we are not able to respond to these changes. Our ability to anticipate changes in technology and to develop and introduce new and enhanced products successfully on a timely basis will be a significant factor in our ability to grow and to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become out of trend. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance and delays in product development. Further, any substantial change in the spending habits of consumers who are end users of where our products are used, business of our customers will affect which in will affect the demand for our products. Any failure on our part to forecast and / or meet the changing demands will have an adverse effect on our business, profitability and growth prospects.



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

Our manufacturing facility is subject to operating risks, such as availability of machinery, breakdown, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Our machines have limited lives and require periodic cleaning as well as annual over hauling maintenance. In the event of a breakdown or failure of such machinery, replacement parts may not be available and such machinery may have to be sent for repairs or servicing. We have not entered into any technical support service agreements for the maintenance and smooth functioning of our equipment's and machineries. This may lead to delay and disruption in our production process that could have an adverse impact on our sales, results of operations, business growth and prospects.

***28. Fabric is a highly inflammable commodity. Any fire mishaps or accidents at the Company's facility could lead to property damages, property loss and accident claims***

Fabric being a highly flammable commodity, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent danger of an instant fire. The risk of fire hazard is increased due to increased automation and use of large volume of air for material handling. Any spark generated can not only generate fire but also the same could propagate to other machines through spread of fire by fabric's flammability. Though we have taken insurance policy to cover damage caused by fire however, the cover may not be adequate to the loss suffered.

***29. Our Group Company M/s. Orange Polymers Limited has not made certain requisite filings under various Statutory Acts applicable to it for the past few years.***

Our Group Company, M/s. Orange Polymers Limited has not made certain requisite filings under various Statutory Acts applicable to it for the past few years. At present, the Company is a Dormant Company as per data available with the RoC. We cannot guarantee that this Company will not be subject to any penalties for the said violations in future. Such non-compliances by our Group Company may have an adverse impact on our reputation and business operations.

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

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, standard fire and special perils, earthquake (fire and shock), 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 product defect/liability risk, loss of profits, losses due to terrorism (except as provided in the marine cargo insurance). 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.

***31. In previous years, our Company had ventured into diversified business avenues but has not continued into such business ventures at present.***

Our Company had ventured into sale of diamonds in the Financial Years 2011-12 and 2012-13 and had purchased stock of chemicals in in the Financial Year 2011-12. We have not been able to achieve success in these lines of business and such operations do not form part of the core business of our Company. Although the Company had generated revenue from such operations in previous years, we will not be continuing into these businesses other than for sale of stock in





possession, if any. Also, we may not be able to sell such stock at profitable prices which may cause our Company to incur losses.

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

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

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

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

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

- Provision of Section 58A of the Companies Act, 1956 with respect to availment of unsecured loans from persons other than the directors of the Company during the past.
- Non-provision of Gratuity in accordance with The Payment of Gratuity Act, 1972. However in restated financials, provision of Gratuity has been made.

Also, our Company has erroneously filed certain forms with RoC and made delayed filing of some forms under the Companies Act. However, efforts have already been made to rectify certain errors by filing the requisite RoC forms for the same. Such delay/non-compliance may in the future render us liable to statutory penalties.

**34. *There are no supply agreements for the major raw materials with our vendors/suppliers. Our Business may be adversely affected if there is any disruption in the raw material supply or due to non availability of raw material.***

We do not have written agreements with our vendors/suppliers and 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 material from alternate source, the production schedule may be adversely affected impacting the sales and profitability of the Company.

**35. *Our industry is labour intensive and our business operations may be materially and 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 manufacturing operations. Shortage of skilled / unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Our Company has not employed any contract labourers and are thus dependent on daily wage workers We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past, however there can be no assurance that we will not experience any 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.

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

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

***37. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory.

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

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

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

which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business

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



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

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

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

**40. *Quality concerns could adversely impact our business.***

The business of our Company is dependent on the trust our customers have in the quality of our products. Any goods sold by us to our customers, which do not comply with the quality specifications or standards prevalent in the business or market segment, may result in customer dissatisfaction, which may have an adverse effect on our sales and profitability.

**41. *Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirement and capital expenditures***

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

**42. *Our liabilities are not covered by insurance policies, which may expose us to substantial costs that could adversely affect our business, financial condition and results of operations.***

Our Company has obtained insurance coverage against certain eventualities including against earthquake, fire and shock. Mishaps or accidents at our Company's facilities may lead to property damages, property loss and accident claims. Further we do not have insurance policies for risks like product defect/liability risk, loss of profits, losses due to terrorism, etc. If we suffer a significant uninsured loss, our business, financial condition and results of operations may be materially and adversely affected.

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

Our Directors have built relations with clients and other persons are connected with us. Our success is substantially dependent on the expertise and services of our Directors and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure 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.



**44. Our trademark  is not registered under the Trade Marks Act and our ability to use the trademark may be impaired**

Our Company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. If our trademark is not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

**45. Our Company has unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. Post disassociation the loans have been repaid to group**

As on December 31, 2015, our Company has unsecured loans amounting to Rs. 61.36 lakhs from our Directors and Promoters that are repayable on demand to them. Such loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lenders at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.

For further details of unsecured loans of our Company, please refer 'Annexure VII' 'Details of Long Term Borrowings as Restated' of chapter titled – "Financial Statements as Restated" beginning on page 194 of this Draft Prospectus.

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

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

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

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see "Capital Structure" and "Our Management" on pages 74 and 172, respectively, of this Draft Prospectus.



- 48. Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Our Company has not received “No-Objection” certificate from some of our lenders to undertake this Issue. Non receipt of such “No Objection” certificate could lead to non compliance of the terms of loan agreements entered into by our Company with said lenders.**

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

Further, as on the date of the Draft Prospectus, we have not received “No Objection” certificates from the lenders. We cannot assure you that the lenders will grant us the “No-Objection” certificate for this Issue. Non-receipt of such “No Objection” certificate could lead to non-compliance of the terms of loan agreements entered into by our Company with the lenders.

For further details in this regard, including approvals obtained from our lenders for this Issue, please refer chapter titled ‘Financial Indebtedness’ beginning on page 237 of this Draft Prospectus.

- 49. 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.

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

After completion of the Issue, our Promoters and Promoter Group will collectively own 73.01% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, 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 96 of this Draft Prospectus.

**52. *Within the parameters as mentioned in the chapter titled ‘Objects of the Issue’ beginning on page 96 of this Draft Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use fresh Issue Proceeds towards, working capital needs, general corporate purposes and to meet the issue expenses. We intend to deploy the Net Issue Proceeds in financial year 2016-17 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “*Objects of the Issue*” beginning on page 96 of this Draft Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘*Objects of the Issue*’ beginning on page 96 of this Draft Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, the company shall comply with Section 27 of the Companies Act, 2013 before varying the Objects of the Issue. The Audit Committee will monitor the utilisation of the proceeds of this Issue.

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

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

**Issue Related**

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

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

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

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no





assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

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

The Issue Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 102 of this Draft 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

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

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

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

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

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

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



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

## External Risks

### Industry Risks

***59. 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

***60. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in draft prospectus/prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

***61. 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.

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

As stated in the reports of the Peer Reviewed Auditor included in this Draft Prospectus under chapter “*Financial Statements as Restated*” beginning on page 194, the financial statements included in this Draft Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Prospectus. Accordingly, the degree to which the financial information included in this Draft Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

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

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

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

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

**64. *The nationalized goods and services tax (GST) regimes proposed by the Government of India may have material impact on our operations.***

The Government of India has proposed a comprehensive national goods and service tax (GST) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Given the limited liability of information in the public domain covering the GST we are unable to provide/ measure the impact this tax regime may have on our operations.

**65. *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.

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

While facts and other statistics in the Draft Prospectus relating to India, the Indian economy and industry in which we operate 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 108 of the Draft 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.

**67. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the SME Platform of BSE could adversely affect the trading price of the Equity Shares.

**68. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic, social 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.

**69. *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.

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

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

**71. *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.

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

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

**Prominent Notes**

1. Public Issue of 18,16,000 Equity Shares of face value of Rs. 10/- each of our Company for cash at a price of Rs. 15/- per Equity Share (including a share premium of Rs. 5/- per equity share) ("Issue Price") aggregating upto Rs. 272.40 Lakhs, of which 96,000 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 17,20,000 Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 26.99% and 25.56%, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Lead Manager 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 67 of this Draft Prospectus.
3. The pre-issue net worth of our Company was Rs. 473.64 Lakhs and Rs. 436.70 Lakhs as of December 31, 2015 and March 31, 2015. The adjusted book value after bonus of each Equity Share was Rs. 13.80 and Rs. 12.77 as of December 31, 2015 and March 31, 2015 as per the restated financial statements of our Company. For more information, please refer to section titled "Financial Statements as Restated" beginning on page 194 of this Draft Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below

| Name of the Promoter | No. of Shares held | Average cost of Acquisition (in Rs.) |
|----------------------|--------------------|--------------------------------------|
| Rohitkumar Kapadia   | 22,28,828          | 8.92                                 |
| Ilaben Kapadia       | 19,19,695          | 11.77                                |

For further details relating to the allotment of Equity Shares to our Promoter, please refer to the chapter titled "Capital Structure" beginning on page 74 of this Draft Prospectus. For details on





- related party transactions and loans and advances made to any company in which Directors are interested, please refer “Annexure XXIII” “Related Party Transactions” under chapter titled “Financial Statements as restated” beginning on page 194 of this Draft Prospectus.
5. 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 269 of this Draft Prospectus.
  6. Except as disclosed in the chapter titled “Capital Structure”, “Our Promoter and Promoter Group”, “Our Group Companies”, “Our Management” and “Related Party Transaction” beginning on pages 74, 184, 189, 172, and 192 respectively, of this Draft Prospectus, none of our Promoters, group Companies, Directors or Key Management Personnel have any interest in our Company.
  7. Except as disclosed in the chapter titled “Capital Structure” beginning on page 74 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than cash.
  8. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
  9. Investors are advised to refer to the chapter titled “Basis for Issue Price” beginning on page 102 of the Draft Prospectus.
  10. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Draft Prospectus with the Stock exchange
  11. Our Company was incorporated as “Titanium Ten Enterprise Private Limited” at Surat, Gujarat as a Private Limited Company under the provisions of the Companies Act, 1956 *vide* Certificate of Incorporation dated September 18, 2008 bearing Corporate Identification Number U52100GJ2008PTC055075 issued by Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on May 6, 2016, 2016 and the name of our Company was changed to “Titanium Ten Enterprise Limited” pursuant to issuance of fresh Certificate of Incorporation by the Registrar of Companies, Ahmedabad dated June 2, 2016. The Corporate Identification Number of our Company is U52100GJ2008PLC055075. Our Company has applied for change of name to "Titaanium Ten Enterprise Limited" and is awaiting a fresh certificate of incorporation Consequent upon change of name. For details of incorporation, change of name and registered office of our Company, please refer to chapters titled “General Information” and “Our History and Certain Other Corporate Matters” beginning on 67 and 169 respectively of this Draft Prospectus.





## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements as Restated” and related notes beginning on page 17 and 194 respectively of this Draft Prospectus before deciding to invest in our Equity Shares.*

### INTRODUCTION: TEXTILE INDUSTRY

The history of textiles in India dates back to around 3000 BC where the use of mordant dyes and printing blocks was prevalent. The diversity of fibres found in India, intricate weaving on its state-of-the-art manual looms and its organic dyes attracted buyers from all over the world for centuries. However, the industry faced a setback during British colonisation, when the industrial policies destroyed the innovative eco-system and left it technologically impoverished. Independent India saw the building up of textile capabilities, diversification of the product base, and the emergence of the industry, once again, as an important global player.

The Indian textiles and apparels industry is one of the oldest industries in India having evolved impressively from a domestic small scale industry to one of the largest in the world with a massive raw material and textiles manufacturing base. It is also one of the largest and most important sectors of the Indian economy in terms of output, foreign exchange earnings and employment thus contributing greatly to the exchequer. The sector has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing. Its vast potential for creation of employment opportunities in the agricultural, industrial, organised and decentralised sectors & rural and urban areas, particularly for women and the disadvantaged is noteworthy. Thus, the growth and all round development of this sector has a direct bearing on the development of the economy.

In 2013 the Indian textile industry contributed about 14% to the Index of Industrial Production, 4% to the country's GDP and 17% to the country's export earnings. Around 8% of the total excise revenue collection is contributed by the textile industry. The industry currently estimated at around US \$108 billion, is expected to reach US \$ 141 billion by 2021. Given these facts and the strong backward and forward linkages of the sector with other manufacturing industries, the industry is of high focus for the Government and Industry.

*(Source: The Textile & Apparels Industry – Contributing to “Make in India” October, 2015 - The Associated Chambers of Commerce and Industry of India – [www.assochem.org](http://www.assochem.org))*

### TEXTILE AND APPAREL INDUSTRY - OVERVIEW

The textile and apparel industry can be broadly divided into two segments yarn and fibre, and processed fabrics and apparel. India accounts for ~14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share.

The domestic textile and apparel industry in India is estimated to reach US\$ 141 billion by 2021 from US\$ 67 billion in 2014. Increased penetration of organised retail, favourable demographics, and rising



income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing.

Textile and apparel exports from India are expected to increase to US\$ 82 billion by 2021 from US\$ 40 billion in 2014. Readymade garments remain the largest contributor to total textile and apparel exports from India. In FY15 the segment had a share of 40 per cent of all textile and apparel exports. Cotton and manmade textiles were the other major contributors with shares of 31 per cent and 16 per cent, respectively.

Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. Foreign direct investment (FDI) in textile sector increased to US\$ 1,587.8 million in FY15 from US\$ 1,424.9 million in FY14. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up gradation Fund Scheme (TUFS). To promote apparel exports, 12 locations have been approved by the government to set up apparel parks for exports. As per the 12th Five Year Plan, the Government plans to provide a budgetary support of US\$ 4.25 billion to textiles. Free trade with ASEAN countries and proposed agreement with European Union will also help boost exports.

(Source: *Indian Textiles and Apparel Industry Analysis*, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **GLOBAL ECONOMIC ENVIRONMENT**

### **GLOBAL ECONOMIC OVERVIEW**

The global macroeconomic landscape is currently charting a rough and uncertain terrain characterized by weak growth of world output. The situation has been exacerbated by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-aversion behaviour of global investors, thus putting many, and in particular, commodities exporting economies under considerable stress.

One important positive outcome in 2015 is the modest pickup in the growth of some of the advanced economies. However, growth in emerging market and developing economies declined for the fifth consecutive year. As a result, overall global economic activity remained subdued in 2015. In its latest Update of the World Economic Outlook (WEO), published on 19 January 2016, the IMF projected growth in the global economy to improve from 3.1 per cent in 2015, to 3.4 per cent in 2016 and further to 3.6 per cent in 2017. Growth in advanced economies is projected at 2.1 per cent in 2016 and to continue through 2017 at the same rate.

The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large Emerging Market and Developing economies (EMDE) are likely to continue to weigh on their growth prospects in 2016–17. Assessments indicate that mixed inflation developments in the EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The WEO update also indicated that India and the rest of emerging Asia are bright spots, with some other countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. World trade volume growth projections have been placed at 2.6 per cent and 3.4 per cent respectively for 2015 and 2016, which is much lower than what was estimated earlier in WEO in October 2015.

(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

### **GLOBAL OUTLOOK FOR GROWTH**

One important positive outcome in 2015 was the modest pick-up in growth in some of the advanced economies. It might be recalled that after falling in 2009 due to the 2008 global financial crisis, growth in emerging and developing economies rebounded in 2010 and 2011. While advanced economies also exhibited a recovery in 2010 thanks to the large stimuli, global growth continued to be tepid relative to the average of the decade ending 2006, largely on account of the slowdown in advanced economies. Spill over effects of the crisis may have been large, prolonged and bi-directional, given that the global integration is far greater than in the prior decade. This has made the



task of projecting global economic outlook arduous. This uncertainty has led to the International Monetary Fund (IMF) revising the global growth outlook in its World Economic Outlook (WEO) four times a year since 2009.

In its latest WEO Update, published on 19 January 2016, the IMF has projected growth in the global economy to go up from 3.1 per cent in 2015 to 3.4 per cent in 2016 and further to 3.6 per cent in 2017, slightly lower than the projection published in October 2015. Growth in advanced economies is revised by 0.2 percentage points in 2016 to 2.1 per cent, to continue through 2017. Growth in the US is expected to remain resilient owing to strengthening of the housing and labour markets. Growth in the euro area is expected to increase due to stronger private consumption supported by lower oil prices and easy financial conditions is expected to outweigh the weakening in net exports. Growth in Japan is also expected to consolidate in 2016, on the back of fiscal support, lower oil prices, accommodative financial conditions, and rising incomes.

Overall global economic activity remained subdued in 2015, as growth in emerging market and developing economies (EMDE) declined for the fifth consecutive year and recovery in advanced economies was modest. This is also attributable to the changing composition of the global economy and relative point contributions to global growth. The fall in the contribution of the EMDEs is not being made good by the advanced economies. A recent feature is that the Chinese economy is gradually slowing down and is transitioning from investment demand to consumption demand and from manufacturing to services. The concern over the spill over's of subdued global growth to other economies through trade channels and weaker commodity prices is manifest in diminishing confidence and increasing volatility in financial markets. In addition, a dual monetary policy—a gradual tightening in monetary policy in the US in the backdrop of its resilient recovery and easy monetary policy in several other major advanced economies has led to continued uncertainties and poses challenges for the year ahead. In the case of EMDEs, growth remained subdued at 4 per cent in 2015, but is projected to increase to 4.3 per cent in 2016 and 4.7 per cent in 2017. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. Assessments indicate that mixed inflation developments in EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year.

The 19 January WEO Update also indicated that India and the rest of emerging Asia are bright spots, albeit with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. The IMF's growth forecast for India is 7.5 per cent in 2016 and 2017 and this surpasses the projection of 6.3 per cent and 6.0 per cent respectively for China. The level of global economic activity has a significant and direct bearing on the growth prospects of the emerging economies through trade channels. As per the Update, world trade volume growth projections have been placed at 3.4 per cent and 4.1 per cent respectively for 2016 and 2017 lower by 0.7 percentage points to 0.5 percentage point respectively from WEO, October 2015. The World Bank's Report on Global Economic Prospects (January 2016) also estimated that India will grow by a robust 7.8 per cent in 2016 and 7.9 per cent in the following two years. Compared to other major developing countries, the report maintained that India is well positioned to withstand near-term headwinds and volatility in global financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment.

(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

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

In the Advance Estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices is projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014-15, mainly because private final consumption expenditure has accelerated. Similarly, the growth rate of GVA for 2015-16 is estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.



- Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16.
- According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) percent in 2015-16.
- In nominal terms, construction is expected to stagnate, while even the dynamic sectors of trade and finance are projected to grow by only 7 to 73/4 percent.
- Inflation remains under control The CPI-New Series inflation has fluctuated around 51/2 percent, while measures of underlying trends—core inflation, rural wage growth and minimum support price increases—have similarly remained muted. Meanwhile, the WPI has been in negative territory since November 2014, the result of the large falls in international commodity prices, especially oil. As low inflation has taken hold and confidence in price stability has improved, gold imports have largely stabilized, notwithstanding the end of a period of import controls
- Similarly, the external position appears robust. The current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen to US\$351.5 billion in early February 2016, and are well above standard norms for reserve adequacy; net FDI inflows have grown from US\$21.9 billion in April-December 2014-15 to US\$27.7 billion in the same period of 2015-16; and the nominal value of the rupee, measured against a basket of currencies, has been steady. India was consequently well-positioned to absorb the volatility from the U.S. Federal Reserve actions to normalize monetary policy that occurred in December 2015. Although the rupee has declined against the dollar, it has strengthened against the currencies of its other trading partners.
- The fiscal sector registered three striking successes: on-going fiscal consolidation, improved indirect tax collection efficiency; and an improvement in the quality of spending at all levels of government.
- Government tax revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7 per cent in the first 9 months (9M) of 2015-16. Indirect taxes were also buoyant. In part, this reflected excise taxes on diesel and petrol and an increase in the Swachh Bharat cess. The central excise duty collection from petroleum products during April to December 2015-16 recorded a growth of 90.5 per cent and stood at Rs.1.3 lakh crore as against Rs. 0.7 lakh crore in the same period last year. Tax performance also reflected an improvement in tax administration because revenues increased even after stripping out the additional revenue measures (ARMs). Indirect tax revenues grew by 10.7 per cent (without ARMs) and 34.2 per cent (with ARMs).
- The main findings are that a welcome shift in the quality of spending has occurred from revenue to investment, and towards social sectors. Aggregate public investment has increased by about 0.6 per cent of GDP in the first 8 months of this fiscal year, with contributions from both the Centre (54 per cent) and states (46 per cent).

(Source: Economic Survey 2015-16-Volume I, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **INDIA'S INCREASING IMPORTANCE TO GLOBAL GROWTH**

Despite global headwinds and a truant monsoon, India registered robust growth of 7.2 per cent in 2014-15 and 7.6 per cent in 2015-16, thus becoming the fastest growing major economy in the world. As per the estimates of the International Monetary Fund (IMF), global growth averaged 3.1 per cent in 2015, declining from 3.4 per cent registered in 2014. While growth in advanced economies has improved modestly since 2013, the emerging economies have witnessed a consistently declining trend in growth rate since 2010. It is against this background that the recent Indian growth story appears particularly bright.





India has made striking progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms. PPP represents the number of units of a country's currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets. India's contribution to global growth in PPP terms increased from an average of 8.3 per cent during the period 2001 to 2007 to 14.4 per cent in 2014. During the 1990s, the US's contribution to the global GDP growth in PPP terms was, on an average, around 16 percentage points higher than India's. The picture changed dramatically in 2013 and 2014 when India's contribution was higher than that of the US by 2.2 and 2.7 percentage points respectively. During 1991-2014, low growth in Japan (0.9 per cent annually) resulted in its low contribution (1.5 per cent) to global growth. India and China constitute 42.5 per cent and 53.2 per cent respectively of the total PPP measure of the lower-middle income countries and upper-middle income countries; and hence those country groups largely reflect India's and China's patterns.

The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. After the onset of the multiple crises in different parts of the world, India's contribution has become much more valuable to the global economy.

India's share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008-13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms (IMF). India's resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth.

(Source: *Economic Survey 2015-16-Volume II*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

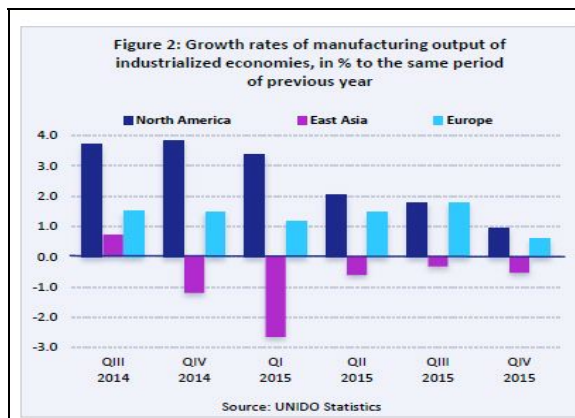
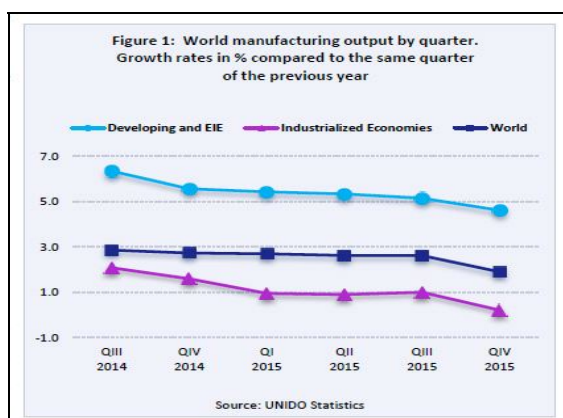
## GLOBAL MANUFACTURING INDUSTRY

### World manufacturing growth in the fourth quarter of 2015

World manufacturing growth slowed down further in the fourth quarter of 2015, with growth rates in both industrialized and developing economies decreasing. Weak business investment and sluggish consumer demand are among the major causes of the deceleration of global manufacturing output growth.

Growth in major emerging industrial economies has weakened, continuing the trend of the first quarter of 2014. China's slowdown and the sharp decline in manufacturing output of Latin American economies are the primary causes for the country group's weaker growth rate. The fall in commodity prices has affected some key emerging commodity export-dependent countries, namely Brazil and South Africa, and has resulted in currency depreciation.

The upturn in manufacturing growth observed in industrialized economies in the third quarter of 2015 did not continue in the fourth quarter of 2015, and this country group's production output decreased significantly. The slowdown in Europe and North America, along with a further decline in East Asian economies, resulted in a sharp deceleration in the country group's manufacturing output growth. In the United States, manufacturing exports slowed as a result of the strong US dollar and the low oil prices. Continued decline in China has also weakened Chinese demand for imports from Europe.





*(Source: World Manufacturing Production- Statistics for Quarter IV, 2015; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))*

Global manufacturing output growth rose by merely 1.9 per cent in the fourth quarter of 2015, down from a 2.6 per cent revised growth estimate in the third quarter. Slow investment growth, lower commodity and energy prices, weak global demand and geopolitical tensions are among the main causes of the overall flat-lining growth. However, these factors are having different effects on different economies. For example, favourable oil prices have reduced the business costs in oil importing countries, especially in industrialized economies, while oil exporting economies have been subject to increasing financial pressure.

The manufacturing output of industrialized countries rose by 0.2 per cent in the fourth quarter of 2015. This slow growth is attributable to a mixture of weaker growth figures in the United States and Europe and a decline in East Asia's manufacturing output. The question of the robustness of recovery in industrialized economies has been raised in earlier quarterly reports.

The growth of manufacturing output in developing and emerging industrial economies decreased to 4.6 per cent, down from 5.2 per cent growth in the previous quarter. The growth outlook varies between different developing and emerging regions and groups; e.g. manufacturing output grew by 6.1 per cent in developing countries in Asia and the Pacific compared to the same period of the previous year, while it declined by 4.0 per cent in the Latin America region. Manufacturing output has also declined slightly (0.2 per cent) in Africa.

Despite the slower pace of growth, developing and emerging industrial economies were the main drivers of global manufacturing growth. Their combined contribution to global manufacturing growth was around 80 per cent. This indicates the significance of manufacturing activities within the group for the overall global picture.

*(Source: World Manufacturing Production- Statistics for Quarter IV, 2015; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))*

### **Key Findings on World Manufacturing Sector**

On a year-to-year comparison, world manufacturing production grew in all manufacturing sectors in the fourth quarter 2015, with the exception of the manufacture of machinery and equipment and printing and publishing. The global decline in the production output of the manufacture of machinery is attributable to low energy prices. Higher growth rates have been observed in the manufacture of radio and television and of chemicals and chemical products. Growth was positive across all industries in developing and emerging industrial economies, except a slight decline in the manufacture of motor vehicles. Industrialized countries registered negative growth in eight manufacturing industries.

Among the consumer goods production industries, output of wearing apparel grew by 2.2 per cent in developing and emerging markets and by 0.6 per cent in the industrialized country group. The industry's output grew by 16.9 per cent in the Czech Republic, by 14.6 per cent in the United Kingdom, by 12.8 per cent in Egypt, and by 12.3 per cent in Mexico. However, the manufacturing output of the wearing apparel fell sharply in Brazil and Indonesia, by 12.9 per cent and 16.4 per cent, respectively. A significant decline was also observed in wearing apparel production in Canada and Estonia. The production of textiles grew by 4.1 per cent in developing countries while industrialized countries registered a decline of 0.5 per cent in this production. At country level, impressive growth in textiles production was recorded in Argentina, Estonia and Hungary whereas it dropped sharply in Brazil and Senegal. The production of food and beverages grew at a higher rate (5.2 per cent) in developing countries. As such, output grew by 7.8 per cent in China, by 7.3 per cent in Indonesia and by 5.2 per cent in Romania. Output declined by 10.3 per cent in Tunisia and by 7.0 per cent in Egypt. The food sector was the only manufacturing industry with a positive, albeit poor, growth in Brazil.

The notable growth rate of 10.4 per cent was observed in the manufacture of radio, television and communication equipment in developing and emerging countries, with China, Egypt and India being the leading manufacturers. In industrialized markets, the highest growth rate in this manufacturing sector was seen in France.





The production of motor vehicles fell marginally by 0.4 per cent in developing countries, attributed mainly to the decline in the industry in Latin American economies. The industry's output rose by 4.4 per cent in industrialized countries, with Italy, Spain and Sweden being the top producers worldwide in the fourth quarter of 2015. The manufacturing production of other transport equipment increased at a higher rate in developing countries.

The manufacture of chemicals and chemical products increased considerably in China, Senegal and Tunisia, as well as in Ireland, Netherlands and the Russian Federation. The chemical industry was one of the few industries in the Russian Federation recording a higher growth rate, with a 6.6 per cent increase compared to the previous year.

The production of basic metals, which includes the production of basic iron, basic steel, basic precious and non-ferrous metals, rose by 5.9 per cent in developing countries compared to the same period of the previous year, but dropped by 4.8 per cent in industrialized countries in comparison to the previous year. Manufacturing output grew in China, Indonesia and Macedonia, while it fell in all Latin American economies and in Africa.

In the United States, as the largest driver of growth in industrialized economies, the manufacture of electrical machinery and apparatus and motor vehicles remained strong in the fourth quarter of 2015. However, other industries showed either a decline or a decrease in production output. The combination of low energy prices and expensive currency contributed to the economic slowdown of the United States. Despite its slow economic growth, China's manufacturing output in most industries increased compared to the same period of the previous year. China recorded its highest growth rates in the manufacture of radio and television (10.1 per cent), chemicals and chemical products (9.8 per cent) and the manufacture of basic metals (8.9 per cent).

*(Source: World Manufacturing Production- Statistics for Quarter IV, 2015; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))*

## **INDIAN MANUFACTURING SECTOR**

### **Introduction**

The Prime Minister of India, Mr Narendra Modi, has launched the 'Make in India' initiative to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

### **Market Size**

India's manufacturing sector could touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

In November 2015, the seasonally adjusted Nikkei India Manufacturing Purchasing Managers' Index (PMI) stood at 50.3, which indicated expansion for twenty-fifth consecutive month. The services PMI was at 50.1 points in November 2015.

### **Investments**

In a major boost to the 'Make in India' initiative, the Government of India has received investment proposals of over US\$ 3.05 billion till end of August 2015 from various companies.

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:

- Canada's Magna International Incorporated has started production at two facilities in Gujarat's Sanand, which will supply auto parts to Ford Motor Co in India and will employ around 600 people at both units.
- Swedish home furnishing brand Ikea has made a long-term plan of opening 25 stores in India by making an investment worth Rs 12,500 crore (US\$ 1.9 billion).



- Siemens has announced that it will invest € 1 billion (US\$ 1.13 billion) in India to add 4,000 jobs to its existing workforce of 16,000 in the country.
- US-based First Solar Inc and China's Trina Solar have plans to set up manufacturing facilities in India. Clean energy investments in India increased to US\$ 7.9 billion in 2014, helping the country maintain its position as the seventh largest clean energy investor in the world.
- Samsung Electronics has invested Rs 517 crore (US\$ 77.82 million) towards the expansion of its manufacturing plant in Noida, Uttar Pradesh (UP). "Samsung India Electronics is committed to strengthen its manufacturing infrastructure and will gradually expand capacity at this plant to meet the growing domestic demand for mobile handsets, as per the company.
- Shantha Biotechnics Private Limited has started building a facility to manufacture Insuman, an insulin product to treat diabetes. Sanofi SA, which acquired Shantha Biotechnics, will invest Rs 460 crore (US\$ 69.24 million) to build the facility.
- BMW and Mercedes-Benz have intensified their localisation efforts to be part of 'Make in India' initiative. "The localisation efforts will reduce the waiting period and accelerate the servicing process of our cars as we had to (previously) depend on our plants overseas for supply and will help us on the pricing front."
- Suzuki Motor Corp plans to make automobiles for Africa, the company's next big bet, as well as for India at its upcoming factory in Hansalpur, near Ahmedabad, Gujarat.
- Taiwan-based HTC has decided to manufacture products in India. HTC is believed to have partnered GDN Enterprises, which has an assembly set up in Noida.
- Foxconn is planning an aggressive expansion in India, building up to 12 new factories and employing as many as one million workers by 2020
- The State Government of Tamil Nadu has signed investment agreements worth Rs 2, 42,160 crore (US\$ 36.45 billion) during a two-day Global Investors Meet in September 2015.

### **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 earlier this year. 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 plans to organise a 'Make in India week' in Mumbai between February 13-18, 2016 to boost the 'Make in India' initiative and expects 1,000 companies from 10 key sectors to participate in the exhibition of innovative products and processes, a hackathon and sessions on urban planning, among other events.
- The National Institution for Transforming India Aayog (NITI Aayog) plans to release a blueprint for various technological interventions which need to be incorporated by the Indian manufacturing economy, with a view to have a sustainable edge over competing neighbours like Bangladesh and Vietnam over the long term.
- Ms Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, has launched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy (NMP) to facilitate acquisition of Clean, Green and Energy Efficient Technologies, by Micro, Small & Medium Enterprises (MSMEs).
- The Government of India has asked New Delhi's envoys in over 160 countries to focus on economic diplomacy to help government attract investment and transform the 'Make in India' campaign a success to boost growth during the annual heads of mission's conference. Prime Minister, Mr Modi has also utilised the opportunity to brief New Delhi's envoys about the Government's Foreign Policy priority and immediate focus on restoring confidence of foreign investors and augmenting foreign capital inflow to increase growth in manufacturing sector.
- The Government of Uttar Pradesh (UP) has secured investment deals valued at Rs 5,000 crore (US\$ 752.58 million) for setting up mobile manufacturing units in the state.
- The Government of Maharashtra has cleared land allotment for 130 industrial units across the state with an investment of Rs 6,266 crore (US\$ 943.13 million)



- Dr Jitendra Singh, Union Minister of State (Independent Charge) of the Ministry of Development of North Eastern Region (DoNER), MoS PMO, Personnel, Public Grievances & Pensions, Atomic Energy and Space, Government of India, has announced the 'Make in Northeast' initiative beginning with a comprehensive tourism plan for the region.
- Government of India has planned to invest US\$ 10 billion in two semiconductor plants in order to facilitate electronics manufacturing in the country.
- Entrepreneurs of small-scale businesses in India will soon be able to avail loans under Pradhan Mantri MUDRA Yojana (PMMY). The three products available under the PMMY include: Shishu - covering loans up to Rs 50,000 (US\$ 752), Kishor - covering loans between Rs 50,000 (US\$ 752) to Rs 0.5 million (US\$ 7,520), and Tarun - covering loans between Rs 0.5 million (US\$ 7,520) and Rs 1 million (US\$ 15,052).

### **Road Ahead**

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 28.42 billion) Indian capital goods business.

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.

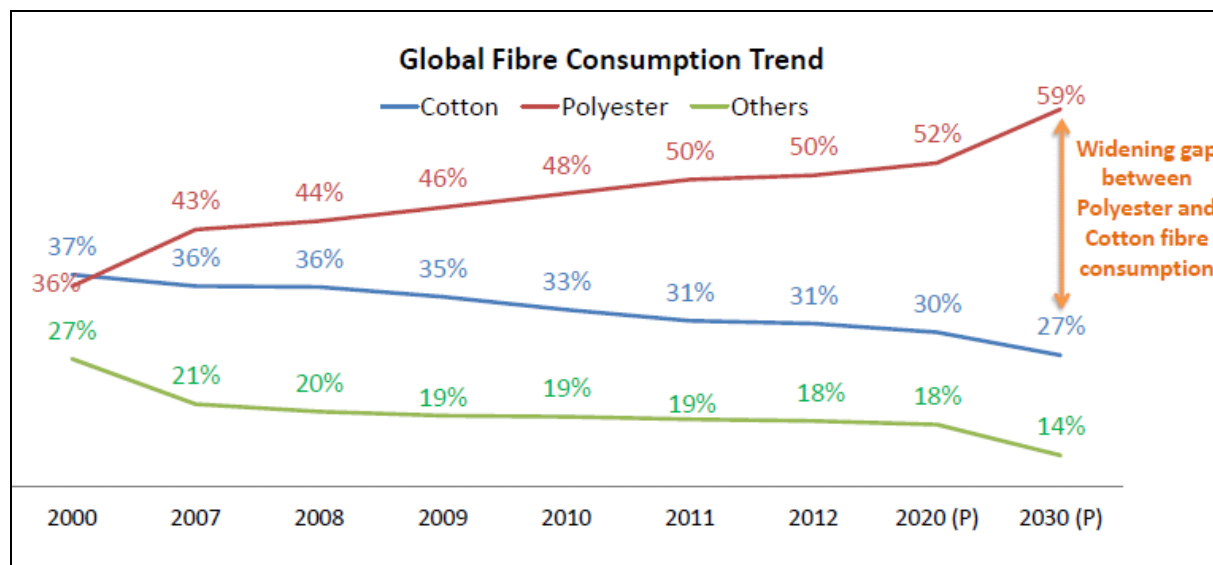
With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in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

Exchange Rate Used: INR 1 = US\$ 0.015 as on December 17, 2015

References: Media Reports, Press Releases, Press Information Bureau, McKinsey & Company

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

### **GLOBAL FIBRE CONSUMPTION TREND**



- Globally, Consumption of polyester will increase further.
- Till 2000, fibre consumption at global level was majorly cotton focussed.
- By 2030, it is expected that consumption of polyester will be more than double to that of the cotton fibre.

(Source: Future of Indian MMF Based Textiles Industry, Wazir Advisors - [www.wazir.in](http://www.wazir.in))



## INDIAN TEXTILES INDUSTRY

### Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The industry realised export earnings worth US\$ 41.4 billion in 2014-15, a growth of 5.4 per cent, as per The Cotton Textiles Export Promotion Council (Texprocil). The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

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

### Market Size

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to India's gross domestic product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US\$ 500 billion in size according to a study by Wazir Advisors and PCI Xylenes & Polyester. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.

### Investments

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 1.77 billion during April 2000 to September 2015.

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

- Reliance Industries Ltd (RIL) plans to enter into a joint venture (JV) with China-based Shandong Ruyi Science and Technology Group Co. The JV will leverage RIL's existing textile business and distribution network in India and Ruyi's state-of-the-art technology and its global reach.
- Giving Indian sarees a 'green' touch, Dupont has joined hands with RIL and Vipul Sarees for use of its renewable fibre product Sorona to make an 'environment-friendly' version of this ethnic ladies wear.
- Grasim Industries has invested Rs 100 crore (US\$ 15 million) to develop its first fabric brand, 'Liva', which it will distribute through 1,000 outlets as part of a plan to stay in sync with changing consumer behaviour.
- Snapdeal has partnered with India Post to jointly work on bringing thousands of weavers and artisans from Varanasi through its website. "This is an endeavour by Snapdeal and India Post to empower local artisans, small and medium entrepreneurs to sustain their livelihood by providing a platform to popularise their indigenous products," said Mr Kunal Bahl, CEO and Co-Founder, Snapdeal.



- Welspun India Ltd (WIL), part of the Welspun Group has unveiled its new spinning facility at Anjar, Gujarat - the largest under one roof in India. The expansion project reflects the ethos of the Government of Gujarat's recent 'Farm-Factory-Fabric-Fashion-Foreign' Textile Policy, which is aimed at strengthening the entire textile value-chain.
- American casual fashion retailer Aéropostale, Inc. has inked a licensing agreement with Arvind Lifestyle Brands Ltd to open standalone stores in the country. Aéropostale will open 30 stores and 25 shop-in-shop locations over the next three years.

### **Government Initiatives**

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

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

- The Government of India has started promotion of its 'India Handloom' initiative on social media like Facebook, Twitter and Instagram with a view to connect with customers, especially youth, in order to promote high quality handloom products.
- The Ministry of Textiles launched Technology Mission on Technical Textiles (TMTT) with two mini-missions for a period of five years (from 2010-11 to 2011-12 in the 11th five year plan and 2012-13 to 2014-15 in 12th five year plan) with a total fund outlay of Rs 200 crore (US\$ 30 million). The objective of TMTT is to promote technical textiles by helping to develop world class testing facilities at eight Centres of Excellence across India, promoting indigenous development of prototypes, providing support for domestic and export market development and encouraging contract research.
- The Government of India is expected to soon announce a new National Textiles Policy. The new policy aims at creating 35 million new jobs by way of increased investments by foreign companies, as per Textiles Secretary Mr S K Panda.
- Subsidies on machinery and infrastructure
  - The Revised Restructured Technology Up gradation Fund Scheme (RRTUFS) covers manufacturing of major machinery for technical textiles for 5 per cent interest reimbursement and 10 per cent capital subsidy in addition to 5 per cent interest reimbursement also provided to the specified technical textile machinery under RRTUFS.
  - Under the Scheme for Integrated Textile Parks (SITP), the Government of India provides assistance for creation of infrastructure in the parks to the extent of 40 per cent with a limit up to Rs 40 crore (US\$ 6 million). Under this scheme the technical textile units can also avail its benefits.
  - The major machinery for production of technical textiles receives a concessional customs duty list of 5 per cent.
  - Specified technical textile products are covered under Focus Product Scheme. Under this scheme, exports of these products are entitled for duty credit scrip equivalent to 2 per cent of freight on board (FOB) value of exports
- The Government of India has implemented several export promotion measures such as Focus Market Scheme, Focus Product Scheme and Market Linked Focus Product Scheme for increasing share of India's textile exports.
- Under the Market Access Initiative (MAI) Scheme, financial assistance is provided for export promotion activities on focus countries and focus product countries.
- Under the Market Development Assistance (MDA) Scheme, financial assistance is provided for a range of export promotion activities implemented by Textiles Export Promotion Councils.
- The government has also proposed to extend 24/7 customs clearance facility at 13 airports and 14 sea ports resulting in faster clearance of import and export cargo.
- The Ministry of Textiles has approved a 'Scheme for promoting usage of geotechnical textiles in North East Region (NER)' in order to capitalise on the benefits of geotechnical textiles. The





scheme has been approved with a financial outlay of Rs 427 crore (US\$ 64.1 million) for five years from 2014-15.

- A Memorandum of Understanding (MoU) has been signed between India and Kyrgyzstan seeking to strengthen bilateral cooperation in three fields -Textiles and Clothing, Silk and Sericulture, Fashion

### **Road Ahead**

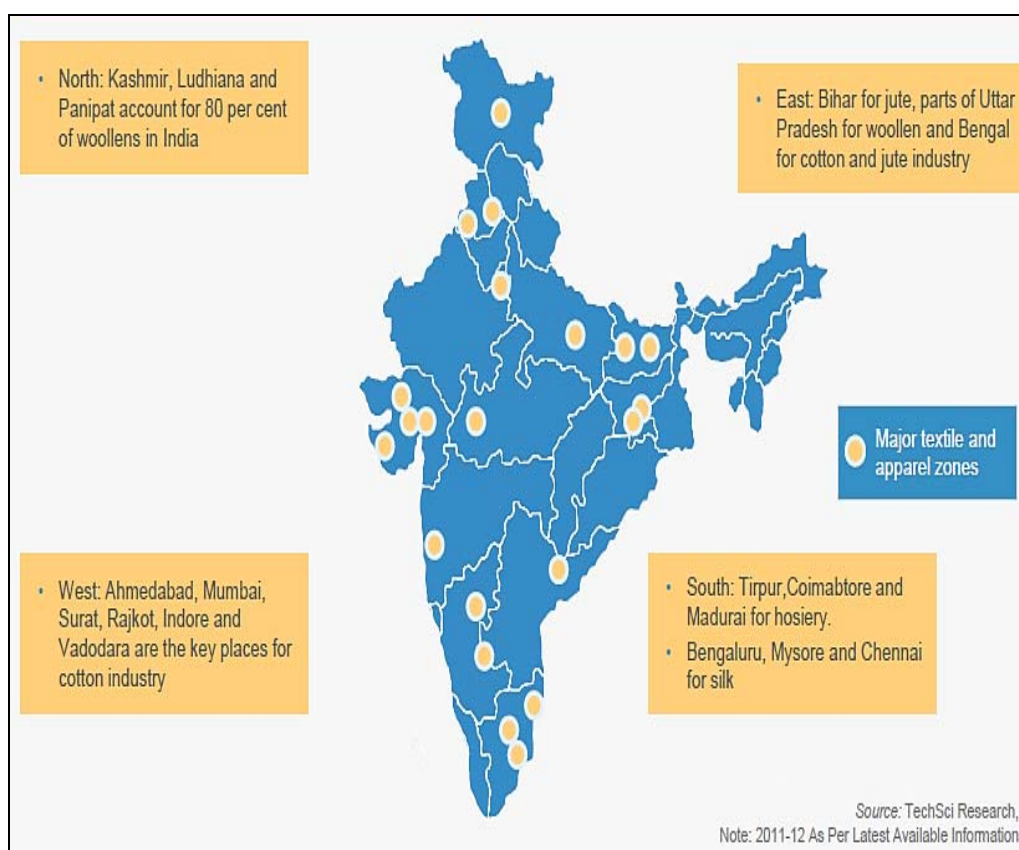
The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

**Exchange Rate Used:** INR 1 = US\$ 0.015 as on December 17, 2015

**References:** Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau

(Source: Indian Textile Industry, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

### **KEY TEXTILES AND APPAREL ZONES IN INDIA**

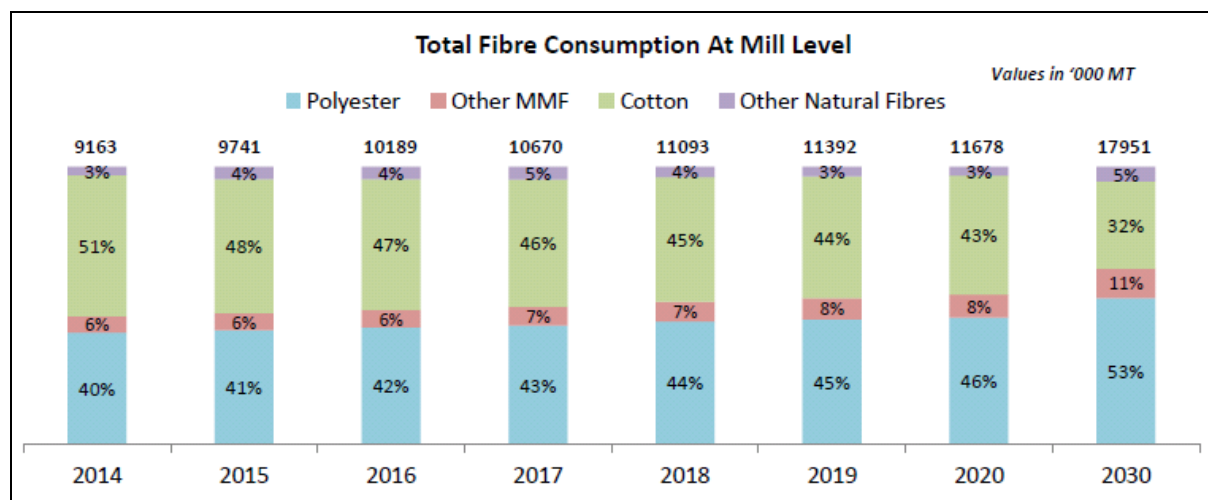


(Source: Textile and Apparel Report January 2016 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))





## INDIAN TEXTILE INDUSTRY WILL CONSUME MORE POLYESTER THAN COTTON WITHIN NEXT FIVE YEARS



- Share of manmade fibre in total mill consumption is expected to reach ~65% by 2030. However, the share of cotton is expected to decrease from current level of ~55% to 32% by 2030.
- A drastic change is expected in the mill consumption of polyester fibre, share of which is projected to grow to 53% (9,455,000MT) by 2030.

(Source: *Future of Indian MMF Based Textiles Industry*, Wazir Advisors - [www.wazir.in](http://www.wazir.in))

### MAN MADE FIBRES AND POLYMERS

Man-made fibres (MMF) and man-made filament yarns (MMFY) account for around 40% share of the total fibre consumption in the textile industry as a whole. These fibres form a key raw material for the technical textile industry because of their customizable properties. The key man-made fibres, filaments and polymers used as raw materials in technical textiles are: **Man-Made Fibres and Filaments** – Viscose, Polyester, Nylon, Acrylic/Mod acrylic, Polypropylene and **Polymers** – HDPE, LLDPE, LDPE, PVC

India ranks among one of the world's largest producers of MMF and MMYF, with production of 1284.64 million kg and 1549.80 million kg in 2010-11, respectively. While production of MMF and MMYF registered growth of 1.31% and 1.78%, respectively, over the previous year alone, the last decade has witnessed a steady increase in production and consumption of major synthetic fibres and polymers, resulting in a fair degree of self sufficiency in the domestic MMF and MMYF markets.

(Source: *Investor Guide – Driving Growth of Technical Textiles in India Report*, January, 2013 – Federation of Indian Chambers of Commerce and Industry (FICCI) - [www.ficci.in](http://www.ficci.in))

### MAN MADE FIBRE SECTOR OUTLOOK

Polyester dominates the world fibre consumption contributing more than half of the overall fibre consumption. The rise in share can be attributed to the growing consumption of polyester in the developing countries. On the other hand, the Indian textile industry is predominantly a cotton-based industry. However, limited area under cultivation and erratic rain affects the cotton availability.

Over a longer term view, polyester consumption is expected to pick up gradually with increase in demand for apparels, home textiles and technical textiles as the macro economic scenario recovers. The growth in apparels and home textile segments will be supported by factors such as rise in disposable income, growing consumer class, rising urbanization, increasing retail penetration and increased usage of credit cards etc.



According to CMIE manmade fibre & filament industry sales in FY15 is estimated to have declined by 3.3% on back of subdued demand and fall in realisation. Further, reduction in cotton yarn prices has affected substitution demand for man-made fibre. The operating margin of polyester companies in last couple of years have remained under pressure on account of huge capacity additions taken place in the industry and intense competitive, commoditised and fragmented nature of the industry which limits the pricing flexibility of players operating in the segment.

However, in FY16 sales are expected to increase by 10.6% (Source: CMIE) supported by increase in textile and clothing exports in FY16 (target of \$47.5 billion for textile and clothing export as against \$41.4 billion in FY15), increase in domestic consumption and expected increase in demand for technical textiles on back of pick up in infrastructure sector. The outlook for man-made fibre industry remains stable.

(Source: Textile Sector Outlook – July 2015, Credit Analysis & Research Limited (CARE Ratings) [www.careratings.com](http://www.careratings.com))

## **ADVANTAGE INDIA**

### **Robust demand**

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

### **Increasing investments**

- Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP)-(USD184.98 Million) and Technology Up gradation Fund Scheme (TUFS)-(term loan sanctioned in Feb, 2015-USD2198.45 Million) to encourage more private equity and to train workforce.

### **Competitive Advantage**

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

### **Policy support**

- 100 per cent FDI (automatic route) is allowed in the Indian textile sector.
- Under Union Budget 2015-16, government has allocated USD39.81million for integrated parks in India.
- Free trade with ASEAN countries and proposed agreement with European Union will boost exports.

Market Value: USD 108.5 Billion 2015E

Market Value: USD 226 Billion 2023F

(Source: Textile and Apparel Report January 2016 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **GROWTH DRIVERS**

Factors contributing to growth of the industry and analysed in this study are:

- Rising disposable incomes and evolving lifestyles of India's prospering urban consumer, are broadening their clothing needs. Today, Indians are more inclined to buy apparels for a specific purpose, than consumers in other markets. Family celebrations and weddings in India continue to eat up an enormous share of Indian consumers' clothing budgets.
- Rising urbanisation leads to increase in demand for new designs and fashions to match new lifestyles. The growing participation of women in the workforce is also contributing a great deal to this demand.
- Backed by the enormous capacity to absorb labour, skilled human capital to meet the growing demand is one of the important factors that will drive growth of this industry.



- India may be a major player in traditional textiles, but technical textiles as a segment is growing due to rising demand for specialised fabrics from various sectors of the economy.
- India's cotton and apparel exports are set to climb by around 10% in 2015 as higher wages, political instability and concerns about workplace conditions in other producing markets are likely to push international buyers towards Indian exporters. India has overtaken Germany and Italy to emerge as the world's second largest textile exporter but lags behind China, whose exports are nearly seven times higher.
- The proliferation of digital internet technology in India coupled with wide scale ownership of devices such as smart phones, laptops and tablets that support internet usage, have resulted in an unprecedented growth of e-commerce. As incomes rise and lifestyles change, people have little time to spare. E-commerce has provided consumers with a wide range of apparels, with just a few simple clicks, making their shopping experience easier, faster and more convenient.
- The textile industry, being one of the most significant sectors in the Indian economy, has been a key focus area for the Government of India. A number of initiatives have been taken by the Government to make the industry more competitive.

*(Source: The Textile & Apparels Industry – Contributing to “Make in India” October, 2015 - The Associated Chambers of Commerce and Industry of India – [www.assochem.org](http://www.assochem.org))*



## SUMMARY OF BUSINESS

### OVERVIEW

Incorporated in 2008, our Company 'Titanium Ten Enterprise Limited' is engaged in trading of yarn, grey cloth and manufacturing and trading of knitted fabrics. We also undertake job work of yarn and fabrics in our own capacity or on outsource basis. The registered office of our Company is situated at Shop No. 901/914, Rajhans Complex, 9th Floor, Ring Road, Surat, Gujarat- 395002 and the manufacturing plant is situated at Plot No. 660/A, 660/B and 660/C, Village Palsana, District Surat, Gujarat.

Our Company is promoted by Rohitkumar Kapadia and Ilaben Kapadia. Being engaged in the textile industry since last four decades, our Promoter Rohitkumar Kapadia has been the pioneer of the Company's business ideology and growth strategies. The Company's operations are backed by the inventive initiatives and textile knowledge of Tejus Kapadia, the CEO of our Company. Within a short span of time, our Company has created a steady position for itself in the Surat textile market and has been able to generate turnover of around Rs. 100 Crores during the past few years of operations.

Our sales model is divided into 2 parts i.e. i) trading of yarn and grey cloth and ii) supply of knitted fabrics. For the year ended March 31, 2015, our trading and manufacturing operations constituted 85.49% and 14.51% respectively of our total revenue from operations. Our trading operations cater to customers from both domestic and international markets. Our traded materials are mostly used in the process of weaving and knitting of fabrics which is then used for apparels such as sarees, shirtings, suitings, and upholstery such as curtains, etc. For our manufacturing operations, we have a plant set up at Surat which is considered as "The Textile Hub of The Nation". Spread over 2,853.12 square meters, our manufacturing facility is well equipped with requisite plant and machinery such as Warping and Knitting machines. At present we have an installed production capacity of more than 6,00,000 kgs p.a. for knitted fabrics. Our manufacturing process mainly consists of blending and knitting of yarn into beams of cloth which is then converted to fabric. We use different qualities of yarn as raw material of which Bi-Shrinkage Yarn (BSY) and Cationic Yarn are imported and others such as Filament Yarn, Bright Yarn, Nylon Mono Yarn, etc are procured locally. We also undertake jobwork activities to customise the products to suit the clients' requirements.

Customer satisfaction has been one of the key strengths of our Company. Our management and team has enables us to maintain continuing customer relations, ensuring repeat order flows. Similarly we have developed strong bonds with our suppliers. We are the only authorised representative for sales of yarns in Surat. of PT. Asia Pacific Fibers Tbk., a well-known Indonesian yarn manufacturing Company.

We aim to satisfy the needs of customers and give them value for their money by ensuring quality and a wide variety of products accompanied by technology development, involvement of our management team and dedication of our employees. We also desire to expand our business operations on PAN India basis.

Despite the severe competition and slowdown in economy, our Company has been able to maintain a consistent turnover. For the nine months ended as on December 31, 2015, our Company's Total Income and Restated Profit After Tax was Rs. 6,557.45 Lakhs and Rs. 14.94 Lakhs, respectively. For the year ended March 31, 2015, our Company's Total Income and Restated Profit After Tax was Rs. 10,505.09 Lakhs and Rs. 32.10 Lakhs respectively, compared to our Company's Total Income and Restated Profit After Tax of Rs. 10,460.15 Lakhs and Rs. 35.77 Lakhs respectively, over previous year ended i.e. March 31, 2014.



## OUR PRODUCTS: TRADING

| DOMESTIC YARN                                                                       |                                                                                      |                                                                                      |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| FULLY DRAWN YARN (FDY)                                                              | DRAW TEXTURED YARN                                                                   | RAW TWISTED YARN                                                                     |
|    |    |   |
| IMPORTED YARN                                                                       |                                                                                      |                                                                                      |
| INTERLOCK TWIST YARN (ITY)                                                          | BI-SHRINKAGE YARN (BSY)                                                              | SPIN DRAW YARN                                                                       |
|   |   |  |
| 100% REMI YARN, 100% POLYESTER SPUN & POLYESTER VISCOSE-SPUN YARN                   | SPARKLE YARN                                                                         |                                                                                      |
|  |  |                                                                                      |





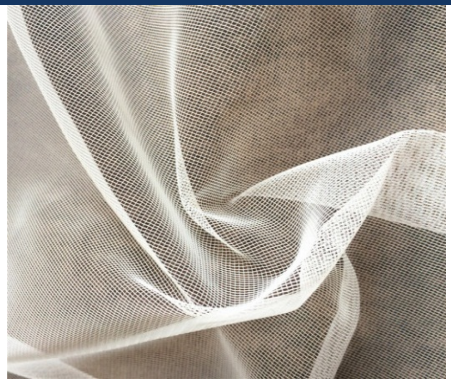
| FABRICS                                                                            |                                                                                     |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| FANCY FABRICS                                                                      | GREY FABRICS                                                                        |
|   |   |
| WOVEN DOBBY & JACQUARDS                                                            | WOVEN PLAIN SATIN, GEORGETTE AND CREPE                                              |
|  |  |

## OUR PRODUCTS: MANUFACTURING

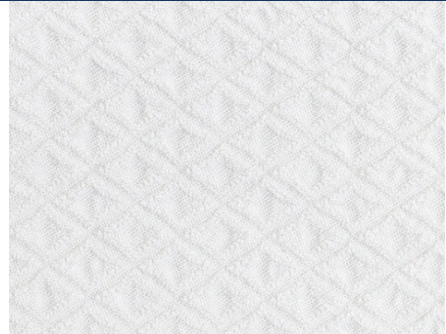
| Product Name          | Product                                                                             | Description                                                                                                                                                                                                                                                                                      |
|-----------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BRASSO FABRICS</b> |  | <p>These fabrics are also called cut fabrics and are mainly used for manufacture of sarees and dress materials.</p> <p>The notable features are:</p> <ul style="list-style-type: none"> <li>• Easy to wash</li> <li>• Smooth texture</li> <li>• Non-shrinkable</li> <li>• High demand</li> </ul> |





| Product Name                              | Product                                                                             | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SOFT ROUND NET</b>                     |    | <p>This type of fabric is used for different kinds of garments and apparels due to the following key features:</p> <ul style="list-style-type: none"> <li>• Soft texture</li> <li>• Appealing design</li> <li>• Attractive appearance</li> </ul>                                                                                                                                                                                                                                                |
| <b>RASHEL NET FABRIC</b>                  |   | <p>This fabric is available in different attractive colors and mesmerizing patterns as per the diverse needs of our clients. In order to design this fabric as per the current market trends, we ensure usage of premium quality thread, aid of advanced techniques and modern machines.</p> <p>Key features are:</p> <ul style="list-style-type: none"> <li>• Lustrous</li> <li>• Skin friendly</li> <li>• Colour Fastness</li> <li>• Wide range of attractive designs and patterns</li> </ul> |
| <b>MONO NET, SQUARE NET AND ROUND NET</b> |  | <p>The notable features of these types of fabric are:</p> <ul style="list-style-type: none"> <li>• high flexibility</li> <li>• light in weight</li> <li>• shrink-resistant</li> <li>• tear-resistant</li> </ul> <p>These features make it suitable for knitting of embroidery, garments, sarees, suits, dupattas bedding, mattress, tent, and mosquito net.</p>                                                                                                                                 |
| <b>VELVET FABRICS</b>                     |  | <p>Velvet is one of the smoothest and softest amidst all the other kinds of fabrics. Velvets are specially manufactured and processed because of its distinctive properties. This type of fabric is used as materials for upholstery, comforter fabrics, covers, curtains, etc.</p>                                                                                                                                                                                                             |



| Product Name                 | Product                                                                             | Description                                                                                                                                                                                                                    |
|------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CURTAIN FABRICS</b>       |    | <p>This fabric has a good demand in the Industry.</p> <p>Notable features of this fabric are:</p> <ul style="list-style-type: none"> <li>• Fine design</li> <li>• Seamless finish</li> <li>• Resistant to shrinkage</li> </ul> |
| <b>JERSEY FABRICS</b>        |    | <p>Single jersey is lightweight and stretchy, whilst double jersey is heavier and less elastic. Both are warm and insulating and are used in the manufacture of bedding and clothing.</p>                                      |
| <b>DOBBY DESIGN FABRICS</b>  |   | <p>This fabric is used for various garments and apparels.</p> <p>Key features include:</p> <ul style="list-style-type: none"> <li>• Water repellent</li> <li>• Stain resistant</li> <li>• Lightfast</li> </ul>                 |
| <b>SELF DESIGNED FABRICS</b> |  | <p>This fabric is used for manufacture of Sarees, Dress materials and garments.</p>                                                                                                                                            |



## COMPETITIVE STRENGTHS



### 1. In depth knowledge of Yarn

Our promoter, Rohitkumar Kapadia has an experience of more than four decades and our CEO Tejus Kapadia has an experience of more than a decade in the textile industry. Further, Tejus Kapadia has completed his Bachelor in Science from South Gujarat University and Postgraduate Diploma in Textile Industries from University of Leeds. With relevant qualifications and backed by experience, our management has believed to gain an in depth knowledge of our primary raw material and traded good i.e. yarn. The textile industry is an extremely competitive industry and there is always a chance of duplication of fabric designs and usage of yarns. The detailed knowledge of our CEO and experience of our management enables us to innovate and develop exclusive yarns, proving to be a distinctive competitive advantage in the industry in which we operate.

### 2. Technological Advantage

We are in possession of Four-Bar Knitting Machine as against the commonly used Two-Bar Knitting Machine, which is one of the latest technologically forward machines used in knitting industry. The increased number of bars enables increased production capacity of the machines. Further our Company has recently, imported warping and knitting machinery which provides the benefits of latest international technologies in our production process. Our Company consciously dedicate resources to be technologically upgraded and has developed a scalable technology system.

### 3. Quality and innovation

We procure yarn from domestic as well as from international markets. We take the initiative to approach our suppliers and discuss with them, the ways by which the raw materials can be improved in terms of quality. The suppliers implement our suggestions on yarn properties such as mix of Polymers, variation in deniers, elongation, shrinkage, etc. The synergy of efforts and knowledge between our yarn manufacturers and our team enables us to offer diverse and innovative varieties to our customers. We believe such continuing efforts provide us with a strong platform to build our market share and exclusivity in the textile industry. Further our company is focused on delivering qualitative and customer specific products and has developed in-house check processes at different level of operations.



#### 4. **Sole Representative for a well known Indonesian Supplier**

We are the sole authorized representative in Surat city for sale of yarns of a well known Indonesian Supplier. The type of yarns imported from this supplier is known as Bi-Shrinkage Yarn which is used in our manufacturing process of knitted fabrics and also supplied to other users. The specialty of this yarn is its ability to increase elongation, withstand shrinkage and immediate breakage. Such exclusive representation gives us an edge in the Surat textile market and makes us stand apart from other traders. It also helps us build a reputation in international market and develop confidence among our suppliers and customers.

#### 5. **Customer Centric Business Model**

Our Company focuses on attaining highest level of customer satisfaction. The progress achieved by us is largely due to our ability to address and exceed customer satisfaction. Our Company has always believed in assessing the changing consumer preferences from time to time and redesigning our products accordingly by continuously exploring new types of yarn, cloth and fabric.

#### 6. **Diversified Product Range**

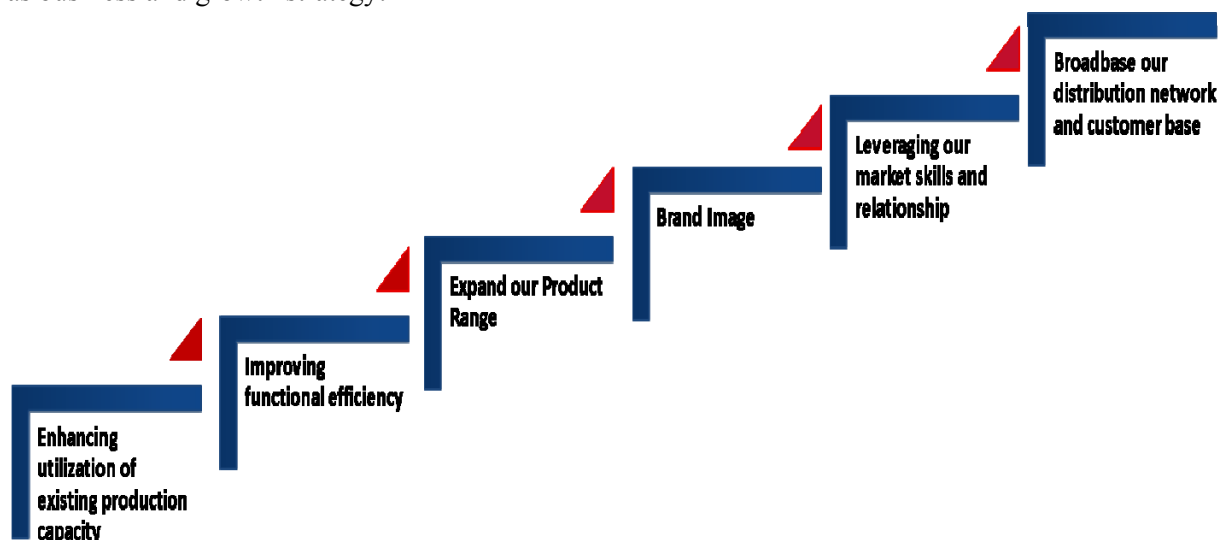
Ever since our initiation, we have been engaged in trading, manufacturing and exporting of fabrics and yarn. We have a comprehensive portfolio of product offerings covering Polyester, Netting Fabrics, Raschel Knitted Fabrics, Viscose, etc. We believe our comprehensive range of products enables ourselves to capitalize on growth opportunities and demand in the textile industry. We also make fabrics according to the client specification. We supply our products across various textile processing entities and to few well-known garment and apparels brand.

#### 7. **Locational Advantage**

Our manufacturing facility is situated at Surat, Gujarat which is known as 'The Textile Hub of the Nation', thereby resulting in easy availability of transportation and intermediaries of the textile industry. Being situated in textile hub of the nation, we have a better absorbent market for the demand of our products. Further our manufacturing facility is situated at around 300 km away from Nhava Sheva port, Mumbai enabling us to import required goods at pace.

### **BUSINESS STRATEGY**

Our vision is to provide customer satisfaction, by offering high qualitative products. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing business with specific emphasis on the following factors as business and growth strategy:





## SUMMARY OF FINANCIAL STATEMENTS

### STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

### ANNEXURE - I

(Rs.in lakhs)

| S<br>r.<br>N<br>o. | Particulars                                  | March 31,       |                 |                 |                 |                 | As at<br>Decemb<br>er 31,<br>2015 |
|--------------------|----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------------|
|                    |                                              | 2011            | 2012            | 2013            | 2014            | 2015            |                                   |
|                    | <b>EQUITY AND LIABILITIES</b>                |                 |                 |                 |                 |                 |                                   |
| <b>1)</b>          | <b><u>Shareholders Funds</u></b>             |                 |                 |                 |                 |                 |                                   |
|                    | a. Share Capital                             | 18.15           | 18.15           | 18.15           | 18.15           | 20.98           | 26.40                             |
|                    | b. Reserves & Surplus                        | 249.78          | 297.40          | 330.67          | 366.43          | 415.72          | 447.24                            |
|                    | <b>Total Shareholders Fund</b>               | <b>267.94</b>   | <b>315.56</b>   | <b>348.82</b>   | <b>384.59</b>   | <b>436.70</b>   | <b>473.64</b>                     |
| <b>2)</b>          | Share Application Money<br>Pending Allotment | -               | -               | -               | -               | -               | -                                 |
| <b>3)</b>          | <b><u>Non Current Liabilities</u></b>        |                 |                 |                 |                 |                 |                                   |
|                    | a. Long Term Borrowings                      | 178.04          | 303.00          | 462.97          | 402.36          | 352.15          | 512.50                            |
|                    | b. Deferred Tax Liabilities (Net)            | 7.40            | 7.25            | 5.89            | 5.49            | 2.42            | 2.18                              |
|                    | c. Long Term Provisions                      | 0.48            | 1.20            | 2.23            | 3.04            | 4.05            | 4.71                              |
|                    | <b>Total Non Current Liabilities</b>         | <b>185.92</b>   | <b>311.45</b>   | <b>471.08</b>   | <b>410.89</b>   | <b>358.62</b>   | <b>519.39</b>                     |
| <b>4)</b>          | <b><u>Current Liabilities</u></b>            |                 |                 |                 |                 |                 |                                   |
|                    | a. Short Term Borrowings                     | 851.11          | 1,719.74        | 1,890.56        | 2,167.77        | 2,145.28        | 2,111.24                          |
|                    | b. Trade Payables                            | 384.76          | 578.35          | 1,003.87        | 365.61          | 2,032.43        | 745.88                            |
|                    | c. Other Current Liabilities                 | 44.69           | 47.37           | 67.85           | 69.63           | 77.15           | 152.08                            |
|                    | d. Short Term Provisions                     | 12.66           | 22.28           | 17.27           | 17.51           | 21.13           | 12.45                             |
|                    | <b>Total Current Liabilities</b>             | <b>1,293.22</b> | <b>2,367.74</b> | <b>2,979.56</b> | <b>2,620.53</b> | <b>4,275.98</b> | <b>3,021.65</b>                   |
|                    | <b>T O T A L (1+2+3+4)</b>                   | <b>1,747.08</b> | <b>2,994.74</b> | <b>3,799.46</b> | <b>3,416.01</b> | <b>5,071.31</b> | <b>4,014.68</b>                   |
|                    | <b>ASSETS</b>                                |                 |                 |                 |                 |                 |                                   |
| <b>5)</b>          | <b><u>Non Current Assets</u></b>             |                 |                 |                 |                 |                 |                                   |
|                    | a. Fixed Assets                              |                 |                 |                 |                 |                 |                                   |
|                    | i. Tangible Assets                           | 141.51          | 420.31          | 519.83          | 642.76          | 637.51          | 912.17                            |
|                    | Less: Accumulated Depreciation               | (31.01)         | (75.43)         | (137.80)        | (200.46)        | (242.67)        | (246.51)                          |
|                    | ii. Capital Work in Progress                 | 104.85          | -               | 36.19           | -               | -               | -                                 |
|                    | <b>Net Block</b>                             | <b>215.35</b>   | <b>344.87</b>   | <b>418.21</b>   | <b>442.29</b>   | <b>394.84</b>   | <b>665.66</b>                     |
|                    | c. Non-current Investments                   | 5.00            | -               | -               | -               | -               | 0.01                              |
|                    | d. Long Term Loans & Advances                | 75.39           | 62.88           | 67.14           | 62.77           | 81.22           | 98.46                             |
|                    | <b>Total Non Current Assets</b>              | <b>295.74</b>   | <b>407.75</b>   | <b>485.36</b>   | <b>505.06</b>   | <b>476.05</b>   | <b>764.12</b>                     |
| <b>6)</b>          | <b><u>Current Assets</u></b>                 |                 |                 |                 |                 |                 |                                   |
|                    | a. Inventories                               | 146.17          | 637.07          | 252.18          | 437.67          | 274.65          | 481.17                            |
|                    | b. Trade Receivables                         | 1,079.33        | 1,625.09        | 2,688.16        | 2,103.13        | 3,925.08        | 2,373.48                          |
|                    | c. Cash and Bank Balances                    | 210.87          | 297.79          | 359.67          | 357.52          | 375.08          | 382.50                            |
|                    | d. Short Term Loans & Advances               | 14.97           | 27.05           | 14.10           | 12.64           | 20.44           | 13.41                             |
|                    | <b>Total Current Assets</b>                  | <b>1,451.34</b> | <b>2,586.99</b> | <b>3,314.11</b> | <b>2,910.96</b> | <b>4,595.26</b> | <b>3,250.56</b>                   |
|                    | <b>T O T A L (4+5)</b>                       | <b>1,747.08</b> | <b>2,994.74</b> | <b>3,799.46</b> | <b>3,416.01</b> | <b>5,071.31</b> | <b>4,014.68</b>                   |





**STATEMENT OF PROFIT AND LOSS AS RESTATED**

**ANNEXURE - II**

**( Rs. In lakhs)**

| S<br>r<br>·<br>N<br>o<br>. | Particulars                                                                   | For the year ended March 31, |                  |                 |                  |                  | For the period ended December 31, 2015 |
|----------------------------|-------------------------------------------------------------------------------|------------------------------|------------------|-----------------|------------------|------------------|----------------------------------------|
|                            |                                                                               | 2011                         | 2012             | 2013            | 2014             | 2015             |                                        |
| <b>A</b>                   | <b>INCOME</b>                                                                 |                              |                  |                 |                  |                  |                                        |
|                            | Revenue from operations                                                       | 6,940.51                     | 10,391.11        | 9,586.25        | 10,426.78        | 10,471.50        | 6,533.21                               |
|                            | Other income                                                                  | 10.45                        | 26.88            | 27.48           | 33.36            | 33.60            | 24.24                                  |
|                            | <b>Total Income (A)</b>                                                       | <b>6,950.97</b>              | <b>10,417.99</b> | <b>9,613.73</b> | <b>10,460.15</b> | <b>10,505.09</b> | <b>6,557.45</b>                        |
| <b>B</b>                   | <b>EXPENDITURE</b>                                                            |                              |                  |                 |                  |                  |                                        |
|                            | Cost of materials consumed & purchase of stock in trade                       | 6,452.63                     | 10,275.45        | 8,540.00        | 9,786.26         | 9,806.90         | 6,218.36                               |
|                            | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 0.41                         | (494.63)         | 396.28          | 38.06            | 55.67            | (173.77)                               |
|                            | Employee benefits expense                                                     | 26.96                        | 52.68            | 70.08           | 89.17            | 105.22           | 85.03                                  |
|                            | Finance costs                                                                 | 146.98                       | 216.50           | 221.54          | 217.54           | 227.80           | 188.85                                 |
|                            | Depreciation and amortization expense                                         | 21.29                        | 44.42            | 62.37           | 62.66            | 64.76            | 65.10                                  |
|                            | Other expenses                                                                | 253.92                       | 254.65           | 275.31          | 214.70           | 202.28           | 151.93                                 |
|                            | <b>Total Expenses (B)</b>                                                     | <b>6,902.20</b>              | <b>10,349.07</b> | <b>9,565.57</b> | <b>10,408.39</b> | <b>10,462.63</b> | <b>6,535.50</b>                        |
| <b>C</b>                   | <b>Profit before tax</b>                                                      | <b>48.77</b>                 | <b>68.92</b>     | <b>48.16</b>    | <b>51.76</b>     | <b>42.47</b>     | <b>21.95</b>                           |
|                            | Prior period items (Net)                                                      | -                            | -                | -               | -                | -                | -                                      |
|                            | <b>Profit before exceptional, extraordinary items and tax (A-B)</b>           | <b>48.77</b>                 | <b>68.92</b>     | <b>48.16</b>    | <b>51.76</b>     | <b>42.47</b>     | <b>21.95</b>                           |
|                            | Exceptional items                                                             | -                            | -                | -               | -                | -                | -                                      |
|                            | <b>Profit before extraordinary items and tax</b>                              | <b>48.77</b>                 | <b>68.92</b>     | <b>48.16</b>    | <b>51.76</b>     | <b>42.47</b>     | <b>21.95</b>                           |
|                            | Extraordinary items                                                           | -                            | -                | -               | -                | (3.15)           | -                                      |
| <b>D</b>                   | <b>Profit before tax</b>                                                      | <b>48.77</b>                 | <b>68.92</b>     | <b>48.16</b>    | <b>51.76</b>     | <b>45.62</b>     | <b>21.95</b>                           |
|                            | Tax expense :                                                                 |                              |                  |                 |                  |                  |                                        |
|                            | (i) Current tax                                                               | 12.61                        | 21.46            | 16.25           | 16.39            | 16.59            | 7.24                                   |
|                            | (ii) Deferred tax                                                             | (0.71)                       | (0.15)           | (1.36)          | (0.40)           | (3.07)           | (0.24)                                 |
| <b>E</b>                   | <b>Total Tax Expense</b>                                                      | <b>11.90</b>                 | <b>21.30</b>     | <b>14.89</b>    | <b>15.99</b>     | <b>13.52</b>     | <b>7.01</b>                            |
| <b>F</b>                   | <b>Profit for the year (D-E)</b>                                              | <b>36.87</b>                 | <b>47.62</b>     | <b>33.27</b>    | <b>35.77</b>     | <b>32.10</b>     | <b>14.94</b>                           |



# STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE - III (Rs.in lakhs)

| Particulars                                                   | As at<br>March<br>31, 2011 | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2015 | As at<br>December<br>31, 2015 |
|---------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| <b>Cash flow from operating activities:</b>                   |                            |                            |                            |                            |                            |                               |
| Net Profit before tax as per Profit And Loss A/c              | 48.77                      | 68.92                      | 48.16                      | 51.76                      | 45.62                      | 21.95                         |
| Adjusted for:                                                 |                            |                            |                            |                            |                            |                               |
| Depreciation & Amortisation Exp.                              | 21.29                      | 44.42                      | 62.37                      | 62.66                      | 64.76                      | 65.10                         |
| Loss (Profit) on Sale of Assets                               | -                          | -                          | -                          | -                          | 3.61                       | 0.42                          |
| Dividend Income                                               | (0.65)                     | (0.65)                     | -                          | -                          | -                          | -                             |
| Interest Income                                               | (9.80)                     | (26.23)                    | (27.48)                    | (33.36)                    | (33.29)                    | (24.24)                       |
| Finance Cost                                                  | 146.98                     | 216.50                     | 221.54                     | 217.54                     | 227.80                     | 188.85                        |
| <b>Operating Profit Before Working Capital Changes</b>        | <b>206.59</b>              | <b>302.96</b>              | <b>304.58</b>              | <b>298.59</b>              | <b>308.50</b>              | <b>252.09</b>                 |
| Adjusted for (Increase)/Decrease:                             |                            |                            |                            |                            |                            |                               |
| Trade receivable                                              | (391.22)                   | (545.76)                   | (1,063.07)                 | 585.03                     | (1,821.95)                 | 1,551.60                      |
| Other Loans and advances receivable                           | (42.69)                    | (12.07)                    | 12.94                      | 1.46                       | (7.80)                     | 7.04                          |
| Inventories                                                   | (1.49)                     | (490.90)                   | 384.89                     | (185.49)                   | 163.01                     | (206.52)                      |
| Trade Payables                                                | 162.68                     | 193.59                     | 425.52                     | (638.26)                   | 1,666.81                   | (1,286.55)                    |
| Other Current Liabilities                                     | 44.69                      | 2.68                       | 20.49                      | 1.78                       | 7.52                       | 74.93                         |
| Short Term Borrowings                                         | 257.60                     | 868.63                     | 170.82                     | 277.21                     | (22.49)                    | (34.04)                       |
| Short term Provisions                                         | (6.30)                     | 9.62                       | (5.01)                     | 0.24                       | 3.61                       | (8.67)                        |
| <b>Cash Generated From Operations</b>                         | <b>229.85</b>              | <b>328.75</b>              | <b>251.16</b>              | <b>340.57</b>              | <b>297.21</b>              | <b>349.87</b>                 |
| Direct Tax Paid                                               | (12.61)                    | (21.46)                    | (16.25)                    | (16.39)                    | (16.59)                    | (7.24)                        |
| <b>Net Cash Flow from/(used in) Operating Activities: (A)</b> | <b>217.24</b>              | <b>307.30</b>              | <b>234.91</b>              | <b>324.18</b>              | <b>280.62</b>              | <b>342.63</b>                 |
|                                                               |                            |                            |                            |                            |                            |                               |
| <b>Cash Flow From Investing Activities:</b>                   |                            |                            |                            |                            |                            |                               |
| Purchase of Fixed Assets (Net)                                | (65.57)                    | (173.95)                   | (99.52)                    | (122.93)                   | (20.92)                    | (391.76)                      |
| Increase in Capital Work In Progress                          | (104.85)                   | -                          | (36.19)                    | 36.19                      | -                          | -                             |
| Sale of Fixed Assets                                          | -                          | -                          | -                          | -                          | -                          | 55.41                         |
| Purchase of Investment                                        | -                          | -                          | -                          | -                          | -                          | (0.01)                        |
| Sale / Redemption of Investment                               | -                          | 5.00                       | -                          | -                          | -                          | -                             |
| Movement in Loan & Advances                                   | -                          | 12.51                      | (4.27)                     | 4.38                       | (18.45)                    | (17.24)                       |
| Interest Income                                               | 9.80                       | 26.23                      | 27.48                      | 33.36                      | 33.29                      | 24.24                         |
| Dividend Income                                               | 0.65                       | 0.65                       | -                          | -                          | -                          | -                             |



| Particulars                                                   | As at<br>March<br>31, 2011 | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2015 | As at<br>December<br>31, 2015 |
|---------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| <b>Net Cash Flow from/(used in) Investing Activities: (B)</b> | <b>(159.96)</b>            | <b>(129.56)</b>            | <b>(112.49)</b>            | <b>(49.00)</b>             | <b>(6.08)</b>              | <b>(329.36)</b>               |
| <b>Cash Flow from Financing Activities:</b>                   |                            |                            |                            |                            |                            |                               |
| Proceeds From Issue of shares capital                         | 7.01                       | -                          | -                          | -                          | 1.02                       | 1.22                          |
| Increase in Share Premium                                     | 89.79                      | -                          | -                          | -                          | 19.00                      | 20.78                         |
| Decrease in Secured Loans                                     | (36.47)                    | 124.96                     | 159.96                     | (60.60)                    | (50.21)                    | 160.35                        |
| Increase in Long Term Provisions                              | -                          | 0.72                       | 1.03                       | 0.81                       | 1.02                       | 0.66                          |
| Increase in Unsecured Loans                                   | 162.92                     | -                          | -                          | -                          | -                          | -                             |
| Interest Paid                                                 | (146.98)                   | (216.50)                   | (221.54)                   | (217.54)                   | (227.80)                   | (188.85)                      |
| <b>Net Cash Flow from/(used in) Financing Activities ( C)</b> | <b>76.27</b>               | <b>(90.81)</b>             | <b>(60.54)</b>             | <b>(277.33)</b>            | <b>(256.98)</b>            | <b>(5.85)</b>                 |
|                                                               |                            |                            |                            |                            |                            |                               |
| Net Increase/(Decrease) in Cash & Bank Balances (A+B+C)       | 133.55                     | 86.93                      | 61.88                      | (2.15)                     | 17.56                      | 7.42                          |
| Cash & Bank Balances As At Beginning of the Year              | 77.31                      | 210.87                     | 297.79                     | 359.67                     | 357.52                     | 375.08                        |
| <b>Cash &amp; Cash Equivalents As At End of the Year</b>      | <b>210.87</b>              | <b>297.79</b>              | <b>359.67</b>              | <b>357.52</b>              | <b>375.08</b>              | <b>382.50</b>                 |
| <b>Cash &amp; Bank Balance comprise of:</b>                   |                            |                            |                            |                            |                            |                               |
| Cash                                                          | 0.76                       | 14.23                      | 3.94                       | 0.98                       | 1.13                       | 6.59                          |
| <b>Bank Balance</b>                                           |                            |                            |                            |                            |                            |                               |
| Current Account                                               | 1.06                       | 1.18                       | 1.04                       | 1.25                       | 0.43                       | 4.57                          |
| Deposit Account                                               | 209.05                     | 282.38                     | 354.69                     | 355.29                     | 373.53                     | 371.33                        |



## THE ISSUE

The following table summarizes the Issue details:

| Particulars                                  | Details of Equity Shares                                                                                                                                                                                                     |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issue of Equity Shares by our Company        | 18,16,000 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. 15 per Equity Share aggregating Rs. 272.40 lakhs                                                                      |
| <b><i>Of which:</i></b>                      |                                                                                                                                                                                                                              |
| Market Maker Reservation Portion             | 96,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 15 per Equity Share aggregating Rs. 14.40 lakhs                                                                         |
| Net Issue to the Public                      | 17,20,000 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. 15/- per Equity Share aggregating Rs. 258.00 lakhs                                                                    |
|                                              | <b><i>Of which:</i></b>                                                                                                                                                                                                      |
|                                              | 8,64,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 15 per Equity Share aggregating Rs. 129.60 lakhs will be available for allocation to investors up to Rs. 2.00 Lakhs   |
|                                              | 8,56,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 15/- per Equity Share aggregating Rs. 128.40 lakhs will be available for allocation to investors above Rs. 2.00 Lakhs |
| <b>Pre and Post Issue Equity Shares</b>      |                                                                                                                                                                                                                              |
| Equity Shares outstanding prior to the Issue | 49,12,507 Equity Shares                                                                                                                                                                                                      |
| Equity Shares outstanding after the Issue    | 67,28,507 Equity Shares                                                                                                                                                                                                      |
| Use of Proceeds                              | For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 96 of this Draft Prospectus for information on use of Issue Proceeds.                                                      |

### Notes

1. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per regulation 43, sub regulation (4) of SEBI (ICDR) Regulations, at least 50% of the Net Issue to public will be available for allocation on a proportionate basis to Retail Individual Applicants, subject to valid Applications being received at the Issue Price. For further details please refer to section titled ‘*Issue Information*’ beginning on page 264 of this Draft Prospectus.
2. The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on May 7, 2016 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 May 30, 2016.

For further details please refer to chapter titled “*Issue Structure*” beginning on page 269 of this Draft Prospectus.



## GENERAL INFORMATION

Our Company was incorporated as “Titanium Ten Enterprise Private Limited” at Surat, Gujarat as a Private Limited Company under the provisions of the Companies Act, 1956 *vide* Certificate of Incorporation dated September 18, 2008 bearing Corporate Identification Number U52100GJ2008PTC055075 issued by Assistant Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on May 06, 2016 and the name of our Company was changed to “Titanium Ten Enterprise Limited” and a fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated June 2, 2016 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U52100GJ2008PLC055075. Our Company has applied for change of name to "Titanium Ten Enterprise Limited" and is awaiting a fresh certificate of incorporation Consequent upon change of name.

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 169 of this Draft Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### **Titanium Ten Enterprise Limited**

Shop No. 901/914, Rajhans Complex,  
9<sup>th</sup> Floor, Ring Road,  
Surat- 395002, Gujarat, India

**Tel:** +91 261 2320240

**Fax:** +91 261 2321615

**Email:** [investors@titaaniumten.co.in](mailto:investors@titaaniumten.co.in)

**Website:** [www.titaaniumten.co.in](http://www.titaaniumten.co.in)

**Corporate Identification Number:** U52100GJ2008PLC055075

### REGISTRAR OF COMPANIES

#### **Registrar of Companies, Gujarat**

ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad- 380013, Gujarat.

### DESIGNATED STOCK EXCHANGE

#### **SME Platform of BSE**

P. J. Towers, Dalal Street, Fort,  
Mumbai- 400001, Maharashtra.

### BOARD OF DIRECTORS OF OUR COMPANY

| Sr. No. | Name               | Age | DIN      | Address                                                                            | Designation                    |
|---------|--------------------|-----|----------|------------------------------------------------------------------------------------|--------------------------------|
| 1.      | Rohitkumar Kapadia | 72  | 02140862 | 28, Nehru Nagar Soc, Surat Dumas Road, Ichchhanath, Surat - 395007, Gujarat, India | Chairman & Whole-time Director |
| 2.      | Ilaben Kapadia     | 72  | 03507916 | 28, Nehru Nagar, Umra-4, Surat- 395007, Gujarat, India                             | Non- Executive Director        |
| 3.      | Nidhi Joshi        | 44  | 07500523 | 22, Shreerang, Jivan Vikas Soc., Athwalines, Surat- 396001                         | Independent Director           |





| Sr. No. | Name        | Age | DIN      | Address                                                                                                               | Designation          |
|---------|-------------|-----|----------|-----------------------------------------------------------------------------------------------------------------------|----------------------|
| 4.      | Dhiren Shah | 48  | 07510417 | C-702, Royal Residency Appt, Opp. Mahalaxmi Mata, T Anand Mahal Road, Adajan, Choriyasi, Surat, Gujarat, India 395009 | Independent Director |

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 172 of this Draft Prospectus.

#### CHIEF EXECUTIVE OFFICER

**Tejus Kapadia**

**Titanium Ten Enterprise Limited**

Shop No. 901/914, Rajhans Complex,

9<sup>th</sup> Floor, Ring Road,

Surat- 395002, Gujarat, India

**Tel:** +91 261 2320240

**Fax:** +91 261 2321615

**Email:** [tejaaskapadia@titaaniumten.co.in](mailto:tejaaskapadia@titaaniumten.co.in)

**Website:** [www.titaaniumten.co.in](http://www.titaaniumten.co.in)

#### COMPANY SECRETARY & COMPLIANCE OFFICER

**Pashmina Chevli**

**Titanium Ten Enterprise Limited**

Shop No. 901/914, Rajhans Complex,

9<sup>th</sup> Floor, Ring Road,

Surat- 395002, Gujarat, India

**Tel:** +91 261 2320240

**Fax:** +91 261 2321615

**Email:** [cs@titaaniumten.co.in](mailto:cs@titaaniumten.co.in)

**Website:** [www.titaaniumten.co.in](http://www.titaaniumten.co.in)

#### CHIEF FINANCIAL OFFICER

**Minesh Shah**

**Titanium Ten Enterprise Limited**

Shop No. 901/914, Rajhans Complex,

9<sup>th</sup> Floor, Ring Road,

Surat- 395002, Gujarat, India

**Tel:** +91 261 2320240

**Fax:** +91 261 2621615

**Email:** [cfo@titaaniumten.co.in](mailto:cfo@titaaniumten.co.in)

**Website:** [www.titaaniumten.co.in](http://www.titaaniumten.co.in)

**Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and / or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.**

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs to whom the Application Form was submitted (at ASBA Locations) by the Applicants.



## STATUTORY AUDITOR

### **M/s. DSI & CO.**

#### **Chartered Accountants**

MF 14-26, Nariman Point Shopping Centre,  
Near Raghuvir Bungalows, City Light,  
Surat- 395007, Gujarat.

**Tel. No.:** +91 261 3992929/ 3994747

**Fax No.:** Not Available

**Email:** [dsi.surat@gmail.com](mailto:dsi.surat@gmail.com)

**Contact Person:** Eric Kapadia

**Firm Registration No.:** 127226W

**Membership No.:** 136712

## PEER REVIEWED AUDITOR

### **Bipinchandra J Modi & Co**

#### **Chartered Accountants**

B No 18/A, Prakash Co-op Society,  
Athwalines, Surat - 395001

**Tel:** +91 261 3071308

**Fax:** Not Available

**E-Mail:** [bjmodi@gmail.com](mailto:bjmodi@gmail.com)

**Contact Person:** Bipinchandra J Modi

**Firm Registration No:** 101521W

**Membership No:** 031687

**Bipinchandra J Modi & Co.,** Chartered Accountant holds a peer reviewed certificate dated August 16, 2015 issued by the Institute of Chartered Accountants of India.

## LEAD MANAGER

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

406-408, Keshva Premises, Behind Family Court,  
Bandra Kurla Complex, Bandra (East)  
Mumbai- 400051, Maharashtra, India

**Tel:** +91 22 6194 6724

**Fax:** + 91 22 2659 8690

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

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

**Contact Person:** Ms. Kirti Kanoria

**SEBI Registration No:** INM000012110

## REGISTRAR TO THE ISSUE

### **Bigshare Services Private Limited**

E/2, Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri East, Mumbai – 400 072

**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:** Mr. Babu Raphael

**SEBI Registration Number:** INR000001385

**Investor Grievance E-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)



## LEGAL ADVISOR TO THE ISSUE

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

Kini House, 6/39 Jangpura-B,  
New Delhi- 110014

**Tel:** +91 11 2437 1038/ 39/ 40

**Fax:** +91 11 2437 9484

**E-mail:** vidisha@mvkini.com

**Contact Person:** Ms. Vidisha Krishan

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

## BANKER TO THE COMPANY

### **The South Indian Bank Limited**

**Address:** [•]

**Tel:** [•]

**Fax:** [•]

**E-mail:** [•]

**Contact Person:** [•]

**Website:** [•]

## PUBLIC ISSUE BANK AND 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

**Tel:** (91) 022 22859922

**Fax:** (91) 022 22611138

**Email:** rishav.bagrecha@icicibank.com

**Contact Person:** Mr. Rishav Bagrecha

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

## CREDIT RATING

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

## IPO GRADING

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

## APPRAISAL AND MONITORING AGENCY

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. 272.40 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.



## INTER-SE ALLOCATION OF RESPONSIBILITIES

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

## EXPERT OPINION

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 June 3, 2016 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 in Lakhs) | % of the Total Issue size Underwritten |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------|----------------------------------------|
| <b>Pantomath Capital Advisors Private Limited</b><br>406-408, Keshva Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai- 400051, Maharashtra, India<br><b>Tel:</b> +91 22 61946724<br><b>Fax:</b> +91 22 26598690<br><b>Email:</b> ipo@pantomathgroup.com<br><b>Contact Person:</b> Ms. Madhu Lunawat<br><b>SEBI Registration Number:</b> INM000012110 | 18,16,000                                             | 272.40                                | 100%                                   |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                   | <b>18,16,000</b>                                      | <b>272.40</b>                         | <b>100%</b>                            |

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

## DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Lead Manager have entered into a tripartite agreement dated June 3, 2016, with the following Market Maker, duly registered with BSE Limited to fulfil the obligations of Market Making:

### **Rikhav Securities Limited**

35B, Matru Chhaya, S. N. Road,  
Mulund (West), Mumbai 400080

**Tel:** +91 22 2595353

**Fax:** +9122 25935300

**E-mail:** [info@rikhav.net](mailto:info@rikhav.net)

**Website:** [www.rikhav.net](http://www.rikhav.net)

**Contact Person:** Mr. Vishal Patel

**SEBI Registration No.:** INB011280436

**Market Maker Registration No. (SME Segment of BSE):** SMEMM0317408052012

Rikhav Securities Limited, registered with SME segment of BSE 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 BSE and SEBI in this matter from time to time.

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s) .
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of 15/- the minimum lot size is 8,000 Equity Shares thus minimum depth of the quote shall be Rs. 1,20,000/- until the same, would be revised by BSE.
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 96,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Rikhav Securities Limited is acting as the sole Market Maker.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker 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.

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

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

12. SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 25,000 Lakhs, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

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

| Sr. No. | Market Price Slab (in Rs.) | Proposed spread (in % to sale price) |
|---------|----------------------------|--------------------------------------|
| 1       | Up to 50                   | 9%                                   |
| 2       | 50 to 75                   | 8%                                   |
| 3       | 75 to 100                  | 6%                                   |
| 4       | Above 100                  | 5%                                   |

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

| Issue size                   | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size) |
|------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Up to Rs. 20 Crore           | 25%                                                                                           | 24%                                                                                              |
| Rs. 20 crore to Rs. 50 crore | 20%                                                                                           | 19%                                                                                              |
| 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 / BSE from time to time.



## CAPITAL STRUCTURE

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

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

| No. | Particulars                                                                                                                                                                                                                                      | Aggregate nominal value | Aggregate value at Issue Price |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------|
| A.  | <b>Authorised Share Capital</b>                                                                                                                                                                                                                  |                         |                                |
|     | 80,00,000 Equity Shares of face value of Rs. 10/- each                                                                                                                                                                                           | 800.00                  |                                |
| B.  | <b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>                                                                                                                                                                             |                         |                                |
|     | 49,12,507 Equity Shares of face value of Rs. 10/- each                                                                                                                                                                                           | 491.25                  |                                |
| C.  | <b>Present Issue in terms of this Draft Prospectus</b>                                                                                                                                                                                           |                         |                                |
|     | Issue of 18,16,000 Equity Shares of face value Rs.10 each at a price of Rs. 15/- per Equity Share                                                                                                                                                | 181.60                  | 272.40                         |
|     | <b>Consisting :</b>                                                                                                                                                                                                                              |                         |                                |
|     | <b>Reservation for Market Maker</b> – 96,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. 15/- per Equity Share                                                                               | 9.60                    | 14.40                          |
|     | <b>Net Issue to the Public</b> – 17,20,000 Equity Shares of face value of Rs. 10 each at a price of Rs. 15/- per Equity Share                                                                                                                    | 172.00                  | 258.00                         |
|     | <b>Of the Net Issue to the Public</b>                                                                                                                                                                                                            |                         |                                |
|     | <b>Allocation to Retail Individual Investors-</b> 8,64,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 15/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 lacs          | 86.40                   | 129.60                         |
|     | <b>Allocation to Other than Retail Individual Investors-</b> 8,56,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 15/- per Equity Share shall be available for allocation for Investors applying for a value above Rs. 2 lacs | 85.60                   | 128.40                         |
| D.  | <b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>                                                                                                                                                                              |                         |                                |
|     | 67,28,507 Equity Shares of face value of Rs. 10 each                                                                                                                                                                                             | 672.85                  |                                |
| E.  | <b>Securities Premium Account</b>                                                                                                                                                                                                                |                         |                                |
|     | Before the Issue                                                                                                                                                                                                                                 |                         | -                              |
|     | After the Issue                                                                                                                                                                                                                                  |                         | <b>119.80</b>                  |

The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on May 7, 2016 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 May 30, 2016.

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



## NOTES TO THE CAPITAL STRUCTURE

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

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

| Particulars of Change                                              |                                                                     | Date of Shareholders' Meeting | AGM / EGM |
|--------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------|-----------|
| From                                                               | To                                                                  |                               |           |
| Rs. 10,00,000 consisting of 1,00,000 Equity shares of Rs. 10 each. |                                                                     | On Incorporation              | --        |
| Rs. 10,00,000 consisting of 1,00,000 Equity Shares of Rs. 10 each. | Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs. 10 each.  | February 24, 2009             | EGM       |
| Rs. 20,00,000 consisting of 2,00,000 Equity shares of Rs. 10 each. | Rs. 30,00,000 consisting of 3,00,000 Equity shares of Rs. 10 each.  | December 30, 2010             | EGM       |
| Rs. 30,00,000 consisting of 3,00,000 Equity shares of Rs. 10 each. | Rs. 80,00,000 consisting of 80,00,000 Equity shares of Rs. 10 each. | May 6, 2016                   | EGM       |

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

| Date of Allotment / Fully Paid-up | No. of Equity Shares allotted | Face value (Rs.) | Issue Price (Rs.) | Nature of consideration | Nature of Allotment                                               | Cumulative number of Equity Shares | Cumulative Paid-up Capital (Rs.) |
|-----------------------------------|-------------------------------|------------------|-------------------|-------------------------|-------------------------------------------------------------------|------------------------------------|----------------------------------|
| September 18, 2008                | 10,000                        | 10               | 10                | Cash                    | Subscription to MOA <sup>(i)</sup>                                | 10,000                             | 1,00,000                         |
| March 18 2009                     | 21,712                        | 10               | 100               | *Cash                   | Further Allotment <sup>(ii)</sup>                                 | 31,712                             | 3,17,120                         |
| December 15, 2009                 | 67,961                        | 10               | 100               | Cash                    | Further Allotment <sup>(iii)</sup>                                | 99,673                             | 9,96,730                         |
| # October 13, 2010                | 71,350                        | 10               | 140               | Cash                    | Further Allotment <sup>(iv)</sup>                                 | 1,71,023                           | 17,10,230                        |
| ## March 31, 2011                 | 10,512                        | 10               | 125               | Cash                    | Further Allotment <sup>(v)</sup>                                  | 1,81,535                           | 18,15,350                        |
| June 30, 2014                     | 18,153                        | 10               | N/A               | Other than Cash         | Bonus Issue <sup>(vi)</sup>                                       | 1,99,688                           | 19,96,880                        |
| July 12, 2014                     | 10,160                        | 10               | 197               | Cash                    | Preferential Allotment <sup>(vii)</sup>                           | 2,09,848                           | 20,98,480                        |
| September 21, 2015                | 41,969                        | 10               | N/A               | Other than Cash         | Bonus Issue <sup>(viii)</sup>                                     | 2,51,817                           | 25,18,170                        |
| September 28, 2015                | 12,222                        | 10               | 180               | Cash                    | Preferential Allotment <sup>(ix)</sup>                            | 2,64,039                           | 26,40,390                        |
| May 06, 2016                      | 31,68,468                     | 10               | N/A               | Other than Cash         | Bonus Issue <sup>(x)</sup>                                        | 34,32,507                          | 3,43,25,070                      |
| May 06, 2016                      | 14,80,000                     | 10               | 15                | Other than Cash         | Further Allotment by Conversion of Unsecured Loan <sup>(xi)</sup> | 49,12,507                          | 4,91,25,070                      |



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

| Sr. No. | Name of Person     | No. of shares Allotted |
|---------|--------------------|------------------------|
| 1.      | Rohitkumar Kapadia | 5,000                  |
| 2.      | Shalu Kapadia      | 5,000                  |
|         | <b>Total</b>       | <b>10,000</b>          |

- (ii) Further allotment of 21,712 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 90/- per equity share as per the details given below:

| Sr. No | Name of Person               | No. of Shares Allotted |
|--------|------------------------------|------------------------|
| 1.     | Rohitkumar Kapadia           | 6,512                  |
| 2.     | Shalu Kapadia                | 1,980                  |
| 3.     | Rohit Hasmukhlal Kapadia HUF | 1,860                  |
| 4.     | Ilaben Kapadia               | 11,360                 |
|        | <b>Total</b>                 | <b>21,712</b>          |

- (iii) Further allotment of 67,961 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 90/- per equity share as per the details given below:

| Sr. No | Name of Person               | No. of Shares Allotted |
|--------|------------------------------|------------------------|
| 1.     | Rohitkumar Kapadia           | 25,110                 |
| 2.     | Shalu Kapadia                | 1,820                  |
| 3.     | Rohit Hasmukhlal Kapadia HUF | 11,150                 |
| 4.     | Ilaben Kapadia               | 15,160                 |
| 5.     | Vieha Kapadia                | 880                    |
| 6.     | Sharvankumar Sahani          | 1                      |
| 7.     | Tejus Kapadia                | 13,840                 |
|        | <b>Total</b>                 | <b>67,961</b>          |

- (iv) Further allotment of 71,350 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 130/- per equity share as per the details given below:

| Sr. No | Name of Person               | No. of Shares Allotted |
|--------|------------------------------|------------------------|
| 1.     | Rohitkumar Kapadia           | 58,418                 |
| 2.     | Shalu Kapadia                | 893                    |
| 3.     | Rohit Hasmukhlal Kapadia HUF | 336                    |
| 4.     | Ilaben Kapadia               | 7,693                  |
| 5.     | Vieha Kapadia                | 2,715                  |
| 6.     | Jayrajbhai Sisvawala         | 1                      |
| 7.     | Tejus Kapadia                | 1,293                  |
| 8.     | Chhayaben Sisvawala          | 1                      |
|        | <b>Total</b>                 | <b>71,350</b>          |

- (v) Further allotment of 10,512 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 115/- per equity share as per the details given below:

| Sr. No | Name of Person               | No. of Shares Allotted |
|--------|------------------------------|------------------------|
|        | Shalu Kapadia                | 640                    |
|        | Rohit Hasmukhlal Kapadia HUF | 2,112                  |
|        | Ilaben Kapadia               | 7,760                  |
|        | <b>Total</b>                 | <b>10,512</b>          |



- (vi) Bonus Issue of 18,153 Equity Shares of Rs. 10/- each in the ratio of 1 equity share for every 10 Equity Shares as per the details given below:

| Sr. No. | Name of Person               | No. of Shares Allotted |
|---------|------------------------------|------------------------|
| 1.      | Rohitkumar Kapadia           | 9,504                  |
| 2.      | Shalu Kapadia                | 1,033                  |
| 3.      | Rohit Hasmukhlal Kapadia HUF | 1,546                  |
| 4.      | Ilaben Kapadia               | 4,197                  |
| 5.      | Vieha Kapadia                | 360                    |
| 6.      | Tejus Kapadia                | 1,513                  |
|         | <b>Total</b>                 | <b>18,153</b>          |

- (vii) Preferential Allotment of 10,160 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 187/- per equity share as per the details given below:

| Sr. No. | Name of Person     | No. of Shares Allotted |
|---------|--------------------|------------------------|
| 1.      | Rohitkumar Kapadia | 10,160                 |
|         | <b>Total</b>       | <b>10,160</b>          |

- (viii) Bonus Issue of 41,969 Equity Shares of Rs. 10/- each in the ratio of 1 equity share for every 5 Equity Shares held on September 21, 2015 as per the details given below:

| Sr. No. | Name of Person               | No. of Shares Allotted |
|---------|------------------------------|------------------------|
| 1.      | Rohitkumar Kapadia           | 22,941                 |
| 2.      | Shalu Kapadia                | 2,273                  |
| 3.      | Rohit Hasmukhlal Kapadia HUF | 3,401                  |
| 4.      | Ilaben Kapadia               | 9,234                  |
| 5.      | Vieha Kapadia                | 791                    |
| 6.      | Tejus Kapadia                | 3,329                  |
|         | <b>Total</b>                 | <b>41,969</b>          |

- (ix) Preferential allotment of 12,222 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 170/- per equity share as per the details given below:

| Sr. No. | Name of Person     | No. of Shares Allotted |
|---------|--------------------|------------------------|
| 1.      | Rohitkumar Kapadia | 6,111                  |
| 2.      | Ilaben Kapadia     | 6,111                  |
|         | <b>Total</b>       | <b>12,222</b>          |

- (x) Bonus Issue of 31,68,468 Equity Shares of Rs. 10/- each in the ratio of 12 equity shares for every 1 equity share held on May 6, 2016 as per the details given below:

| Sr. No. | Name of Person               | No. of Shares Allotted |
|---------|------------------------------|------------------------|
| 1.      | Rohitkumar Kapadia           | 17,25,072              |
| 2.      | Shalu Kapadia                | 1,63,668               |
| 3.      | Rohit Hasmukhlal Kapadia HUF | 2,44,860               |
| 4.      | Ilaben Kapadia               | 7,38,180               |
| 5.      | Vieha Kapadia                | 56,952                 |
| 6.      | Sharvankumar Sahani          | 12                     |
| 7.      | Tejus Kapadia                | 2,39,700               |
| 8.      | Jayrajbhai Sisvawala         | 12                     |
| 9.      | Chhayaben Sisvawala          | 12                     |
|         | <b>Total</b>                 | <b>31,68,468</b>       |



- (xi) Further Allotment by way of Conversion of unsecured loan into 14,80,000 Equity Shares of face value of Rs. 10/- each fully paid at a premium of Rs. 5 per equity share on May 6, 2016 as per the details given below:

| Sr. No. | Name of Person     | No. of Shares Allotted |
|---------|--------------------|------------------------|
| 1.      | Rohitkumar Kapadia | 3,60,000               |
| 2.      | Ilaben Kapadia     | 11,20,000              |
|         | <b>Total</b>       | <b>14,80,000</b>       |

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

| Date of Allotment  | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment                                                      | Benefits accrued to our Company      | Allottees                    | No. of Shares Allotted |
|--------------------|-------------------------|------------------|-------------------|----------------------------------------------------------------------------|--------------------------------------|------------------------------|------------------------|
| June 30, 2014      | 18,153                  | 10               | Nil               | Bonus Issue in the ratio of 1 Equity Share for every 10 Equity Shares held | Nil                                  | Rohitkumar Kapadia           | 9,504                  |
|                    |                         |                  |                   |                                                                            |                                      | Shalu Kapadia                | 1,033                  |
|                    |                         |                  |                   |                                                                            |                                      | Rohit Hasmukhlal Kapadia HUF | 1,546                  |
|                    |                         |                  |                   |                                                                            |                                      | Ilaben Kapadia               | 4,197                  |
|                    |                         |                  |                   |                                                                            |                                      | Vieha Kapadia                | 360                    |
|                    |                         |                  |                   |                                                                            |                                      | Tejus Kapadia                | 1,513                  |
| September 21, 2015 | 41,969                  | 10               | Nil               | Bonus Issue in the ratio of 1 Equity Share for every 5 Equity Shares held  | Nil                                  | Rohitkumar Kapadia           | 22,941                 |
|                    |                         |                  |                   |                                                                            |                                      | Shalu Kapadia                | 2,273                  |
|                    |                         |                  |                   |                                                                            |                                      | Rohit Hasmukhlal Kapadia HUF | 3,401                  |
|                    |                         |                  |                   |                                                                            |                                      | Ilaben Kapadia               | 9,234                  |
|                    |                         |                  |                   |                                                                            |                                      | Vieha Kapadia                | 791                    |
|                    |                         |                  |                   |                                                                            |                                      | Tejus Kapadia                | 3,329                  |
| May 6, 2016        | 31,68,468               | 10               | Nil               | Bonus Issue in the ratio of 12 Equity Shares for every 1 Equity Share held | Nil                                  | Rohitkumar Kapadia           | 17,25,072              |
|                    |                         |                  |                   |                                                                            |                                      | Shalu Kapadia                | 1,63,668               |
|                    |                         |                  |                   |                                                                            |                                      | Rohit Hasmukhlal Kapadia HUF | 2,44,860               |
|                    |                         |                  |                   |                                                                            |                                      | Ilaben Kapadia               | 7,38,180               |
|                    |                         |                  |                   |                                                                            |                                      | Vieha Kapadia                | 56,952                 |
|                    |                         |                  |                   |                                                                            |                                      | Sharvankumar Sahani          | 12                     |
|                    |                         |                  |                   |                                                                            |                                      | Tejus Kapadia                | 2,39,700               |
|                    |                         |                  |                   |                                                                            |                                      | Jayrajbhai Sisvawala         | 12                     |
|                    |                         |                  |                   |                                                                            |                                      | Chhayaben Sisvawala          | 12                     |
| May 6, 2016        | 14,80,000               | 10               | 15                | Conversion of Unsecured Loan                                               | Debt is converted into Fixed Capital | Rohitkumar Kapadia           | 3,60,000               |
|                    |                         |                  |                   |                                                                            |                                      | Ilaben Kapadia               | 11,20,000              |

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.





5. Our Company has not revalued its assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. We have not issued any shares at price below issue price within last one year from the date of this Draft Prospectus except as given below:

| Date of Allotment  | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment                                                      | Benefits accrued to our Company | Allottees                    | No. of Shares Allotted |
|--------------------|-------------------------|------------------|-------------------|----------------------------------------------------------------------------|---------------------------------|------------------------------|------------------------|
| September 21, 2015 | 41,969                  | 10               | Nil               | Bonus Issue in the ratio of 1 Equity Share for every 5 Equity Shares held  | Nil                             | Rohitkumar Kapadia           | 22,941                 |
|                    |                         |                  |                   |                                                                            |                                 | Shalu Kapadia                | 2,273                  |
|                    |                         |                  |                   |                                                                            |                                 | Rohit Hasmukhlal Kapadia HUF | 3,401                  |
|                    |                         |                  |                   |                                                                            |                                 | Ilaben Kapadia               | 9,234                  |
|                    |                         |                  |                   |                                                                            |                                 | Vieha Kapadia                | 791                    |
|                    |                         |                  |                   |                                                                            |                                 | Tejus Kapadia                | 3,329                  |
| May 6, 2016        | 31,68,468               | 10               | Nil               | Bonus Issue in the ratio of 12 Equity Shares for every 1 Equity Share held | Nil                             | Rohitkumar Kapadia           | 17,25,072              |
|                    |                         |                  |                   |                                                                            |                                 | Shalu Kapadia                | 1,63,668               |
|                    |                         |                  |                   |                                                                            |                                 | Rohit Hasmukhlal Kapadia HUF | 2,44,860               |
|                    |                         |                  |                   |                                                                            |                                 | Ilaben Kapadia               | 7,38,180               |
|                    |                         |                  |                   |                                                                            |                                 | Vieha Kapadia                | 56,952                 |
|                    |                         |                  |                   |                                                                            |                                 | Sharvankumar Sahani          | 12                     |
|                    |                         |                  |                   |                                                                            |                                 | Tejus Kapadia                | 2,39,700               |
|                    |                         |                  |                   |                                                                            |                                 | Jayrajbhai Sisvawala         | 12                     |
|                    |                         |                  |                   |                                                                            |                                 | Chhayaben Sisvawala          | 12                     |



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

### (i) Build-up of Promoters' shareholdings

As on the date of this Draft Prospectus, our Promoters Rohitkumar Kapadia and Ilaben Kapadia hold 41,48,523 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

#### a. Rohitkumar Kapadia

| Date of Allotment and made fully paid up / Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price Rs.)* | Nature of Transactions                                   | Pre-issue shareholding % | Post – issue shareholding % | Lock-in Period | Source of funds              | Pledge |
|-----------------------------------------------------|----------------------|----------------------------|--------------------------------------------|----------------------------------------------------------|--------------------------|-----------------------------|----------------|------------------------------|--------|
| September 18, 2008                                  | 5,000                | 10                         | 10                                         | Subscription to MOA                                      | 0.10%                    | 0.07%                       | 1 year         | Savings                      | No     |
| March 18, 2009                                      | 6,512                | 10                         | 100                                        | Further Allotment                                        | 0.13%                    | 0.10%                       | 1 year         | Savings                      | No     |
| December 15, 2009                                   | 25,110               | 10                         | 100                                        | Further Allotment                                        | 0.51%                    | 0.37%                       | 1 year         | Savings                      | No     |
| October 13, 2010                                    | 58,418               | 10                         | 140                                        | Further Allotment                                        | 1.19%                    | 0.87%                       | 1 year         | Savings                      | No     |
| June 30, 2014                                       | 9,504                | 10                         | N/A                                        | Bonus Issue                                              | 0.19%                    | 0.14%                       | 1 year         | N/A                          | No     |
| July 12, 2014                                       | 10,160               | 10                         | 197                                        | Preferential Allotment                                   | 0.21%                    | 0.15%                       | 1 year         | Savings                      | No     |
| September 21, 2015                                  | 22,941               | 10                         | N/A                                        | Bonus Issue                                              | 0.47%                    | 0.34%                       | 1 year         | N/A                          | No     |
| September 28, 2015                                  | 6,111                | 10                         | 180                                        | Preferential Allotment                                   | 0.12%                    | 0.09%                       | 1 year         | Savings                      | No     |
| May 6, 2016                                         | 17,25,072            | 10                         | N/A                                        | Bonus Issue                                              | 35.12%                   | 25.64%                      | 1 year         | N/A                          | No     |
| May 6, 2016                                         | 2,60,000             | 10                         | 15                                         | Further Allotment by way of Conversion of Unsecured Loan | 5.29%                    | 3.86%                       | 3 years        | Conversion of Unsecured Loan | No     |
|                                                     | 1,00,000             |                            |                                            |                                                          | 2.04%                    | 1.49%                       | 1 Year         |                              |        |
| <b>Total</b>                                        | <b>22,28,828</b>     |                            |                                            |                                                          | <b>45.37%</b>            | <b>33.13%</b>               |                |                              |        |

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



**b. Ilaben Kapadia**

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.)* | Nature of Transactions                                   | Pre-issue shareholding % | Post- issue shareholding % | Lock-in Period | Source of funds              | Pledge |
|----------------------------------------------------|----------------------|----------------------------|---------------------------------------------|----------------------------------------------------------|--------------------------|----------------------------|----------------|------------------------------|--------|
| March 18, 2009                                     | 11,360               | 10                         | 100                                         | Further Allotment                                        | 0.23%                    | 0.17%                      | 1 year         | Savings                      | No     |
| December 15, 2009                                  | 15,160               | 10                         | 100                                         | Further Allotment                                        | 0.31%                    | 0.23%                      | 1 year         | Savings                      | No     |
| October 13, 2010                                   | 7,693                | 10                         | 140                                         | Further Allotment                                        | 0.16%                    | 0.11%                      | 1 year         | Savings                      | No     |
| March 31, 2011                                     | 7,760                | 10                         | 125                                         | Further Allotment                                        | 0.16%                    | 0.12%                      | 1 year         | Savings                      | No     |
| June 30, 2014                                      | 4,197                | 10                         | N/A                                         | Bonus Issue                                              | 0.09%                    | 0.06%                      | 1 year         | N/A                          | No     |
| September 21, 2015                                 | 9,234                | 10                         | N/A                                         | Bonus Issue                                              | 0.19%                    | 0.14%                      | 1 year         | N/A                          | No     |
| September 28, 2015                                 | 6,111                | 10                         | 180                                         | Preferential Allotment                                   | 0.12%                    | 0.09%                      | 1 year         | Savings                      | No     |
| May 6, 2016                                        | 7,38,180             | 10                         | N/A                                         | Bonus Issue                                              | 15.03%                   | 10.97%                     | 1 year         | N/A                          | No     |
| May 6, 2016                                        | 11,20,000            | 10                         | 15                                          | Further Allotment by way of Conversion of Unsecured Loan | 22.80%                   | 16.65%                     | 3 years        | Conversion of Unsecured Loan | No     |
| <b>Total</b>                                       | <b>19,19,695</b>     |                            |                                             |                                                          | <b>39.08%</b>            | <b>28.53%</b>              |                |                              |        |

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



**(ii) Details of Promoters' Contribution locked in for three years:**

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

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20.51% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

| Date of Allotment and made fully paid up / Transfer | No. of Shares Allotted / Transferred | Face Value | Issue Price | Nature of Allotment                                      | % of Post Issue shareholding | Lock in Period |
|-----------------------------------------------------|--------------------------------------|------------|-------------|----------------------------------------------------------|------------------------------|----------------|
| <b>Rohitkumar Kapadia</b>                           |                                      |            |             |                                                          |                              |                |
| May 6, 2016                                         | 2,60,000                             | 10         | 15          | Further Allotment by way of Conversion of Unsecured Loan | 3.86%                        | 3 years        |
| <b>Ilaben Kapadia</b>                               |                                      |            |             |                                                          |                              |                |
| May 6, 2016                                         | 11,20,000                            | 10         | 15          | Further Allotment by way of Conversion of Unsecured Loan | 16.65%                       | 3 years        |
| <b>Total</b>                                        | <b>13,80,000</b>                     |            |             |                                                          | <b>20.51%</b>                |                |

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

- The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Draft Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Prospectus at a price lower than the Issue Price;
- Our Company has not been formed by the conversion of a partnership firm into a Company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm;
- The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are not subject to any pledge;
- All the Equity Shares of our Company held by the Promoter are in the process of being dematerialized; and
- The Equity Shares offered for Promoters' contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoters' contribution subject to lock-in.



**(iii) Details of Equity Shares locked-in for one year**

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

**(iv) Other requirements in respect of lock-in**

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

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

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

We further confirm that our Promoter's Contribution of 20.51% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.



## 8. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI Listing Regulations 2015:-

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

| C<br>a<br>t<br>e<br>g<br>o<br>r<br>y | Category of Shareholder        | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br>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)<br>As a % of (A+B+C2) | Number of Locked in shares** |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--------------------------------------|--------------------------------|---------------------|-----------------------------------------|------------------------------------------|----------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------|--------------------------------------------------|---------------------------------|-----------------------------------------------------|
|                                      |                                |                     |                                         |                                          |                                              |                        |                                                                                                 | No of Voting Rights                                       | Total as a % of (A+B+C) |                                                                                  |                                                                                                                                          | No. (a)                      | As a % of total Shares held (b) | No. (a)                                          | As a % of total Shares held (b) |                                                     |
| I                                    | II                             | III                 | IV                                      | V                                        | VI                                           | VII = IV + V+ VI       | VIII                                                                                            | IX                                                        |                         | X                                                                                | XI = VII + X                                                                                                                             | XII                          |                                 | XIII                                             |                                 | XIV                                                 |
| A                                    | Promoter and Promoter Group    | 6                   | 49,12,468                               | -                                        | -                                            | 49,12,468              | 100.00                                                                                          | 49,12,468                                                 | 100.00                  | -                                                                                | 100.00                                                                                                                                   | -                            | -                               | -                                                | -                               | [•]                                                 |
| B                                    | Public                         | 3                   | 39                                      | -                                        | -                                            | 39                     | 0.00                                                                                            | 39                                                        | 0.00                    | -                                                                                | 0.00                                                                                                                                     | -                            | -                               | -                                                | -                               | [•]                                                 |
| C                                    | Non Promoter-Non Public        | -                   | -                                       | -                                        | -                                            | -                      | -                                                                                               | -                                                         | -                       | -                                                                                | -                                                                                                                                        | -                            | -                               | -                                                | -                               | -                                                   |
| 1                                    | Shares underlying DRs          | -                   | -                                       | -                                        | -                                            | -                      | -                                                                                               | -                                                         | -                       | -                                                                                | -                                                                                                                                        | -                            | -                               | -                                                | -                               | -                                                   |
| 2                                    | Shares held by Employee Trusts | -                   | -                                       | -                                        | -                                            | -                      | -                                                                                               | -                                                         | -                       | -                                                                                | -                                                                                                                                        | -                            | -                               | -                                                | -                               | -                                                   |
|                                      | <b>Total</b>                   | <b>9</b>            | <b>49,12,507</b>                        | <b>-</b>                                 | <b>-</b>                                     | <b>49,12,507</b>       | <b>100.00</b>                                                                                   | <b>49,12,507</b>                                          | <b>100.00</b>           | <b>-</b>                                                                         | <b>100.00</b>                                                                                                                            | <b>-</b>                     | <b>-</b>                        | <b>-</b>                                         | <b>-</b>                        | <b>[•]</b>                                          |

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

\*\*All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on BSE SME Platform.





# **I. Shareholding Pattern of Promoter and Promoter Group**

| Sr. No. | Category of Shareholder                 | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>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)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|---------|-----------------------------------------|-----|----------------------|-----------------------------------------|------------------------------------------|----------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------|--------------------------------------------------|---------------------------------|-----------------------------------------------------|
|         |                                         |     |                      |                                         |                                          |                                              |                        |                                                                                                     | No of Voting Rights                                      | Total as a % of (A+B+C) |                                                                                  |                                                                                                                                              | No. (a)                    | As a % of total Shares held (b) | No. (a)                                          | As a % of total Shares held (b) |                                                     |
|         | I                                       | II  | III                  | IV                                      | V                                        | VI                                           | VII = IV+V+VI          | VIII                                                                                                | IX                                                       |                         | X                                                                                | XI = VII + X                                                                                                                                 | XII                        |                                 | XIII                                             |                                 | XIV                                                 |
| (1)     | Indian                                  |     |                      |                                         |                                          |                                              |                        |                                                                                                     |                                                          |                         |                                                                                  |                                                                                                                                              |                            |                                 |                                                  |                                 |                                                     |
| (a)     | Individuals/Hindu undivided Family      |     |                      |                                         |                                          |                                              |                        |                                                                                                     |                                                          |                         |                                                                                  |                                                                                                                                              |                            |                                 |                                                  |                                 |                                                     |
|         | Rohitkumar Kapadia                      |     | 1                    | 22,28,828                               | -                                        | -                                            | 22,28,828              | 45.37                                                                                               | 22,28,828                                                | 45.37                   | -                                                                                | 45.37                                                                                                                                        | -                          | -                               | -                                                | -                               | [•]                                                 |
|         | Shalu Kapadia                           |     | 1                    | 1,77,307                                | -                                        | -                                            | 1,77,307               | 3.61                                                                                                | 1,77,307                                                 | 3.61                    | -                                                                                | 3.61                                                                                                                                         | -                          | -                               | -                                                | -                               | [•]                                                 |
|         | Rohit Hasmukhlal Kapadia HUF            |     | 1                    | 2,65,265                                | -                                        | -                                            | 2,65,265               | 5.40                                                                                                | 2,65,265                                                 | 5.40                    | -                                                                                | 5.40                                                                                                                                         | -                          | -                               | -                                                | -                               | [•]                                                 |
|         | Ilaben Kapadia                          |     | 1                    | 19,19,695                               | -                                        | -                                            | 19,19,695              | 39.08                                                                                               | 19,19,695                                                | 39.08                   | -                                                                                | 39.08                                                                                                                                        | -                          | -                               | -                                                | -                               | [•]                                                 |
|         | Vieha Kapadia                           |     | 1                    | 61,698                                  | -                                        | -                                            | 61,698                 | 1.26                                                                                                | 61,698                                                   | 1.26                    | -                                                                                | 1.26                                                                                                                                         | -                          | -                               | -                                                | -                               | [•]                                                 |
|         | Tejus Kapadia                           |     | 1                    | 2,59,675                                | -                                        | -                                            | 2,59,675               | 5.29                                                                                                | 2,59,675                                                 | 5.29                    | -                                                                                | 5.29                                                                                                                                         | -                          | -                               | -                                                | -                               | [•]                                                 |
| (b)     | Central Government/ State Government(s) | -   | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                          | -                               | -                                                | -                               | -                                                   |



| Sr. No. | Category of Shareholder                                     | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>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)<br><br>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) |                                                     |
| (c)     | Financial Institutions/ Banks                               | -   | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                          | -                               | -                                                | -                               | -                                                   |
| (d)     | Any Other (specify)                                         | -   | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                          | -                               | -                                                | -                               | -                                                   |
|         | <b>Sub-total (A) (1)</b>                                    |     | <b>6</b>             | <b>49,12,468</b>                        | -                                        | -                                            | <b>49,12,468</b>       | <b>100.00</b>                                                                                       | <b>49,12,468</b>                                         | <b>100.00</b>           | -                                                                                | <b>100.00</b>                                                                                                                                | -                          | -                               | -                                                | -                               | <b>[•]</b>                                          |
| (2)     | Foreign                                                     | -   | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                          | -                               | -                                                | -                               | -                                                   |
| (a)     | Individuals (Non-Resident Individuals/ Foreign Individuals) | -   | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                          | -                               | -                                                | -                               | -                                                   |
| (b)     | Government                                                  | -   | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                          | -                               | -                                                | -                               | -                                                   |
| (c)     | Institutions                                                | -   | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                          | -                               | -                                                | -                               | -                                                   |
| (d)     | Foreign Portfolio Investor                                  | -   | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                          | -                               | -                                                | -                               | -                                                   |
| (e)     | Any Other (Specify)                                         | -   | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                          | -                               | -                                                | -                               | -                                                   |
|         | <b>Sub-total (A) (2)</b>                                    | -   | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                          | -                               | -                                                | -                               | -                                                   |



| Sr. No. | Category of Shareholder                                                     | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>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)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|---------|-----------------------------------------------------------------------------|-----|----------------------|-----------------------------------------|------------------------------------------|----------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------|--------------------------------------------------|---------------------------------|-----------------------------------------------------|
|         |                                                                             |     |                      |                                         |                                          |                                              |                        |                                                                                                     | No of Voting Rights                                      | Total as a % of (A+B+C) |                                                                                  |                                                                                                                                              | No. (a)                    | As a % of total Shares held (b) | No. (a)                                          | As a % of total Shares held (b) |                                                     |
|         | <b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b> |     | <b>6</b>             | <b>49,12,468</b>                        | <b>-</b>                                 | <b>-</b>                                     | <b>49,12,468</b>       | <b>100.00</b>                                                                                       | <b>49,12,468</b>                                         | <b>100.00</b>           | <b>-</b>                                                                         | <b>100.00</b>                                                                                                                                | <b>-</b>                   | <b>-</b>                        | <b>-</b>                                         | <b>-</b>                        | <b>[•]</b>                                          |



# **I. Shareholding pattern of the Public shareholder**

| Sr. No. | Category of Shareholder           | P A N | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>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)<br><br>As a % of (A+B+C2) | Number of Locked in shares* |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|---------|-----------------------------------|-------|----------------------|-----------------------------------------|------------------------------------------|----------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|--------------------------------------------------|---------------------------------|-----------------------------------------------------|
|         |                                   |       |                      |                                         |                                          |                                              |                        |                                                                                                     | No of Voting Rights                                      | Total as a % of (A+B+C) |                                                                                  |                                                                                                                                              | No. (a)                     | As a % of total Shares held (b) | No. (a)                                          | As a % of total Shares held (b) |                                                     |
|         | I                                 | II    | III                  | IV                                      | V                                        | VI                                           | VII = IV+V+VI          | VIII                                                                                                | IX                                                       |                         | X                                                                                | XI = VII + X                                                                                                                                 | XII                         |                                 | XIII                                             |                                 | XIV                                                 |
| (1)     | Institutions                      | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |
| (a)     | Mutual Funds                      | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |
| (b)     | Venture Capital Funds             | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |
| (c)     | Alternate Investment Funds        | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |
| (d)     | Foreign Venture Capital Investors | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |
| (e)     | Foreign Portfolio Investors       | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |
| (f)     | Financial Institutions / Banks    | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |
| (g)     | Insurance Companies               | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |
| (h)     | Provident Funds/ Pension Funds    | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |
| (i)     | Any Other (Specify)               | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |
|         | <b>Sub-total (B) (1)</b>          | -     | -                    | -                                       | -                                        | -                                            | -                      | -                                                                                                   | -                                                        | -                       | -                                                                                | -                                                                                                                                            | -                           | -                               | -                                                | -                               | -                                                   |



|     |                                                                                    |   |          |           |   |   |           |             |           |             |   |             |   |   |   |   |     |
|-----|------------------------------------------------------------------------------------|---|----------|-----------|---|---|-----------|-------------|-----------|-------------|---|-------------|---|---|---|---|-----|
| (2) | Central Government/State Government(s)/ President of India                         | - | -        | -         | - | - | -         | -           | -         | -           | - | -           | - | - | - | - | -   |
|     | <b>Sub-Total (B) (2)</b>                                                           | - | -        | -         | - | - | -         | -           | -         | -           | - | -           | - | - | - | - | -   |
| (3) | <b>Non-Institutions</b>                                                            |   |          |           |   |   |           |             |           |             |   |             |   |   |   |   |     |
| (a) | Individuals                                                                        |   |          |           |   |   |           |             |           |             |   |             |   |   |   |   |     |
|     | i. Individual shareholders holding nominal share capital up to of Rs. 2 lakhs      | - | 3        | 39        | - | - | 39        | 0.00        | 39        | 0.00        | - | 0.00        | - | - | - | - | [●] |
|     | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs | - | -        | -         | - | - | -         | -           | -         | -           | - | -           | - | - | - | - | [●] |
| (b) | NBFCs registered with RBI                                                          | - | -        | -         | - | - | -         | -           | -         | -           | - | -           | - | - | - | - | -   |
| (c) | Employee Trusts                                                                    | - | -        | -         | - | - | -         | -           | -         | -           | - | -           | - | - | - | - | -   |
| (d) | Overseas Depositories (holding DRs) (balancing figure)                             | - | -        | -         | - | - | -         | -           | -         | -           | - | -           | - | - | - | - | -   |
| (e) | Any Other (Specify)                                                                | - | -        | -         | - | - | -         | -           | -         | -           | - | -           | - | - | - | - | -   |
|     | <b>Sub Total (B)(3)</b>                                                            | - | <b>3</b> | <b>39</b> | - | - | <b>39</b> | <b>0.00</b> | <b>39</b> | <b>0.00</b> | - | <b>0.00</b> | - | - | - | - | [●] |
|     | <b>Total Shareholding of Public (B)= (B)(1)+(B)(2)+ (B)(3)</b>                     | - | <b>3</b> | <b>39</b> | - | - | <b>39</b> | <b>0.00</b> | <b>39</b> | <b>0.00</b> | - | <b>0.00</b> | - | - | - | - | [●] |



## II. Shareholding pattern of the Non Promoter- Non Public shareholder

|     | Category of Shareholder                                                              | P<br>A<br>N | Nos<br>of<br>share<br>holders | No.<br>of<br>full<br>y<br>paid<br>up<br>equi<br>ty<br>sha<br>res<br>hel<br>d | No.<br>of<br>Partly<br>paid-<br>up<br>equi<br>ty<br>sha<br>res<br>hel<br>d | No.<br>of<br>sha<br>res<br>und<br>erly<br>ing<br>Dep<br>osit<br>ory<br>Rec<br>eipt<br>s | Total<br>nos.<br>share<br>s<br>held | Sharehold<br>ing<br>as a %<br>of total<br>no. of<br>shares<br>(calcul<br>ated as<br>per<br>SCRR,<br>1957)<br>As a %<br>of<br>(A+B+C2) | Number of Voting Rights held in each class of securities |                               |               |                                         | No.<br>of<br>Shar<br>es<br>Und<br>erly<br>ing<br>Out<br>stain<br>g<br>conve<br>rtible<br>secur<br>ities<br>(inclu<br>ding<br>Warr<br>ants) | Sharehold<br>ing , as a<br>%<br>assuming<br>full<br>conversio<br>n of<br>convertibl<br>e<br>securities (<br>as a<br>percentag<br>e of<br>diluted<br>share<br>capital)<br>As a % of<br>(A+B+C2) | Number of Locked in shares |                                                           | Number of Shares pledged or otherwise encumbered |                                                           | Nu<br>mbe<br>r of<br>equi<br>ty<br>sha<br>res<br>held<br>in dem<br>aterializ<br>ed<br>form |
|-----|--------------------------------------------------------------------------------------|-------------|-------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------|---------------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------|
|     |                                                                                      |             |                               |                                                                              |                                                                            |                                                                                         |                                     |                                                                                                                                       | No of Voting Rights                                      |                               |               | Tot<br>al<br>as a<br>%<br>of<br>(A+B+C) |                                                                                                                                            |                                                                                                                                                                                                | No.<br>(a)                 | As<br>a %<br>of<br>total<br>Sha<br>res<br>hel<br>d<br>(b) | No.<br>(a)                                       | As<br>a %<br>of<br>total<br>Sha<br>res<br>hel<br>d<br>(b) |                                                                                            |
|     |                                                                                      |             |                               |                                                                              |                                                                            |                                                                                         |                                     |                                                                                                                                       | Cl<br>as<br>s<br>eg<br>:<br>X                            | Cl<br>as<br>s<br>eg<br>:<br>Y | T<br>ot<br>al |                                         |                                                                                                                                            |                                                                                                                                                                                                |                            |                                                           |                                                  |                                                           |                                                                                            |
|     |                                                                                      |             |                               |                                                                              |                                                                            |                                                                                         |                                     |                                                                                                                                       |                                                          |                               |               |                                         |                                                                                                                                            |                                                                                                                                                                                                |                            |                                                           |                                                  |                                                           |                                                                                            |
|     | I                                                                                    | II          | III                           | IV                                                                           | V                                                                          | VI                                                                                      | VII =<br>IV+V<br>+VI                | VIII                                                                                                                                  | IX                                                       |                               |               |                                         | X                                                                                                                                          | XI = VII +<br>X                                                                                                                                                                                | XII                        |                                                           | XIII                                             |                                                           | XIV                                                                                        |
| (1) | Custodian / DR Holder                                                                | -           | -                             | -                                                                            | -                                                                          | -                                                                                       | -                                   | -                                                                                                                                     | -                                                        | -                             | -             | -                                       | -                                                                                                                                          | -                                                                                                                                                                                              | -                          | -                                                         | -                                                | -                                                         | -                                                                                          |
| (a) | Name of DR Holder (if applicable)                                                    | -           | -                             | -                                                                            | -                                                                          | -                                                                                       | -                                   | -                                                                                                                                     | -                                                        | -                             | -             | -                                       | -                                                                                                                                          | -                                                                                                                                                                                              | -                          | -                                                         | -                                                | -                                                         | -                                                                                          |
|     | Sub total (C)(1)                                                                     | -           | -                             | -                                                                            | -                                                                          | -                                                                                       | -                                   | -                                                                                                                                     | -                                                        | -                             | -             | -                                       | -                                                                                                                                          | -                                                                                                                                                                                              | -                          | -                                                         | -                                                | -                                                         | -                                                                                          |
| (2) | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | -           | -                             | -                                                                            | -                                                                          | -                                                                                       | -                                   | -                                                                                                                                     | -                                                        | -                             | -             | -                                       | -                                                                                                                                          | -                                                                                                                                                                                              | -                          | -                                                         | -                                                | -                                                         | -                                                                                          |
|     | Sub total (C)(2)                                                                     | -           | -                             | -                                                                            | -                                                                          | -                                                                                       | -                                   | -                                                                                                                                     | -                                                        | -                             | -             | -                                       | -                                                                                                                                          | -                                                                                                                                                                                              | -                          | -                                                         | -                                                | -                                                         | -                                                                                          |
|     | Total Non-Promoter Non-Public Shareholding (C) = (C)(1)+(C)(2)                       | -           | -                             | -                                                                            | -                                                                          | -                                                                                       | -                                   | -                                                                                                                                     | -                                                        | -                             | -             | -                                       | -                                                                                                                                          | -                                                                                                                                                                                              | -                          | -                                                         | -                                                | -                                                         | -                                                                                          |

Note: PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.





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

In terms of SEBI circular bearing no. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/CIR/ISD/05/2011 dated September 30, 2011 our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialised prior to filing the Prospectus with the ROC.



9. Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”:

| 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.      | Rohitkumar Kapadia      | 22,28,828            | 45.37%                 | 22,28,828            | 33.13%                  |
| 2.      | Ilaben Kapadia          | 19,19,695            | 39.08%                 | 19,19,695            | 28.53%                  |
|         | <b>Sub Total (A)</b>    | <b>41,48,523</b>     | <b>84.45%</b>          | <b>41,48,523</b>     | <b>61.66%</b>           |
|         | <b>Promoter Group</b>   |                      |                        |                      |                         |
| 3.      | Shalu Kapadia           | 1,77,307             | 3.61%                  | 1,77,307             | 2.64%                   |
| 4.      | Rohitkumar Kapadia HUF  | 2,65,265             | 5.40%                  | 2,65,265             | 3.94%                   |
| 5.      | Vieha Kapadia           | 61,698               | 1.26%                  | 61,698               | 0.92%                   |
| 6.      | Tejus Kapadia           | 2,59,675             | 5.28%                  | 2,59,675             | 3.86%                   |
|         | <b>Sub total (B)</b>    | <b>7,63,945</b>      | <b>15.55%</b>          | <b>7,63,945</b>      | <b>11.35%</b>           |
|         | <b>Total (A+B)</b>      | <b>49,12,468</b>     | <b>100.00%</b>         | <b>49,12,468</b>     | <b>73.01%</b>           |

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

| Name of the Promoter | No. of Shares held | Average cost of Acquisition (in Rs.) |
|----------------------|--------------------|--------------------------------------|
| Rohitkumar Kapadia   | 22,28,828          | 8.92                                 |
| Ilaben Kapadia       | 19,19,695          | 11.77                                |

11. No persons belonging to the category “Public” holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.
12. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Draft Prospectus are set forth below:

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

| Sr. No. | Name of Shareholders         | Number of Equity Shares | % of Total Paid-Up Capital |
|---------|------------------------------|-------------------------|----------------------------|
| 1.      | Rohitkumar Kapadia           | 22,28,828               | 45.37%                     |
| 2.      | Shalu Kapadia                | 1,77,307                | 3.61%                      |
| 3.      | Rohit Hasmukhlal Kapadia HUF | 2,65,265                | 5.40%                      |
| 4.      | Ilaben Kapadia               | 19,19,695               | 39.08%                     |
| 5.      | Vieha Kapadia                | 61,698                  | 1.26%                      |
| 6.      | Sharvankumar Sahani          | 13                      | 0.00%                      |
| 7.      | Tejus Kapadia                | 2,59,675                | 5.29%                      |
| 8.      | Jayrajibhai Sisvawala        | 13                      | 0.00%                      |
| 9.      | Chhayaben Sisvawala          | 13                      | 0.00%                      |
|         | <b>Total</b>                 | <b>49,12,507</b>        | <b>100.00%</b>             |

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



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

| Sr. No. | Name of Shareholders         | Number of Equity Shares | % of the then existing Total Paid-Up Capital |
|---------|------------------------------|-------------------------|----------------------------------------------|
| 1.      | Rohitkumar Kapadia           | 22,28,828               | 45.37%                                       |
| 2.      | Shalu Kapadia                | 1,77,307                | 3.61%                                        |
| 3.      | Rohit Hasmukhlal Kapadia HUF | 2,65,265                | 5.40%                                        |
| 4.      | Ilaben Kapadia               | 19,19,695               | 39.08%                                       |
| 5.      | Vieha Kapadia                | 61,698                  | 1.26%                                        |
| 6.      | Sharvankumar Sahani          | 13                      | 0.00%                                        |
| 7.      | Tejus Kapadia                | 2,59,675                | 5.29%                                        |
| 8.      | Jayrajbbhai Sisvawala        | 13                      | 0.00%                                        |
| 9.      | Chhayaben Sisvawala          | 13                      | 0.00%                                        |
|         | <b>Total</b>                 | <b>49,12,507</b>        | <b>100.00%</b>                               |

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

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

| Sr. No. | Name of Shareholders         | Number of Equity Shares | % of the then existing Total Paid-Up Capital |
|---------|------------------------------|-------------------------|----------------------------------------------|
| 1.      | Rohitkumar Kapadia           | 95,040                  | 52.35                                        |
| 2.      | Shalu Kapadia                | 10,333                  | 5.69                                         |
| 3.      | Rohit Hasmukhlal Kapadia HUF | 15,458                  | 8.52                                         |
| 4.      | Ilaben Kapadia               | 41,973                  | 23.12                                        |
| 5.      | Vieha Kapadia                | 3,595                   | 1.98                                         |
| 6.      | Sharvankumar Sahani          | 1                       | 0.00                                         |
| 7.      | Tejus Kapadia                | 15,133                  | 8.34                                         |
| 8.      | Jayrajbbhai Sisvawala        | 1                       | 0.00                                         |
| 9.      | Chhayaben Sisvawala          | 1                       | 0.00                                         |
|         | <b>Total</b>                 | <b>1,81,535</b>         | <b>100.00</b>                                |

Our Company had only 9 shareholders two years prior to the date of this Draft Prospectus.

13. 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.
14. 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 the Draft Prospectus.
15. 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 SME Platform of BSE.
16. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
17. 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.



18. Except as set out below, none of the members of the Promoter Group, the Promoter and its directors, or our Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of the Draft Prospectus with the Stock Exchange.

| Date of Allotment | Name of the Allottee         | No. of Shares Allotted / Transferred | Face Value | Issue Price | Nature of Allotment                              |
|-------------------|------------------------------|--------------------------------------|------------|-------------|--------------------------------------------------|
| May 6, 2016       | Rohitkumar Kapadia           | 17,25,072                            | 10         | Nil         | Bonus Issue                                      |
|                   | Shalu Kapadia                | 1,63,668                             | 10         | Nil         |                                                  |
|                   | Rohit Hasmukhlal Kapadia HUF | 2,44,860                             | 10         | Nil         |                                                  |
|                   | Ilaben Kapadia               | 7,38,180                             | 10         | Nil         |                                                  |
|                   | Vieha Kapadia T              | 56,952                               | 10         | Nil         |                                                  |
|                   | Sharvankumar Sahani          | 12                                   | 10         | Nil         |                                                  |
|                   | Tejus Kapadia                | 2,39,700                             | 10         | Nil         |                                                  |
|                   | Jayrajbhai Sisvawala         | 12                                   | 10         | Nil         |                                                  |
|                   | Chhayaben Sisvawala          | 12                                   | 10         | Nil         |                                                  |
| May 6, 2016       | Rohitkumar Kapadia           | 3,60,000                             | 10         | 15          | Conversion of Unsecured Loan in to Equity Shares |
|                   | Ilaben Kapadia               | 11,20,000                            | 10         | 15          |                                                  |

19. There are no Equity Shares against which depository receipts have been issued.
20. Other than the Equity Shares, there are is no other class of securities issued by our Company.
21. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the 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 / Companies comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity / individual or otherwise during the period of six months immediately preceding the date of filing of this Draft 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 finalising 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. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations, as amended from time to time.
27. As on date of this Draft Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
28. All the Equity Shares of our Company are fully paid up as on the date of the Draft 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.
29. As per RBI regulations, OCBs are not allowed to participate in this Issue.
30. Our Company has not raised any bridge loans against the proceeds of the Issue.
31. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
33. 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.
34. 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.
35. We have 9 shareholders as on the date of filing of the Draft Prospectus.
36. Our Promoters and the members of our Promoter Group will not participate in this Issue.
37. Our Company has not made any public issue since its incorporation.
38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
39. For the details of transactions by our Company with our Promoter Group, Group Companies during the period ended December 31, 2015 and for the financial years ended March 31, 2015, 2014, 2013, 2012 and 2011 please refer to paragraph titled 'Details of Related Parties Transactions as Restated' in the chapter titled "*Financial Statements as Restated*" on page 194 of the Draft 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 172 of the Draft Prospectus.



## OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects and achieve the benefits of listing on the SME platform of BSE.

### The object to the Issue is:

1. Working Capital requirements;

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.

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.

## 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

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

### Utilisation of Net Proceeds

The details of the Issue Proceeds are summarised below:

| Particulars                   | Amount<br>(Rs in Lakhs) |
|-------------------------------|-------------------------|
| Issue Proceeds                | 272.40                  |
| Less: Issue related expenses* | 45.00                   |
| <b>Net Proceeds</b>           | <b>227.40</b>           |

*\* As on date of the Draft Prospectus, our Company has incurred Rs. [●] lakhs towards Issue expenses.*

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

| Sr.<br>No. | Particulars                  | Amount<br>(Rs in Lakhs) | Percentage of net<br>Issue |
|------------|------------------------------|-------------------------|----------------------------|
| 1.         | Working Capital Requirements | <b>227.40</b>           | <b>100.00</b>              |

While we intend to utilise the Issue Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth





requirements. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders.

### Working Capital Requirement

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

As on March 31, 2014 and March 31, 2015 our Company's net working capital consisted of Rs. 2,458.20 lakhs and Rs. 2,464.56 lakhs respectively, based on the restated financial statements.

The total working capital requirement for the year 2015-16 is expected to be Rs. 2,254.19 lakhs and for the year 2016-17 is estimated to be Rs. 2,545.59 lakhs. The incremental working capital requirement for the year ending March 31, 2017 will be Rs. 291.40 lakhs, which will be met through the Net Proceeds to the extent of Rs. 227.40 lakhs, and the balance portion will be met through internal accruals.

### Basis of estimation of working capital requirement

The details of our Company's working capital requirement and funding of the same, based on the restated standalone financial statements as at March 31, 2014 and March 31, 2015 are as set out in the table below:

| Particulars                                        | Amount (Rs. In Lakhs) |                 |
|----------------------------------------------------|-----------------------|-----------------|
|                                                    | As on March 31        |                 |
|                                                    | 2014                  | 2015            |
| <b>Current Assets</b>                              |                       |                 |
| Inventories                                        |                       |                 |
| Raw material                                       | 252.72                | 145.38          |
| Finished goods/ Stock-in-trade                     | 184.94                | 129.28          |
| Trade Receivables                                  | 2,103.13              | 3,925.08        |
| Cash and Bank Balance                              | 357.52                | 375.08          |
| Short term loans & advances & other current assets | 12.64                 | 20.44           |
| <b>Total (A)</b>                                   | <b>2,910.95</b>       | <b>4,595.26</b> |
| <b>Current Liabilities</b>                         |                       |                 |
| Trade Payables                                     | 365.61                | 2,032.43        |
| Other Current Liabilities & short term provisions  | 87.14                 | 98.27           |
| <b>Total (B)</b>                                   | <b>452.75</b>         | <b>2,130.70</b> |
| <b>Net Working Capital (A)-(B)</b>                 | <b>2,458.20</b>       | <b>2,464.56</b> |
| Incremental Working Capital                        | 233.09                | 6.36            |
| <b>Sources of Incremental Working Capital</b>      |                       |                 |
| Incremental borrowings                             | 233.09                | -               |
| Internal accruals                                  | -                     | 6.36            |
| <b>Total Source</b>                                | <b>233.09</b>         | <b>6.36</b>     |

The details of our Company's expected working capital requirement as at March 31, 2016 and March 31, 2017 is set out in the table below:

| Particulars           | Amount (Rs. In Lakhs)    |                        |
|-----------------------|--------------------------|------------------------|
|                       | 2015-16<br>(Provisional) | 2016-17<br>(Estimated) |
| <b>Current Assets</b> |                          |                        |
| Inventories           |                          |                        |
| Raw material          | 199.03                   | 242.84                 |



| Particulars                                          | 2015-16<br>(Provisional) | 2016-17<br>(Estimated) |
|------------------------------------------------------|--------------------------|------------------------|
| Finished goods/Stock-in-trade                        | 176.97                   | 215.17                 |
| Trade Receivables                                    | 2,706.94                 | 2,877.60               |
| Cash and Bank Balance                                | 379.45                   | 512.94                 |
| Short term loans & advances and other current assets | -                        | 56.47                  |
| <b>Total (A)</b>                                     | <b>3,462.39</b>          | <b>3,905.02</b>        |
| <b>Current Liabilities</b>                           |                          |                        |
| Trade Payables                                       | 1,006.45                 | 1,219.65               |
| Other Current Liabilities & Provisions               | 201.75                   | 139.78                 |
| <b>Total (B)</b>                                     | <b>1,208.20</b>          | <b>1,359.43</b>        |
| <b>Net Working Capital (A)-(B)</b>                   | <b>2,254.19</b>          | <b>2,545.59</b>        |
| <b>Incremental Working Capital*</b>                  | <b>(210.37)</b>          | <b>291.40</b>          |
| <b>Sources Of Incremental Working Capital</b>        |                          |                        |
| Issue Proceeds                                       | -                        | 227.40                 |
| Internal Accruals                                    | -                        | 64.00                  |
| <b>Total Source</b>                                  | <b>-</b>                 | <b>291.40</b>          |

\*Incremental Working capital is calculated by subtracting the Current year working capital from previous year net working capital.

#### Assumption for working capital requirements

Assumptions for Holding Levels\*

(In months)

| Particulars                | Holding Level<br>as of March<br>31, 2014 | Holding Level<br>as of March 31,<br>2015 | Holding<br>Level as of<br>March 31,<br>2016<br>(Estimated) | Holding<br>Level as of<br>March 31,<br>2017<br>(Estimated) |
|----------------------------|------------------------------------------|------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| <b>Current Assets</b>      |                                          |                                          |                                                            |                                                            |
| Inventories*               |                                          |                                          |                                                            |                                                            |
| Raw material               | 0.31                                     | 0.18                                     | 0.31                                                       | 0.30                                                       |
| Finished Goods             | 0.22                                     | 0.15                                     | 0.25                                                       | 0.25                                                       |
| Trade Receivables          | 2.42                                     | 4.50                                     | 3.79                                                       | 3.25                                                       |
|                            |                                          |                                          |                                                            |                                                            |
| <b>Current Liabilities</b> |                                          |                                          |                                                            |                                                            |
| Trade Payables             | 0.44                                     | 2.51                                     | 1.54                                                       | 1.50                                                       |

Our Company proposes to utilize Rs. 222.40 lakhs of Net Proceeds towards working capital requirements for meeting our business requirements.

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in Financial Year 2016-17 considering the growth in activities of our Company. Our Company has assumed raw material inventory of 0.30 month and finished goods inventory of 0.25 month for the Financial Year 2016-2017.

Our Debtors cycle was of about 2.42 months and 4.50 months in Financial Year 2013-14 and 2014-2015. Further, we expect our debtors circle to be 3.79 months in FY 2015-16. We have assumed that our debtor's cycle will be 3.25 months for Financial Year 2016-17. Similarly we have estimated current assets, trade payables, current liabilities and short term provisions in line with working capital employed in past years and expected to be employed in Financial Year 2015-16.

#### Justification for "Holding Period" levels

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

Assets- Current Assets



| Assets- Current Assets           |                                                                                                                                                                                                                                                                                                                    |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Inventories</b>               | In FY 2016-17 we have assumed raw material and finished goods inventory of around 0.30 month and 0.25 month respectively which is on similar lines for F.Y. 2015-16. As compared to FY 2014-15, we are expecting slightly higher inventory levels as the company intends to increase its manufacturing operations. |
| <b>Trade receivables</b>         | In FY 2016-17 the trade receivable holding period is estimated to decrease from 3.79 months in F.Y. 2015-16 to 3.25 months as we strive to have a stringent debtor management policy.                                                                                                                              |
| Liabilities– Current Liabilities |                                                                                                                                                                                                                                                                                                                    |
| <b>Trade Payables</b>            | In FY 2016-17, the credit period is expected to be 1.50 months which is on similar lines of FY 2015-16. As compared to FY 2014-15 the Company will strive to adhere to stricter credit policy to achieve better and favourable pricing terms and to ensure continued relation with the existing suppliers.         |

### 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. 45.00 Lakhs.

| Expenses                                                                                                                                          | Expenses (Rs. in Lakhs)* | Expenses (% of total Issue expenses) | Expenses (% of Gross Issue Proceeds) |
|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------|--------------------------------------|
| Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc. | 36.00                    | 80.00%                               | 13.22%                               |
| Regulatory fees                                                                                                                                   | 2.50                     | 5.56%                                | 0.92%                                |
| Marketing and Other Expenses                                                                                                                      | 6.50                     | 14.44%                               | 2.39%                                |
| <b>Total estimated Issue expenses</b>                                                                                                             | <b>45.00</b>             | <b>100.00%</b>                       | <b>16.52%</b>                        |

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

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

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

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

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

### SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:

Our Company proposes to deploy the Net Proceeds in the aforesaid objects in the financial year 2016-17.

| Activity                     | Total Amount (Rs in Lakhs) | Amount Financed from Net Proceeds of the Issue | Estimated deployment of the Issue Proceeds FY 2016-2017 |
|------------------------------|----------------------------|------------------------------------------------|---------------------------------------------------------|
| Working Capital Requirements | 227.40                     | [●]                                            | [●]                                                     |



Our Statutory Auditors, M/s. DSI & co., Chartered Accountants vide their certificate dated [•] have confirmed that the following funds have been deployed towards issue expenses.

| Amount (Rs in Lakhs) |        |
|----------------------|--------|
| Source               | Amount |
| Internal Accruals    | [•]    |

Our Management, in accordance with the policies setup by the Board, will have flexibility in deploying the Net Proceeds of the Issue.

#### **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 additional working capital needs until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance additional working capital needs 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. 50,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

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 Draft Prospectus.

#### **VARIATION IN OBJECTS**

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



the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

#### **OTHER CONFIRMATIONS**

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



## BASIS FOR ISSUE PRICE

The Issue Price of Rs 15/- per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors.

The face value of the Equity Share is Rs. 10/- and Issue Price is Rs. 15/- per Equity Share and is 1.5 times the face value.

### QUALITATIVE FACTORS

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

- Experienced Management
- Yarn Knowledge
- Locational Advantage
- Diversified Product Range
- Customer Centric Business Model

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 137 of this Draft Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2013, 2014 and 2015 and for the nine months ended December 31, 2015 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

| Year ended                                  | EPS (Rs.) | Weight      |
|---------------------------------------------|-----------|-------------|
| March 31, 2013                              | 0.98      | 1           |
| March 31, 2014                              | 1.05      | 2           |
| March 31, 2015                              | 0.94      | 3           |
| <b>Weighted average</b>                     |           | <b>0.98</b> |
| Nine months period ended December 31, 2015* |           | 0.44        |

\*Not annualized

#### Note:-

- The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the period / year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.
- For the purpose of calculating the EPS above, the number of Equity Shares has been adjusted for the following changes:

| Date of Allotment  | Particulars                                                                                                              |
|--------------------|--------------------------------------------------------------------------------------------------------------------------|
| June 30, 2014      | Bonus Issue of 18,153 Equity Shares of Rs. 10/- each in the ratio of 1 equity share for every 10 Equity Shares held.     |
| September 21, 2015 | Bonus Issue of 41,969 Equity Shares of Rs. 10/- each in the ratio of 1 equity share for every 5 Equity Shares held.      |
| May 06, 2016       | Bonus Issue of 31,68,468 Equity Shares of Rs. 10/- each in the ratio of 12 equity shares for every 1 Equity Shares held. |





**2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 15/- per Equity Share of Rs. 10 each fully paid up.**

| Particulars                                             | P/E Ratio |
|---------------------------------------------------------|-----------|
| P/E ratio based on Basic & Diluted EPS for FY 2014-15   | 15.97     |
| P/E ratio based on Weighted Average Basic & Diluted EPS | 15.28     |
| <b>**Industry P/E</b>                                   |           |
| Lowest                                                  | 10.60     |
| Highest                                                 | 47.46     |
| Average                                                 | 22.05     |

\*\*Industry Composite comprises Dhanlaxmi Fabrics Limited, Suryavanshi Spinning Mills Ltd, Suditi Industries Ltd, Kandagiri Spinning Mills Ltd and Lambodhara Textiles Ltd.

**3. Return On Net worth (RONW)**

Return On Net Worth ("RONW") as per restated financial statements

| Year ended                                          | RoNW  | Weight       |
|-----------------------------------------------------|-------|--------------|
| March 31, 2013                                      | 9.54% | 1            |
| March 31, 2014                                      | 9.30% | 2            |
| March 31, 2015                                      | 7.35% | 3            |
| <b>Weighted Average</b>                             |       | <b>8.36%</b> |
| For the period April 01, 2015 to December 31, 2015* |       | 3.15%        |

\*Not annualized

**Note:-** The RONW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year.

**4. Minimum Return on Total Net Worth post Issue needed to maintain Pre Issue EPS for the year ended March 31, 2015 is 6.85%**

**5. Net Asset Value (NAV)**

| Particulars                                              | Amount (in Rs.) |
|----------------------------------------------------------|-----------------|
| Net Asset Value per Equity Share as of March 31, 2015    | 12.77           |
| Net Asset Value per Equity Share as on December 31, 2015 | 13.80           |
| Net Asset Value per Equity Share after the Issue         | 13.72           |
| Issue Price per equity share                             | 15.00           |

**Note:**

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year.
- For the purposes of calculating the Net Asset Value above, the number of equity shares has been adjusted for the following changes:

| Date of Allotment  | Particulars                                                                                                                           |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| September 21, 2015 | Bonus Issue of 41,969 Equity Shares of Rs. 10/- each in the ratio of 1 equity share for every 5 Equity Shares held.                   |
| May 06, 2016       | Bonus Issue of 31,68,468 Equity Shares of Rs. 10/- each in the ratio of 12 equity shares for every 1 Equity Shares held.              |
| May 06, 2016       | Conversion of Unsecured Loan of Rs. 2,22,00,000 into 14,80,000 Equity Shares of face value of Rs. 10 each at a premium of Rs. 5 each. |



## 6. Comparison with other listed companies

| Companies                       | CMP    | Basic EPS | Diluted EPS | PE Ratio | RONW % | NAV (Per Share) | Face Value | Total Income (Rs.in Crore) |
|---------------------------------|--------|-----------|-------------|----------|--------|-----------------|------------|----------------------------|
| Titanium Ten Enterprise Limited | 15.00  | 0.94      | 0.94        | 15.97    | 7.35   | 12.77           | 10         | 105.05                     |
| <b>Peer Group*</b>              |        |           |             |          |        |                 |            |                            |
| Dhanlaxmi Fabrics Ltd           | 45.00  | 2.20      | 2.20        | 20.45    | 4.85   | 45.30           | 10         | 79.66                      |
| Suryavanshi Spinning Mills Ltd  | 10.26  | 0.59      | 0.59        | 17.39    | 2.11   | 28.08           | 10         | 107.88                     |
| Suditi Industries Ltd           | 28.00  | 0.59      | 0.58        | 47.46    | 3.81   | 15.36           | 10         | 70.47                      |
| Kandagiri Spinning Mills Ltd    | 61.65  | 4.04      | 4.04        | 15.26    | 5.18   | 78.04           | 10         | 189.79                     |
| Lambodhara Textiles Ltd         | 120.50 | 11.37     | 11.37       | 10.60    | 22.46  | 50.50           | 10         | 133.72                     |

\*Source: [www.bseindia.com](http://www.bseindia.com)

\*\*CMP for our Company is considered as Issue Price

### Notes:

1. Considering the nature of business of the Company the peers are not strictly comparable. However, above Companies have been included for broad comparison.
2. The figures for Titanium Ten Enterprise Limited are based on the restated results for the year ended March 31, 2015.
3. The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2015.
4. Current Market Price (CMP) is the closing prices of respective scripts as on June 3, 2016 or as on the last traded day before June 3, 2016.
5. P/E Ratio has been computed as the closing market prices of the Companies sourced from the BSE website as on June 4, 2016 as divided by the respective Basic EPS provided under Note 6.
6. The Issue Price of Rs. 15 per Equity Share has been determined by the Company in consultation with the LM and is justified based on the above accounting ratios.

For further details refer section titled “Risk Factors” beginning on page 17 of this Draft Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 194 of this Draft Prospectus for a more informed view.



## STATEMENT OF POSSIBLE TAX BENEFITS

**The Board of Directors**  
**Titanium Ten Enterprise Limited**  
Shop No. 901/914, 9<sup>th</sup> Floor,  
Rajhans Complex, Ring Road,  
Surat- 395002, Gujarat, India

Dear Sirs,

**Sub: Statement of possible special tax benefits (“the Statement”) available to Titanium Ten Enterprise 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, 2015 (i.e applicable to Financial Year 2015-16 relevant to Assessment Year 2016-17), 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 fulfill.

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

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

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

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

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



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

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

**For M/s. Bipinchandra J. Modi & Co.**

**Chartered Accountants**

**Firm Registration No.: 101521W**

**Bipinchandra Modi**

**Designation: Partner**

**Membership No.: 031687**

**Place: Surat**

**Date: June 3, 2016**



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

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2015-16.

### **A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

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

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

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



## SECTION IV – ABOUT THE COMPANY

### OUR INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements as Restated” and related notes beginning on page 17 and 194 respectively of this Draft Prospectus before deciding to invest in our Equity Shares.*

#### INTRODUCTION: TEXTILE INDUSTRY

The history of textiles in India dates back to around 3000 BC where the use of mordant dyes and printing blocks was prevalent. The diversity of fibres found in India, intricate weaving on its state-of-the-art manual looms and its organic dyes attracted buyers from all over the world for centuries. However, the industry faced a setback during British colonisation, when the industrial policies destroyed the innovative eco-system and left it technologically impoverished. Independent India saw the building up of textile capabilities, diversification of the product base, and the emergence of the industry, once again, as an important global player.

The Indian textiles and apparels industry is one of the oldest industries in India having evolved impressively from a domestic small scale industry to one of the largest in the world with a massive raw material and textiles manufacturing base. It is also one of the largest and most important sectors of the Indian economy in terms of output, foreign exchange earnings and employment thus contributing greatly to the exchequer. The sector has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing. Its vast potential for creation of employment opportunities in the agricultural, industrial, organised and decentralised sectors & rural and urban areas, particularly for women and the disadvantaged is noteworthy. Thus, the growth and all round development of this sector has a direct bearing on the development of the economy.

In 2013 the Indian textile industry contributed about 14% to the Index of Industrial Production, 4% to the country's GDP and 17% to the country's export earnings. Around 8% of the total excise revenue collection is contributed by the textile industry. The industry currently estimated at around US \$108 billion, is expected to reach US \$ 141 billion by 2021. Given these facts and the strong backward and forward linkages of the sector with other manufacturing industries, the industry is of high focus for the Government and Industry.

*(Source: The Textile & Apparels Industry – Contributing to “Make in India” October, 2015 - The Associated Chambers of Commerce and Industry of India – [www.assochem.org](http://www.assochem.org))*

#### TEXTILE AND APPAREL INDUSTRY - OVERVIEW

The textile and apparel industry can be broadly divided into two segments yarn and fibre, and processed fabrics and apparel. India accounts for ~14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share.

The domestic textile and apparel industry in India is estimated to reach US\$ 141 billion by 2021 from US\$ 67 billion in 2014. Increased penetration of organised retail, favourable demographics, and rising





income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing.

Textile and apparel exports from India are expected to increase to US\$ 82 billion by 2021 from US\$ 40 billion in 2014. Readymade garments remain the largest contributor to total textile and apparel exports from India. In FY15 the segment had a share of 40 per cent of all textile and apparel exports. Cotton and manmade textiles were the other major contributors with shares of 31 per cent and 16 per cent, respectively.

Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. Foreign direct investment (FDI) in textile sector increased to US\$ 1,587.8 million in FY15 from US\$ 1,424.9 million in FY14. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up gradation Fund Scheme (TUFS). To promote apparel exports, 12 locations have been approved by the government to set up apparel parks for exports. As per the 12th Five Year Plan, the Government plans to provide a budgetary support of US\$ 4.25 billion to textiles. Free trade with ASEAN countries and proposed agreement with European Union will also help boost exports.

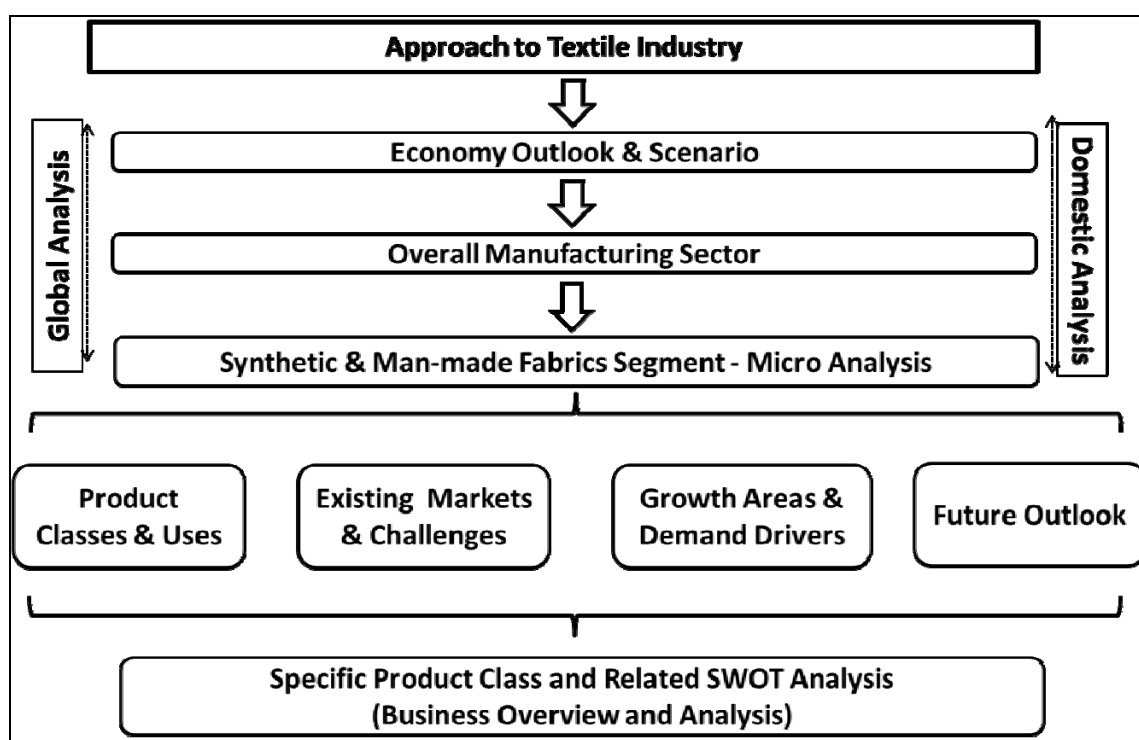
(Source: *Indian Textiles and Apparel Industry Analysis*, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## APPROACH TO INDUSTRY ANALYSIS

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

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing sector is 'Textile Industry', which in turn encompasses various components one of them being "Knitted Fabric Segment".

Thus, Knitted Fabric Segment should be analysed in the light of 'Textile industry' at large. An appropriate view on Knitted Fabric Segment, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position of Textile Industry and micro analysis.





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

## **GLOBAL ECONOMIC ENVIRONMENT**

### **INTRODUCTION**

Since the Economic Survey and Budget were presented a year ago, the Indian economy has continued to consolidate the gains achieved in restoring macro-economic stability. Inflation, the fiscal deficit, and the current account deficit have all declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at varying speeds across sectors.

At the same time, the upcoming Budget and 2016-17 (FY-2017) economic policy more broadly, will have to contend with an unusually challenging and weak external environment. Although the major international institutions are yet again predicting that global growth will increase from its current subdued level, they assess that risks remain tilted to the downside. This uncertain and fragile outlook will complicate the task of economic management for India.

The risks merit serious attention not least because major financial crises seem to be occurring more frequently. The Latin American debt crisis of 1982, the Asian Financial crisis of the late 1990s, and the Eastern European crisis of 2008 suggested that crises might be occurring once a decade. But then the rapid succession of crises, starting with Global Financial Crisis of 2008 and proceeding to the prolonged European crisis, the mini-crises of 2013, and the China provoked turbulence in 2015 all hinted that the intervals between events are becoming shorter.

This hypothesis could be validated in the immediate future, since identifiable vulnerabilities exist in at least three large emerging economies—China, Brazil, Saudi Arabia—at a time when underlying growth and productivity developments in the advanced economies are soft. More flexible exchange rates, however, could moderate full-blown eruptions into less disruptive but more prolonged volatility.

One tail risk scenario that India must plan for is a major currency re-adjustment in Asia in the wake of a similar adjustment in China; as such an event would spread deflation around the world. Another tail risk scenario could unfold as a consequence of policy actions—say, capital controls taken to respond to curb outflows from large emerging market countries, which would further moderate the growth impulses emanating from them.

In either case, foreign demand is likely to be weak, forcing India—in the short run—to find and activate domestic sources of demand to prevent the growth momentum from weakening. At the very least, a tail risk event would require Indian monetary and fiscal policy not to add to the deflationary impulses from abroad. The consolation would be that weaker oil and commodity prices would help keep inflation and the twin deficits in check.

*(Source: Economic Survey 2015-16-Volume I; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))*

### **GLOBAL ECONOMIC OVERVIEW**

The global macroeconomic landscape is currently chartering a rough and uncertain terrain characterized by weak growth of world output. The situation has been exacerbated by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-aversion behaviour of global investors, thus putting many, and in particular, commodities exporting economies under considerable stress.

One important positive outcome in 2015 is the modest pickup in the growth of some of the advanced economies. However, growth in emerging market and developing economies declined for the fifth consecutive year. As a result, overall global economic activity remained subdued in 2015. In its latest Update of the World Economic Outlook (WEO), published on 19 January 2016, the IMF projected growth in the global economy to improve from 3.1 per cent in 2015, to 3.4 per cent in 2016 and



further to 3.6 per cent in 2017. Growth in advanced economies is projected at 2.1 per cent in 2016 and to continue through 2017 at the same rate.

The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large Emerging Market and Developing economies (EMDE) are likely to continue to weigh on their growth prospects in 2016–17. Assessments indicate that mixed inflation developments in the EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The WEO update also indicated that India and the rest of emerging Asia are bright spots, with some other countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. World trade volume growth projections have been placed at 2.6 per cent and 3.4 per cent respectively for 2015 and 2016, which is much lower than what was estimated earlier in WEO in October 2015.

(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **GLOBAL OUTLOOK FOR GROWTH**

One important positive outcome in 2015 was the modest pick-up in growth in some of the advanced economies. It might be recalled that after falling in 2009 due to the 2008 global financial crisis, growth in emerging and developing economies rebounded in 2010 and 2011. While advanced economies also exhibited a recovery in 2010 thanks to the large stimuli, global growth continued to be tepid relative to the average of the decade ending 2006, largely on account of the slowdown in advanced economies. Spill over effects of the crisis may have been large, prolonged and bi-directional, given that the global integration is far greater than in the prior decade. This has made the task of projecting global economic outlook arduous. This uncertainty has led to the International Monetary Fund (IMF) revising the global growth outlook in its World Economic Outlook (WEO) four times a year since 2009.

In its latest WEO Update, published on 19 January 2016, the IMF has projected growth in the global economy to go up from 3.1 per cent in 2015 to 3.4 per cent in 2016 and further to 3.6 per cent in 2017, slightly lower than the projection published in October 2015. Growth in advanced economies is revised by 0.2 percentage points in 2016 to 2.1 per cent, to continue through 2017. Growth in the US is expected to remain resilient owing to strengthening of the housing and labour markets. Growth in the euro area is expected to increase due to stronger private consumption supported by lower oil prices and easy financial conditions is expected to outweigh the weakening in net exports. Growth in Japan is also expected to consolidate in 2016, on the back of fiscal support, lower oil prices, accommodative financial conditions, and rising incomes.

Overall global economic activity remained subdued in 2015, as growth in emerging market and developing economies (EMDE) declined for the fifth consecutive year and recovery in advanced economies was modest. This is also attributable to the changing composition of the global economy and relative point contributions to global growth. The fall in the contribution of the EMDEs is not being made good by the advanced economies. A recent feature is that the Chinese economy is gradually slowing down and is transitioning from investment demand to consumption demand and from manufacturing to services. The concern over the spill over's of subdued global growth to other economies through trade channels and weaker commodity prices is manifest in diminishing confidence and increasing volatility in financial markets. In addition, a dual monetary policy—a gradual tightening in monetary policy in the US in the backdrop of its resilient recovery and easy monetary policy in several other major advanced economies has led to continued uncertainties and poses challenges for the year ahead. In the case of EMDEs, growth remained subdued at 4 per cent in 2015, but is projected to increase to 4.3 per cent in 2016 and 4.7 per cent in 2017. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. Assessments indicate that mixed inflation developments in EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year.

The 19 January WEO Update also indicated that India and the rest of emerging Asia are bright spots, albeit with some countries facing strong headwinds from China's economic rebalancing and global



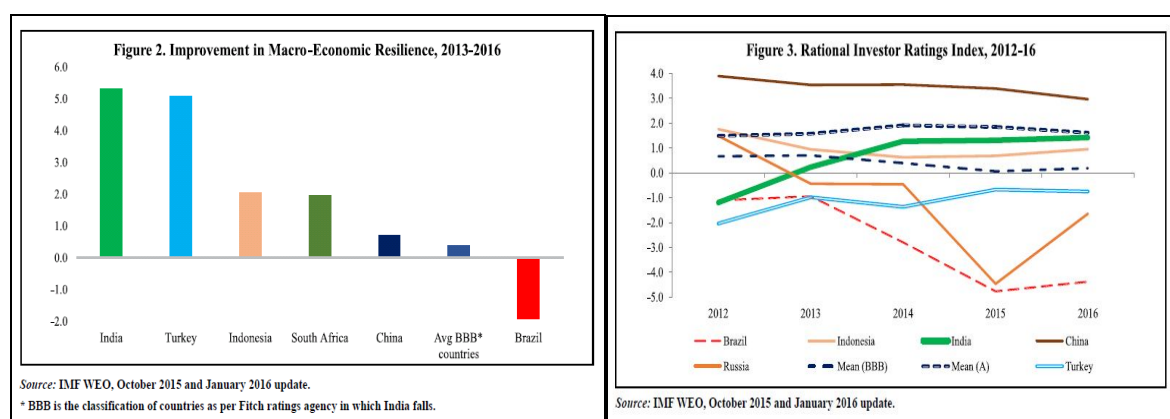
manufacturing weakness. The IMF's growth forecast for India is 7.5 per cent in 2016 and 2017 and this surpasses the projection of 6.3 per cent and 6.0 per cent respectively for China. The level of global economic activity has a significant and direct bearing on the growth prospects of the emerging economies through trade channels. As per the Update, world trade volume growth projections have been placed at 3.4 per cent and 4.1 per cent respectively for 2016 and 2017 lower by 0.7 percentage points to 0.5 percentage point respectively from WEO, October 2015. The World Bank's Report on Global Economic Prospects (January 2016) also estimated that India will grow by a robust 7.8 per cent in 2016 and 7.9 per cent in the following two years. Compared to other major developing countries, the report maintained that India is well positioned to withstand near-term headwinds and volatility in global financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment.

(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## THE INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. A sense of this turnaround is illustrated by a cross-country comparison. In last year's Survey, we had constructed an overall index of macroeconomic vulnerability, which adds a country's fiscal deficit, current account deficit, and inflation. This index showed that in 2012 India was the most vulnerable of the major emerging market countries. Subsequently, India has made the most dramatic strides in reducing its macro-vulnerability. Since 2013, its index has improved by 5.3 percentage points compared with 0.7 percentage points for China, 0.4 percentage points for all countries in India's investment grade (BBB), and a deterioration of 1.9 percentage points in the case of Brazil (Figure 2).

If macro-economic stability is one key element of assessing a country's attractiveness to investors, its growth rate is another. In last year's Survey we had constructed a simple Rational Investor Ratings Index (RIRI) which combined two elements, growth serving as a gauge for rewards and the macro-economic vulnerability index proxying for risks. The RIRI is depicted in Figure 3; higher levels indicate better performance. As can be seen, India performs well not only in terms of the change of the index but also in terms of the level, which compares favourably to its peers in the BBB investment grade and even its "betters" in the A grade. As an investment proposition, India stands out internationally.



(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

In the Advance Estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices is projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014-15, mainly because private final consumption expenditure has accelerated. Similarly, the growth rate of GVA for 2015-16 is estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement



primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

- Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16.
- According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) percent in 2015-16.
- In nominal terms, construction is expected to stagnate, while even the dynamic sectors of trade and finance are projected to grow by only 7 to 73/4 percent.
- Inflation remains under control The CPI-New Series inflation has fluctuated around 51/2 percent, while measures of underlying trends—core inflation, rural wage growth and minimum support price increases—have similarly remained muted. Meanwhile, the WPI has been in negative territory since November 2014, the result of the large falls in international commodity prices, especially oil. As low inflation has taken hold and confidence in price stability has improved, gold imports have largely stabilized, notwithstanding the end of a period of import controls
- Similarly, the external position appears robust. The current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen to US\$351.5 billion in early February 2016, and are well above standard norms for reserve adequacy; net FDI inflows have grown from US\$21.9 billion in April-December 2014-15 to US\$27.7 billion in the same period of 2015-16; and the nominal value of the rupee, measured against a basket of currencies, has been steady. India was consequently well-positioned to absorb the volatility from the U.S. Federal Reserve actions to normalize monetary policy that occurred in December 2015. Although the rupee has declined against the dollar, it has strengthened against the currencies of its other trading partners.
- The fiscal sector registered three striking successes: on-going fiscal consolidation, improved indirect tax collection efficiency; and an improvement in the quality of spending at all levels of government.
- Government tax revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7 per cent in the first 9 months (9M) of 2015-16. Indirect taxes were also buoyant. In part, this reflected excise taxes on diesel and petrol and an increase in the Swachh Bharat cess. The central excise duty collection from petroleum products during April to December 2015-16 recorded a growth of 90.5 per cent and stood at Rs.1.3 lakh crore as against Rs. 0.7 lakh crore in the same period last year. Tax performance also reflected an improvement in tax administration because revenues increased even after stripping out the additional revenue measures (ARMs). Indirect tax revenues grew by 10.7 per cent (without ARMs) and 34.2 per cent (with ARMs).
- The main findings are that a welcome shift in the quality of spending has occurred from revenue to investment, and towards social sectors. Aggregate public investment has increased by about 0.6 per cent of GDP in the first 8 months of this fiscal year, with contributions from both the Centre (54 per cent) and states (46 per cent).

(Source: Economic Survey 2015-16-Volume I, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **DEVELOPMENTS IN THE CAPITAL MARKET**

### **PRIMARY MARKET**

In 2015-16 (April-December), resource mobilization through the public and right issues has surged rapidly as compared to the last financial year. During 2015-16 (April- December), 71 companies have accessed the capital market and raised Rs.51,311 crore, compared to Rs.11,581 crore raised through 61 issues during the corresponding period of 2014-15.



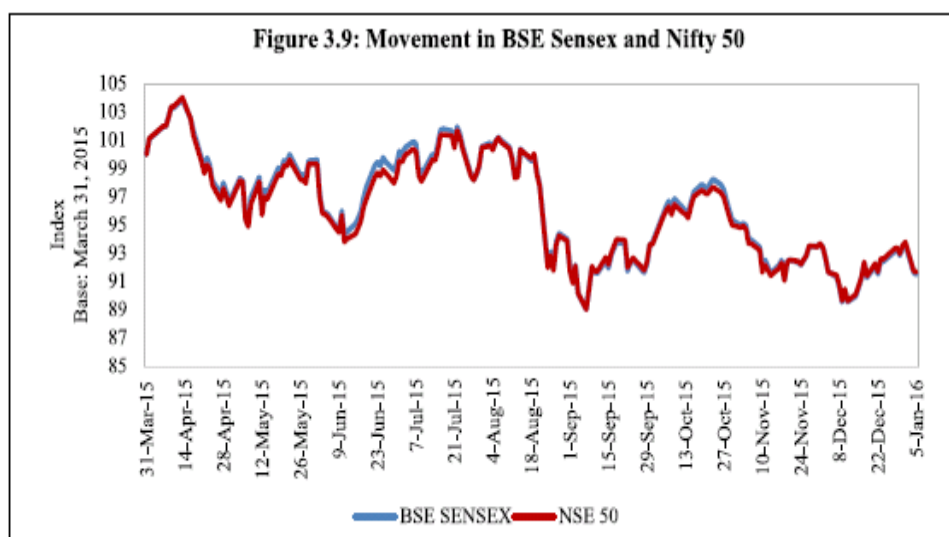


The small and medium enterprises (SME) platform of the stock exchange is intended for small and medium sized companies with high growth potential, whose post issue paid-up capital is less than or equal to Rs. 25 crore. During 2015-16 (April- December), 32 companies were listed on the SME platform, raising a total amount of Rs.278 crore as compared to Rs.229 crore raised through 28 issues in the corresponding period of 2014-15.

Resources mobilized by mutual funds during April-December 2015 also increased substantially to Rs.1,61,696 crore from Rs.87,942crore mobilized during the same period of the previous year.

## **SECONDARY MARKET**

During 2015-16 so far, the Indian securities market has remained subdued (Figure 3.9). The Bombay Stock Exchange (BSE) Sensex declined by 8.5 per cent (upto 5 January 2016) over end-March 2015, mainly on account of turmoil in global equity markets in August 2015 following slowdown in China and its currency devaluation and slump in stocks. On 4 January 2016, weak Chinese manufacturing data again led to a global sell-off which caused the BSE Sensex also to decline by 538 points (2.1per cent).The downward trend in the Indian stock market was also guided by mixed corporate earnings for Q1 and Q2 of 2015- 16, FPIs' concern over minimum alternative tax (MAT), weakening of the rupee against the US dollar, investor concern over delay in passage of the Goods and Services Tax(GST) Bill, uncertainty over interest rate hike by US Fed and selling by FPIs. However, the Indian equity market has been relatively resilient during this period compared to the other major EMEs. The Indian stock market withstood the US Fed increase in interest rates in December 2015.



Source: SEBI

(Source: Economic Survey 2015-16-Volume II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **INDUSTRIAL PERFORMANCE**

The Index of Industrial Production (IIP) which provides quick estimates of the performance of key industrial sectors has started showing upward momentum. As per IIP, the industrial sector broadly comprising mining, manufacturing and electricity attained 3.1 per cent growth during April-December 2015-16 as compared to 2.6 per cent during the same period of 2014- 15 due to the higher growth in mining and manufacturing sectors (Table 6.1). The mining, manufacturing and electricity sectors grew by 2.3 per cent, 3.1 per cent, and 4.5 per cent respectively during April-December 2015-16. The mining sector growth was mainly on account of higher coal production. The manufacturing sector was propelled by the higher production by the industry groups like furniture; wearing apparel, dressing and dyeing of fur; motor vehicles, trailers & semitrailers; chemicals and chemical products; refined petroleum products & nuclear fuel; and wood& products of wood. The growth in electricity is mainly contributed by higher growth in generation of thermal and nuclear sector.





In terms of use based classification, consumer durable goods have witnessed a remarkable growth at 12.4 per cent during April-December 2015-16. Basic goods and capital goods have registered 3.4 per cent and 1.7 per cent growth with intermediate goods by 1.9 per cent (Table 6.1).

The eight core infrastructure supportive industries, coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity that have a total weight of nearly 38 per cent in the IIP, registered a cumulative growth of 1.9 per cent during April-December 2015-16 as compared to 5.7 per cent during April-December 2014-15. Month-wise performance of the eight core sectors shows that the production of coal and fertilizers have increased substantially, while that of crude oil, natural gas and steel have mostly been negative. Refinery products, cement and electricity have attained moderate growth. Clearances for coal projects have facilitated production of coal. Crude oil and natural gas production declined because of a fall in production by Oil and Natural Gas Corporation (ONGC), Oil India Limited (OIL) and also private/joint venture (JV) companies in different months. In electricity generation, while the thermal and nuclear sectors have registered higher growth, the hydro sector has not performed well.

| Table 6.1: IIP-based Growth Rates of Broad Sectors/ Use-based Classification (in per cent) |        |         |         |         |       |       |           |         |      |       |           |
|--------------------------------------------------------------------------------------------|--------|---------|---------|---------|-------|-------|-----------|---------|------|-------|-----------|
|                                                                                            | Weight | 2013-14 | 2014-15 | 2014-15 |       |       |           | 2015-16 |      |       |           |
|                                                                                            |        |         |         | Q1      | Q2    | Q3    | Apr.-Dec. | Q1      | Q2   | Q3    | Apr.-Dec. |
| General                                                                                    | 100.00 | -0.1    | 2.8     | 4.5     | 1.3   | 2.0   | 2.6       | 3.3     | 4.8  | 1.5   | 3.1       |
| Sectoral                                                                                   |        |         |         |         |       |       |           |         |      |       |           |
| Mining                                                                                     | 14.16  | -0.6    | 1.5     | 3.0     | 0.5   | 2.1   | 1.8       | 0.4     | 3.1  | 3.3   | 2.3       |
| Manufacturing                                                                              | 75.53  | -0.8    | 2.3     | 3.9     | 0.4   | 1.1   | 1.8       | 3.7     | 4.7  | 0.9   | 3.1       |
| Electricity                                                                                | 10.32  | 6.1     | 8.4     | 11.3    | 9.4   | 9.4   | 10.0      | 2.3     | 6.8  | 4.4   | 4.5       |
| Use Based                                                                                  |        |         |         |         |       |       |           |         |      |       |           |
| Basic goods                                                                                | 45.68  | 2.1     | 7.0     | 8.7     | 7.0   | 8.3   | 8.0       | 4.7     | 4.4  | 1.3   | 3.4       |
| Capital goods                                                                              | 8.83   | -3.6    | 6.4     | 13.6    | -0.5  | 3.2   | 5.1       | 2.0     | 13.4 | -10.0 | 1.7       |
| Intermediate goods                                                                         | 15.69  | 3.1     | 1.7     | 3.1     | 1.6   | 0.8   | 1.8       | 1.6     | 2.2  | 1.9   | 1.9       |
| Consumer goods                                                                             | 29.81  | -2.8    | -3.4    | -3.2    | -5.4  | -6.4  | -4.9      | 2.5     | 2.7  | 6.8   | 4.0       |
| Consumer durables                                                                          | 8.46   | -12.2   | -12.6   | -9.5    | -15.5 | -20.9 | -15.2     | 3.7     | 11.9 | 23.4  | 12.4      |
| Consumer non-durables                                                                      | 21.35  | 4.8     | 2.8     | 1.4     | 2.3   | 3.2   | 2.3       | 1.7     | -3.0 | -1.6  | -1.0      |

Source: CSO

Table 6.1 depicts three months moving average month-on-month (M-o-M) growth of the IIP, manufacturing and eight core industries. The growth in industrial production, manufacturing sector and the eight core sectors started picking up again in December 2015. It is expected that the uptick in growth rate will be maintained due to revival in manufacturing production.

While the overall IIP has shown recovery, there is variation in the performance of some of the major industries during April-December 2015. While some sectors like electricity, coal, fertilizers, cement and passenger cars have shown positive growth, sectors like steel and aluminium have shown negative growth during April-December 2015.

(Source: Economic Survey 2015-16-Volume-II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## MICRO SMALL AND MEDIUM ENTERPRISES SECTOR

With 3.6 crore units spread across the country, that employ 8.05 crore people, Micro, Small and Medium Enterprises (MSME) have a contribution of 37.5 per cent to the country's GDP. The sector has huge potential for helping address structural problems like unemployment, regional imbalances, unequal distribution of national income and wealth across the country. Due to comparatively low capital costs and their forward-backward linkages with other sectors, MSMEs will play a crucial role in the success of the Make in India initiative.

Realizing the importance of the MSME sector, the government has undertaken a number of schemes/programmes like the Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE), Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Up gradation, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), and Micro and Small Enterprises- Cluster Development Programme



(MSECDP) for the establishment of new enterprises and development of existing ones. Some of the new initiatives undertaken by the government for the promotion and development of MSMEs are as follows:

- **Udyog Aadhar Memorandum (UAM):** The UAM scheme, which was notified in September 2015 under section 8 of the MSME Development Act 2006, is a path-breaking step to promote ease of doing business for MSMEs. Under the scheme, MSME entrepreneurs just need to file an online entrepreneurs' memorandum to instantly get a unique Udyog Aadhaar Number (UAN). The information sought is on self-certification basis and no supporting documents are required. This marks a significant improvement over the earlier complex and cumbersome procedure.
- **Employment Exchange for Industries:** To facilitate match making between prospective job seekers and employers an employment exchange for industries was launched on June 15, 2015 in line with Digital India. More than 3.42 lakh job seekers have been registered on the portal as on December 30, 2015.
- **Framework for Revival and Rehabilitation of MSMEs:** Under this framework, which was notified in May 2015, banks have to constitute a Committee for Distressed MSME enterprises at zonal or district level to prepare a Corrective Action Plan (CAP) for these units.
- **A scheme for Promoting Innovation and Rural Entrepreneurs (ASPIRE):** ASPIRE was launched on March 16, 2015 with the objective of setting up a network of technology centres and incubation centres to accelerate entrepreneurship and promote start-ups for innovation and entrepreneurship in rural and agriculture based industry.

In addition, the government intends to provide more credit to MSME sectors, especially in the rural areas, focusing on skill development, encouraging entrepreneurial activities with optimistic mindset among rural youth and creating job opportunities among rural women, for high, inclusive and sustained industrial growth

(Source: *Economic Survey 2015-16-Volume II*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## OUTLOOK FOR GROWTH

Real GDP growth for 2015-16 is expected to be in the 7 to 7<sup>3/4</sup> range, reflecting various and largely offsetting developments on the demand and supply sides of the Indian economy. Before analysing these factors, however, it is important to step back and note one important point. India's long-run potential GDP growth is substantial, about 8-10 percent. But its actual growth in the short run will also depend upon global growth and demand. After all, India's exports of manufactured goods and services now constitute about 18 percent of GDP, up from about 11 percent a decade ago.

Reflecting India's growing globalization, the correlation between India's growth rate and that of the world has risen sharply to reasonably high levels. For the period 1991-2002 this correlation was 0.2. Since then, the correlation has doubled to 0.42. In other words, a 1 percentage point decrease in the world growth rate is now associated with a 0.42 percentage point decrease in Indian growth rates.

Accordingly, if the world economy remains weak, India's growth will face considerable headwinds. For example, if the world continues to grow at close to 3 percent over the next few years rather than returning to the buoyant 4-4½ per cent recorded during 2003-2011, India's medium-term growth trajectory could well remain closer to 7-7½ per cent, notwithstanding the government's reform initiatives, rather than rise to the 8-10 per cent that its long-run potential suggests. In other words, in the current global environment, there needs to be a recalibration of growth expectations and consequently of the standards of assessment.

Turning to the outlook for 2016-17, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

- To measure the demand for India's exports, we calculate a proxy-weighted average GDP growth rate of India's export partners. The weights are the shares of partner countries in India's exports of goods and services. We find that this proxy for export demand growth declined from 3.0



percent in 2014 to 2.7 per cent in 2015, which helps explain the deceleration in India's non-oil exports, although the severity of the slowdown—in fact, a decline in export volume—went beyond adverse external developments. Current projections by the IMF indicate that trading partner growth this demand will improve marginally this year to about 2.8 percent. But the considerable downside risks suggest that it would be prudent not to count on a big contribution to GDP growth from improving export performance.

- On the domestic side, two factors could boost consumption. If and to the extent that the Seventh Pay Commission (7th PC) is implemented, increased spending from higher wages and allowances of government workers will start flowing through the economy. If, in addition, the monsoon returns to normal, agricultural incomes will improve, with attendant gains for rural consumption, which over the past two years of weak rains has remained depressed.
- Against this, the disappearance of much of last year's oil windfall would work to reduce consumption growth. Current prospects suggest that oil prices (Indian crude basket) might average US\$ 35 per barrel next fiscal year compared with US\$ 45 per barrel in 2015-16. The resulting income gain would amount roughly equivalent to 1 percentage point of GDP – an 18 per cent price decline times a share of net oil imports in GDP of 6 percent. But this would be half the size of last year's gain, so consumption growth would slow on this account next year.
- According to analysis done by Credit Suisse, (non-financial) corporate sector profitability has remained weak, falling by 1 percent in the year to December 2015. This decline reflected a sharp deterioration in the financial health of the metals—primarily steel—companies, which have now joined the ranks of companies under severe financial stress. As a result, the proportion of corporate debt owed by stressed companies, defined as those whose earnings are insufficient to cover their interest obligations, has increased to 41 percent in December 2015, compared to 35 percent in December 2014.<sup>3</sup> In response to this stress, companies have once again been compelled to curb their capital expenditures substantially.
- Finally, the path for fiscal consolidation will determine the demand for domestic output from government. The magnitude of the drag on demand and output will be largely equal to the size of consolidation, assuming a multiplier of about 1.
- There are three significant downside risks. Turmoil in the global economy could worsen the outlook for exports and tighter financial conditions significantly. Second, if contrary to expectations oil prices rise more than anticipated, this would increase the drag from consumption, both directly, and owing to reduced prospects for monetary easing. Finally, the most serious risk is a combination of the above two factors. This could arise if oil markets are dominated by supply-related factors such as agreements to restrict output by the major producers.
- The one significant upside possibility is a good monsoon. This would increase rural consumption and, to the extent that it dampens price pressures, open up further space for monetary easing.
- Putting these factors together, we expect real GDP growth to be in the 7 to 7 <sup>3/4</sup> per cent range, with downside risks because of on-going developments in the world economy. The wider range in the forecast this time reflects the range of possibilities for exogenous developments, from a rebound in agriculture to a full-fledged international crisis; it also reflects uncertainty arising from the divergence between growth in nominal and real aggregates of economic activity.

(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **INDIA'S INCREASING IMPORTANCE TO GLOBAL GROWTH**

Despite global headwinds and a truant monsoon, India registered robust growth of 7.2 per cent in 2014-15 and 7.6 per cent in 2015-16, thus becoming the fastest growing major economy in the world. As per the estimates of the International Monetary Fund (IMF), global growth averaged 3.1 per cent in 2015, declining from 3.4 per cent registered in 2014. While growth in advanced economies has improved modestly since 2013, the emerging economies have witnessed a consistently declining trend



in growth rate since 2010. It is against this background that the recent Indian growth story appears particularly bright.

India has made striking progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms. PPP represents the number of units of a country's currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets. India's contribution to global growth in PPP terms increased from an average of 8.3 per cent during the period 2001 to 2007 to 14.4 per cent in 2014. During the 1990s, the US's contribution to the global GDP growth in PPP terms was, on an average, around 16 percentage points higher than India's. The picture changed dramatically in 2013 and 2014 when India's contribution was higher than that of the US by 2.2 and 2.7 percentage points respectively. During 1991-2014, low growth in Japan (0.9 per cent annually) resulted in its low contribution (1.5 per cent) to global growth. India and China constitute 42.5 per cent and 53.2 per cent respectively of the total PPP measure of the lower-middle income countries and upper-middle income countries; and hence those country groups largely reflect India's and China's patterns.

The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. After the onset of the multiple crises in different parts of the world, India's contribution has become much more valuable to the global economy.

India's share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008-13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms (IMF). India's resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth.

(Source: *Economic Survey 2015-16-Volume II*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

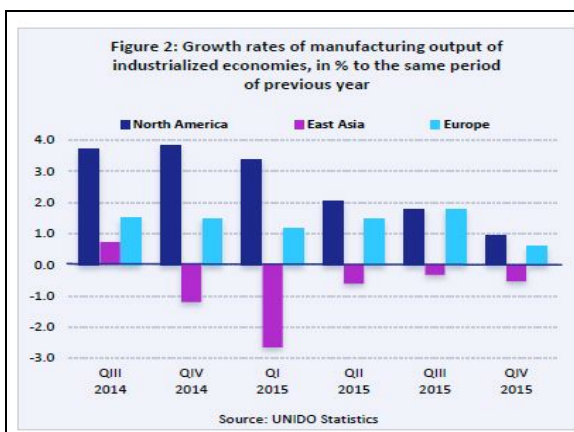
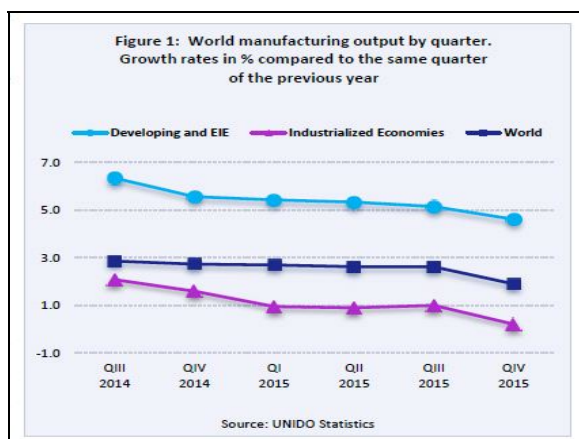
## **GLOBAL MANUFACTURING SECTOR**

### **World manufacturing growth in the fourth quarter of 2015**

World manufacturing growth slowed down further in the fourth quarter of 2015, with growth rates in both industrialized and developing economies decreasing. Weak business investment and sluggish consumer demand are among the major causes of the deceleration of global manufacturing output growth.

Growth in major emerging industrial economies has weakened, continuing the trend of the first quarter of 2014. China's slowdown and the sharp decline in manufacturing output of Latin American economies are the primary causes for the country group's weaker growth rate. The fall in commodity prices has affected some key emerging commodity export-dependent countries, namely Brazil and South Africa, and has resulted in currency depreciation.

The upturn in manufacturing growth observed in industrialized economies in the third quarter of 2015 did not continue in the fourth quarter of 2015, and this country group's production output decreased significantly. The slowdown in Europe and North America, along with a further decline in East Asian economies, resulted in a sharp deceleration in the country group's manufacturing output growth. In the United States, manufacturing exports slowed as a result of the strong US dollar and the low oil prices. Continued decline in China has also weakened Chinese demand for imports from Europe.



Global manufacturing output growth rose by merely 1.9 per cent in the fourth quarter of 2015, down from a 2.6 per cent revised growth estimate in the third quarter. Slow investment growth, lower commodity and energy prices, weak global demand and geopolitical tensions are among the main causes of the overall flat-lining growth. However, these factors are having different effects on different economies. For example, favourable oil prices have reduced the business costs in oil importing countries, especially in industrialized economies, while oil exporting economies have been subject to increasing financial pressure.

The manufacturing output of industrialized countries rose by 0.2 per cent in the fourth quarter of 2015. This slow growth is attributable to a mixture of weaker growth figures in the United States and Europe and a decline in East Asia's manufacturing output. The question of the robustness of recovery in industrialized economies has been raised in earlier quarterly reports.

The growth of manufacturing output in developing and emerging industrial economies decreased to 4.6 per cent, down from 5.2 per cent growth in the previous quarter. The growth outlook varies between different developing and emerging regions and groups; e.g. manufacturing output grew by 6.1 per cent in developing countries in Asia and the Pacific compared to the same period of the previous year, while it declined by 4.0 per cent in the Latin America region. Manufacturing output has also declined slightly (0.2 per cent) in Africa.

Despite the slower pace of growth, developing and emerging industrial economies were the main drivers of global manufacturing growth. Their combined contribution to global manufacturing growth was around 80 per cent. This indicates the significance of manufacturing activities within the group for the overall global picture.

### **Industrialized economies**

The overall growth trend of industrialized countries decelerated significantly in the last quarter of 2015. Manufacturing output rose by a mere 0.2 per cent compared to the same period of the previous year, down from 1.0 per cent growth observed in the previous quarter.

The European economy grew by 0.6 per cent in the fourth quarter of 2015 compared to the same quarter of the previous year. Yet, the manufacturing output of the euro zone economies rose by 1.5 per cent. As revealed by the figures, Switzerland recorded a 14.7 per cent decline in manufacturing output and dragged down the overall growth rate of industrialized Europe. The consequences of the Swiss franc-euro exchange rate became more visible in the last two quarters of 2015 and have affected the country's exports, which have become more expensive for consumers.

The industrial production index in North America rose by 0.9 per cent in the fourth quarter of 2015 on account of the growth of manufacturing output in the United States. Despite this, the growth of the US manufacturing sector has weakened, rising by only 1.1 per cent as overseas demand remained slow. A strong US dollar hit exports and domestic sales of American manufactured products, indicating a loss in competitiveness to cheaper imported goods. In addition, demand for machinery goods from the energy sector declined due to lower oil prices. Manufacturing output dropped by 1.0 per cent in Canada due to the decline in petroleum and coal prices.





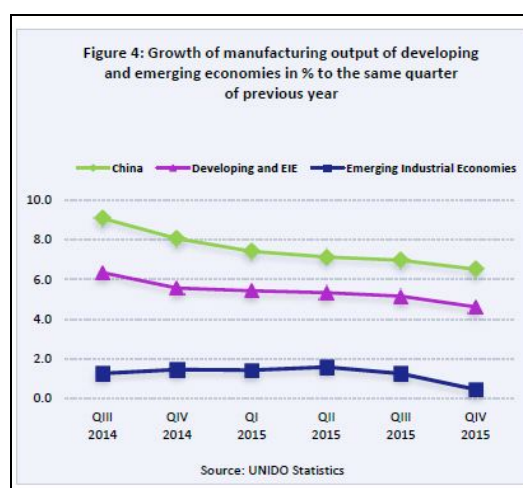
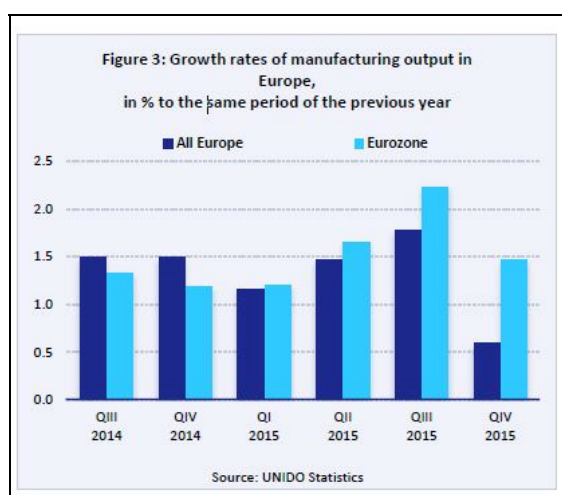
In East Asia, negative growth rates were observed in the major economies, namely Japan, the Republic of Korea and Singapore, in the fourth quarter of 2015, declining by 0.6 per cent, 0.6 per cent and 6.8 per cent, respectively. On the other hand, manufacturing output rose by 4.9 per cent in Malaysia compared to the same period of the previous year.

As already mentioned, Europe's overall growth rate was dragged down by a significant decline in the Swiss economy. This has increased the gap between the output growth of the euro zone and of Europe as a whole, with euro zone countries registering a much higher manufacturing growth due to lower energy prices and a weaker euro. Growth was especially strong in Ireland (15.7 per cent), in Slovakia (7.3 per cent) and in Spain (5.8 per cent).

Across non-euro countries, manufacturing output declined in Norway, Switzerland and the United Kingdom. The downturn in Norway by 7.6 per cent is attributed to a decrease in the production of oil- and gas-related industries. The setback in the UK's manufacturing sector by 1.0 per cent resulted from a strong currency and weak global demand. At the same time, the output of manufacturing activities increased by 3.9 per cent in the Czech Republic, by 9.4 per cent in Hungary, and 3.7 per cent in Sweden in the fourth quarter of 2015. The manufacture of motor vehicles was the main driver of growth in Hungary's manufacturing sector.

The decline in the Russian Federation's manufacturing sector continued, with output decreasing by 5.7 per cent and currency depreciation deteriorating.

Despite the overall positive growth in industrialized economies as a whole, growth rates remained low. Appropriate monetary policies are required that can boost demand and increase investment.



### **Developing and emerging industrial economies**

A decrease in the growth rate of manufacturing output in developing and emerging industrial economies continued in the fourth quarter of 2015. Industrial production rose by 4.6 per cent as a result of the relatively lower growth in Asian economies (mainly China) and a notable decline in Latin America. Growth in emerging economies, excluding China, continued to decelerate.

As mentioned in earlier reports, China is in a transition period of shifting its economy from the manufacturing sector towards the services sector. As a result of the structural change in the economy, China's manufacturing output rose by 6.5 per cent in the fourth quarter of 2015, the slowest growth rate since 2005 and down from 7.0 per cent in the previous quarter. Recently, the Government of China announced the two-child policy, which could accelerate economic growth in the near future. This will significantly boost internal demand for consumer goods within the country.

The Latin America region is struggling to overcome a deep recession as demonstrated by the decline in manufacturing output by 4.0 per cent in the fourth quarter, lower than the 2.9 per cent drop recorded in the previous quarter. The industrial production index decreased in nearly all economies with the exception of Mexico, where output grew by 2.2 per cent on a year-to-year basis. In Brazil, the recession continued and manufacturing output fell by 12.4 per cent in the fourth quarter of 2015 as





the internal political crisis remained unresolved and commodity prices declined. Among the other major economies in the region, manufacturing output dropped by 0.9 per cent in Argentina, by 1.5 per cent in Chile, by 0.4 per cent in Colombia and by 0.8 per cent in Peru.

Manufacturing output fell slightly in Africa (by 0.2 per cent); however, negative growth has only been observed in one country in the region while the rest of the region registered positive growth figures. Manufacturing output grew by 1.1 per cent in Egypt, by 0.4 per cent in Morocco, by 5.8 per cent in Senegal and by 0.8 per cent in Tunisia. A decline of 1.4 per cent was registered in South Africa where the economy—as an exporter—has been hit by the low commodity prices.

Among other developing countries, a strong growth of 12.4 per cent was registered by Viet Nam. Industrial production also grew by 5.3 per cent in Bosnia and Herzegovina in the fourth quarter of 2015 on a year-to-year basis.

### **Key Findings on World Manufacturing Sector**

On a year-to-year comparison, world manufacturing production grew in all manufacturing sectors in the fourth quarter 2015, with the exception of the manufacture of machinery and equipment and printing and publishing. The global decline in the production output of the manufacture of machinery is attributable to low energy prices. Higher growth rates have been observed in the manufacture of radio and television and of chemicals and chemical products. Growth was positive across all industries in developing and emerging industrial economies, except a slight decline in the manufacture of motor vehicles. Industrialized countries registered negative growth in eight manufacturing industries.

Among the consumer goods production industries, output of wearing apparel grew by 2.2 per cent in developing and emerging markets and by 0.6 per cent in the industrialized country group. The industry's output grew by 16.9 per cent in the Czech Republic, by 14.6 per cent in the United Kingdom, by 12.8 per cent in Egypt, and by 12.3 per cent in Mexico. However, the manufacturing output of the wearing apparel fell sharply in Brazil and Indonesia, by 12.9 per cent and 16.4 per cent, respectively. A significant decline was also observed in wearing apparel production in Canada and Estonia. The production of textiles grew by 4.1 per cent in developing countries while industrialized countries registered a decline of 0.5 per cent in this production. At country level, impressive growth in textiles production was recorded in Argentina, Estonia and Hungary whereas it dropped sharply in Brazil and Senegal. The production of food and beverages grew at a higher rate (5.2 per cent) in developing countries. As such, output grew by 7.8 per cent in China, by 7.3 per cent in Indonesia and by 5.2 per cent in Romania. Output declined by 10.3 per cent in Tunisia and by 7.0 per cent in Egypt. The food sector was the only manufacturing industry with a positive, albeit poor, growth in Brazil.

The notable growth rate of 10.4 per cent was observed in the manufacture of radio, television and communication equipment in developing and emerging countries, with China, Egypt and India being the leading manufacturers. In industrialized markets, the highest growth rate in this manufacturing sector was seen in France.

The production of motor vehicles fell marginally by 0.4 per cent in developing countries, attributed mainly to the decline in the industry in Latin American economies. The industry's output rose by 4.4 per cent in industrialized countries, with Italy, Spain and Sweden being the top producers worldwide in the fourth quarter of 2015. The manufacturing production of other transport equipment increased at a higher rate in developing countries.

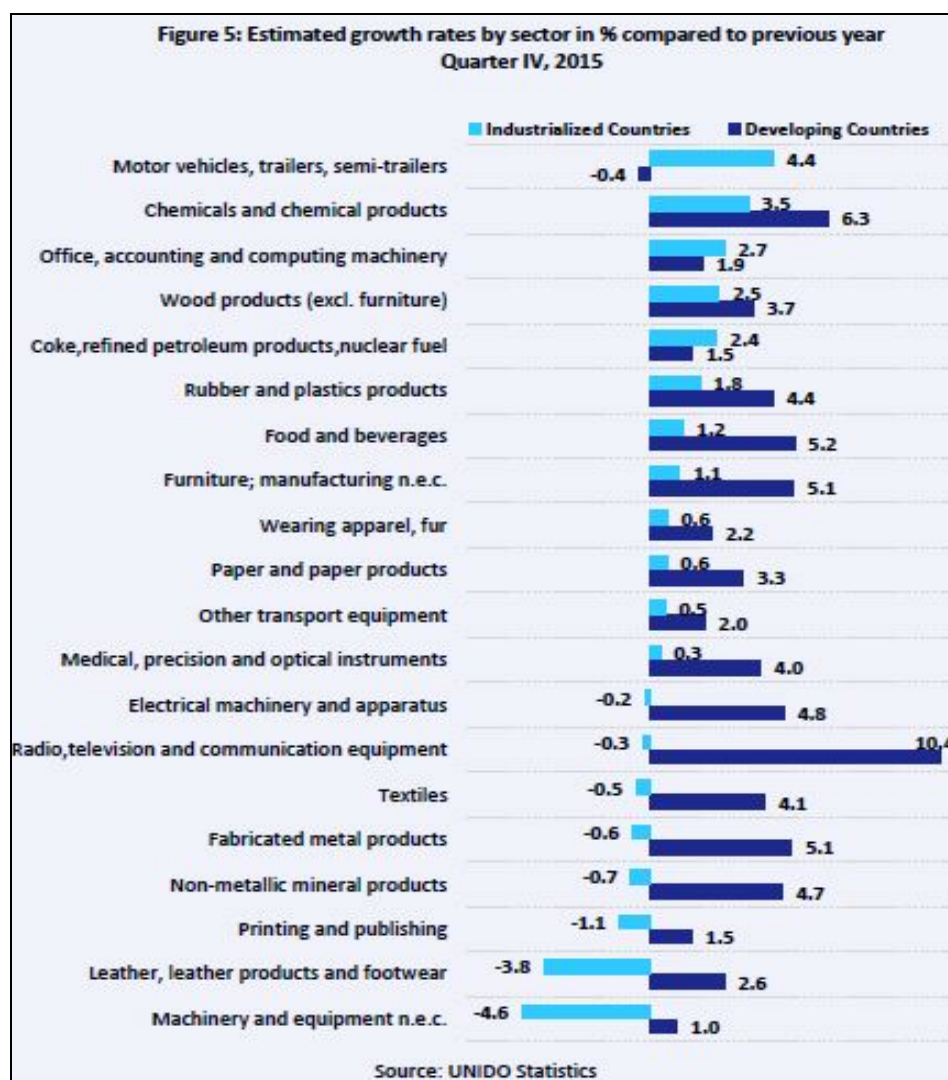
The manufacture of chemicals and chemical products increased considerably in China, Senegal and Tunisia, as well as in Ireland, Netherlands and the Russian Federation. The chemical industry was one of the few industries in the Russian Federation recording a higher growth rate, with a 6.6 per cent increase compared to the previous year.

The production of basic metals, which includes the production of basic iron, basic steel, basic precious and non-ferrous metals, rose by 5.9 per cent in developing countries compared to the same period of the previous year, but dropped by 4.8 per cent in industrialized countries in comparison to



the previous year. Manufacturing output grew in China, Indonesia and Macedonia, while it fell in all Latin American economies and in Africa.

In the United States, as the largest driver of growth in industrialized economies, the manufacture of electrical machinery and apparatus and motor vehicles remained strong in the fourth quarter of 2015. However, other industries showed either a decline or a decrease in production output. The combination of low energy prices and expensive currency contributed to the economic slowdown of the United States. Despite its slow economic growth, China's manufacturing output in most industries increased compared to the same period of the previous year. China recorded its highest growth rates in the manufacture of radio and television (10.1 per cent), chemicals and chemical products (9.8 per cent) and the manufacture of basic metals (8.9 per cent).



(Source: *World Manufacturing Production- Statistics for Quarter IV, 2015*; United Nations Industrial Development Organisation - [www.unido.org](http://www.unido.org))

## INDIAN MANUFACTURING SECTOR

### Introduction

The Prime Minister of India, Mr Narendra Modi, has launched the 'Make in India' initiative to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.



## **Market Size**

India's manufacturing sector could touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

In November 2015, the seasonally adjusted Nikkei India Manufacturing Purchasing Managers' Index (PMI) stood at 50.3, which indicated expansion for twenty-fifth consecutive month. The services PMI was at 50.1 points in November 2015.

## **Investments**

In a major boost to the 'Make in India' initiative, the Government of India has received investment proposals of over US\$ 3.05 billion till end of August 2015 from various companies.

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:

- Canada's Magna International Incorporated has started production at two facilities in Gujarat's Sanand, which will supply auto parts to Ford Motor Co in India and will employ around 600 people at both units.
- Swedish home furnishing brand Ikea has made a long-term plan of opening 25 stores in India by making an investment worth Rs 12,500 crore (US\$ 1.9 billion).
- Siemens has announced that it will invest € 1 billion (US\$ 1.13 billion) in India to add 4,000 jobs to its existing workforce of 16,000 in the country.
- US-based First Solar Inc and China's Trina Solar have plans to set up manufacturing facilities in India. Clean energy investments in India increased to US\$ 7.9 billion in 2014, helping the country maintain its position as the seventh largest clean energy investor in the world.
- Samsung Electronics has invested Rs 517 crore (US\$ 77.82 million) towards the expansion of its manufacturing plant in Noida, Uttar Pradesh (UP). "Samsung India Electronics is committed to strengthen its manufacturing infrastructure and will gradually expand capacity at this plant to meet the growing domestic demand for mobile handsets, as per the company.
- Shantha Biotechnics Private Limited has started building a facility to manufacture Insuman, an insulin product to treat diabetes. Sanofi SA, which acquired Shantha Biotechnics, will invest Rs 460 crore (US\$ 69.24 million) to build the facility.
- BMW and Mercedes-Benz have intensified their localisation efforts to be part of 'Make in India' initiative. "The localisation efforts will reduce the waiting period and accelerate the servicing process of our cars as we had to (previously) depend on our plants overseas for supply and will help us on the pricing front."
- Suzuki Motor Corp plans to make automobiles for Africa, the company's next big bet, as well as for India at its upcoming factory in Hansalpur, near Ahmedabad, Gujarat.
- Taiwan-based HTC has decided to manufacture products in India. HTC is believed to have partnered GDN Enterprises, which has an assembly set up in Noida.
- Foxconn is planning an aggressive expansion in India, building up to 12 new factories and employing as many as one million workers by 2020
- The State Government of Tamil Nadu has signed investment agreements worth Rs 2, 42,160 crore (US\$ 36.45 billion) during a two-day Global Investors Meet in September 2015.

## **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 earlier this year. 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 plans to organise a 'Make in India week' in Mumbai between February 13-18, 2016 to boost the 'Make in India' initiative and expects 1,000 companies from 10 key sectors to participate in the exhibition of innovative products and processes, a hackathon and sessions on urban planning, among other events.
- The National Institution for Transforming India Aayog (NITI Aayog) plans to release a blueprint for various technological interventions which need to be incorporated by the Indian manufacturing economy, with a view to have a sustainable edge over competing neighbours like Bangladesh and Vietnam over the long term.
- Ms Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, has launched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy (NMP) to facilitate acquisition of Clean, Green and Energy Efficient Technologies, by Micro, Small & Medium Enterprises (MSMEs).
- The Government of India has asked New Delhi's envoys in over 160 countries to focus on economic diplomacy to help government attract investment and transform the 'Make in India' campaign a success to boost growth during the annual heads of mission's conference. Prime Minister, Mr Modi has also utilised the opportunity to brief New Delhi's envoys about the Government's Foreign Policy priority and immediate focus on restoring confidence of foreign investors and augmenting foreign capital inflow to increase growth in manufacturing sector.
- The Government of Uttar Pradesh (UP) has secured investment deals valued at Rs 5,000 crore (US\$ 752.58 million) for setting up mobile manufacturing units in the state.
- The Government of Maharashtra has cleared land allotment for 130 industrial units across the state with an investment of Rs 6,266 crore (US\$ 943.13 million)
- Dr Jitendra Singh, Union Minister of State (Independent Charge) of the Ministry of Development of North Eastern Region (DoNER), MoS PMO, Personnel, Public Grievances & Pensions, Atomic Energy and Space, Government of India, has announced the 'Make in Northeast' initiative beginning with a comprehensive tourism plan for the region.
- Government of India has planned to invest US\$ 10 billion in two semiconductor plants in order to facilitate electronics manufacturing in the country.
- Entrepreneurs of small-scale businesses in India will soon be able to avail loans under Pradhan Mantri MUDRA Yojana (PMMY). The three products available under the PMMY include: Shishu - covering loans up to Rs 50,000 (US\$ 752), Kishor - covering loans between Rs 50,000 (US\$ 752) to Rs 0.5 million (US\$ 7,520), and Tarun- covering loans between Rs 0.5 million (US\$ 7,520) and Rs 1 million (US\$ 15,052).

### **Road Ahead**

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 28.42 billion) Indian capital goods business.

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.

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 December 17, 2015

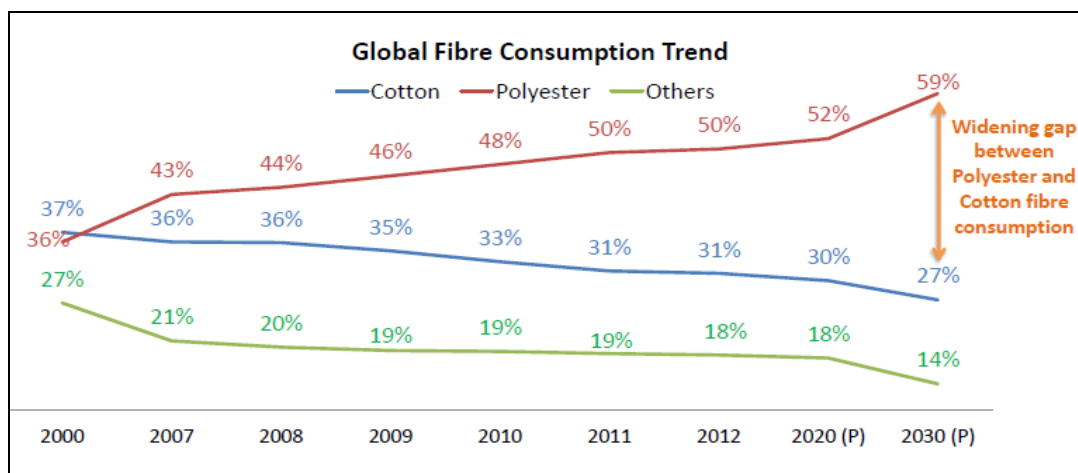
*References: Media Reports, Press Releases, Press Information Bureau, McKinsey & Company*

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



## FIBRE SECTOR OF TEXTILE INDUSTRY

### Global Fibre Consumption Trend

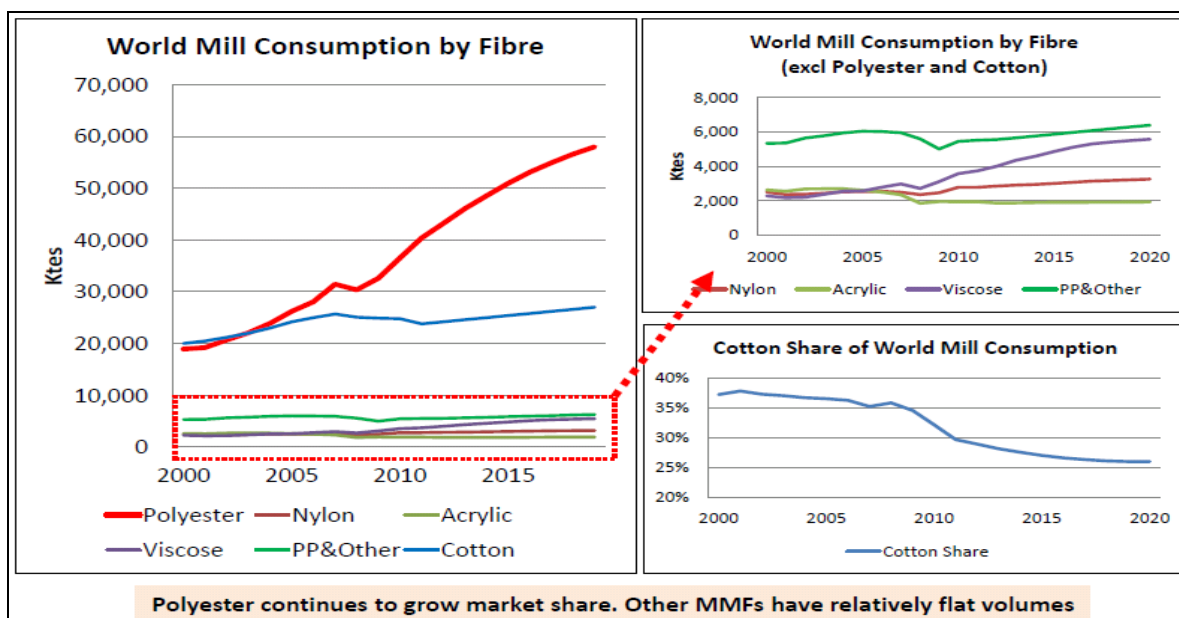


- Globally, Consumption of polyester will increase further.
- Till 2000, fibre consumption at global level was majorly cotton focussed.
- By 2030, it is expected that consumption of polyester will be more than double to that of the cotton fibre.

(Source: Future of Indian MMF Based Textiles Industry, Wazir Advisors - [www.wazir.in](http://www.wazir.in))

### Growth Areas

Globally, manmade fibre consumption is growing & will continue to grow further, which can be depicted as follows:

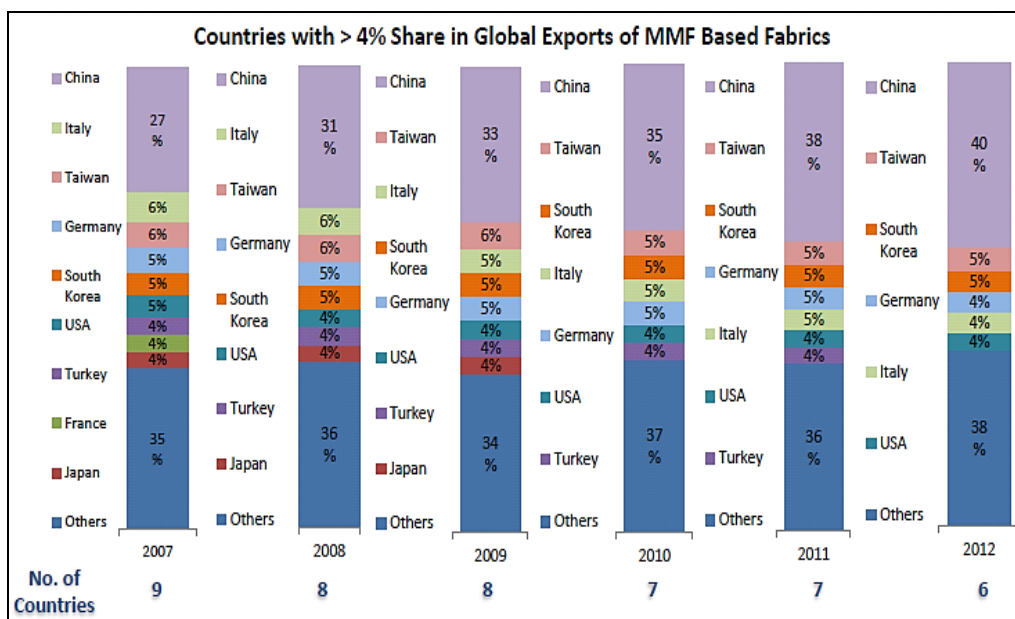


(Source: Future of Indian MMF Based Textiles Industry, Wazir Advisors - [www.wazir.in](http://www.wazir.in))





## Global Leaders In Man-Made Fibres Based Fabric



- Top ten exporters of MMF based fabrics constituted 75% of world's total trade in 2012.
- China has over dominance in the exports of MMF based fabrics with 40% share followed by Taiwan having export value only one eighth of China.

(Source: Future of Indian MMF Based Textiles Industry, Wazir Advisors - [www.wazir.in](http://www.wazir.in))

## INDIAN TEXTILES INDUSTRY

### Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The industry realised export earnings worth US\$ 41.4 billion in 2014-15, a growth of 5.4 per cent, as per The Cotton Textiles Export Promotion Council (Texprocil). The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

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

### Market Size

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to India's gross domestic product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).





The Indian textile industry has the potential to reach US\$ 500 billion in size according to a study by Wazir Advisors and PCI Xylenes & Polyester. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.

### **Investments**

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 1.77 billion during April 2000 to September 2015.

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

- Reliance Industries Ltd (RIL) plans to enter into a joint venture (JV) with China-based Shandong Ruyi Science and Technology Group Co. The JV will leverage RIL's existing textile business and distribution network in India and Ruyi's state-of-the-art technology and its global reach.
- Giving Indian sarees a 'green' touch, Dupont has joined hands with RIL and Vipul Sarees for use of its renewable fibre product Sorona to make an 'environment-friendly' version of this ethnic ladies wear.
- Grasim Industries has invested Rs 100 crore (US\$ 15 million) to develop its first fabric brand, Liva', which it will distribute through 1,000 outlets as part of a plan to stay in sync with changing consumer behaviour.
- Snapdeal has partnered with India Post to jointly work on bringing thousands of weavers and artisans from Varanasi through its website. "This is an endeavour by Snapdeal and India Post to empower local artisans, small and medium entrepreneurs to sustain their livelihood by providing a platform to popularise their indigenous products," said Mr Kunal Bahl, CEO and Co-Founder, Snapdeal.
- Welspun India Ltd (WIL), part of the Welspun Group has unveiled its new spinning facility at Anjar, Gujarat - the largest under one roof in India. The expansion project reflects the ethos of the Government of Gujarat's recent 'Farm-Factory-Fabric-Fashion-Foreign' Textile Policy, which is aimed at strengthening the entire textile value-chain.
- American casual fashion retailer Aéropostale, Inc. has inked a licensing agreement with Arvind Lifestyle Brands Ltd to open standalone stores in the country. Aéropostale will open 30 stores and 25 shop-in-shop locations over the next three years.

### **Government Initiatives**

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

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

- The Government of India has started promotion of its 'India Handloom' initiative on social media like Facebook, Twitter and Instagram with a view to connect with customers, especially youth, in order to promote high quality handloom products.
- The Ministry of Textiles launched Technology Mission on Technical Textiles (TMTT) with two mini-missions for a period of five years (from 2010-11 to 2011-12 in the 11th five year plan and 2012-13 to 2014-15 in 12th five year plan) with a total fund outlay of Rs 200 crore (US\$ 30 million). The objective of TMTT is to promote technical textiles by helping to develop world class testing facilities at eight Centres of Excellence across India, promoting indigenous development of prototypes, providing support for domestic and export market development and encouraging contract research.
- The Government of India is expected to soon announce a new National Textiles Policy. The new policy aims at creating 35 million new jobs by way of increased investments by foreign companies, as per Textiles Secretary Mr S K Panda.
- Subsidies on machinery and infrastructure:
  - The Revised Restructured Technology Up gradation Fund Scheme (RRTUFS) covers manufacturing of major machinery for technical textiles for 5 per cent interest reimbursement



and 10 per cent capital subsidy in addition to 5 per cent interest reimbursement also provided to the specified technical textile machinery under RRTUFS.

- Under the Scheme for Integrated Textile Parks (SITP), the Government of India provides assistance for creation of infrastructure in the parks to the extent of 40 per cent with a limit up to Rs 40 crore (US\$ 6 million). Under this scheme the technical textile units can also avail its benefits.
  - The major machinery for production of technical textiles receives a concessional customs duty list of 5 per cent.
  - Specified technical textile products are covered under Focus Product Scheme. Under this scheme, exports of these products are entitled for duty credit scrip equivalent to 2 per cent of freight on board (FOB) value of exports
- The Government of India has implemented several export promotion measures such as Focus Market Scheme, Focus Product Scheme and Market Linked Focus Product Scheme for increasing share of India's textile exports.
  - Under the Market Access Initiative (MAI) Scheme, financial assistance is provided for export promotion activities on focus countries and focus product countries.
  - Under the Market Development Assistance (MDA) Scheme, financial assistance is provided for a range of export promotion activities implemented by Textiles Export Promotion Councils.
  - The government has also proposed to extend 24/7 customs clearance facility at 13 airports and 14 sea ports resulting in faster clearance of import and export cargo.
  - The Ministry of Textiles has approved a 'Scheme for promoting usage of geotechnical textiles in North East Region (NER)' in order to capitalise on the benefits of geotechnical textiles. The scheme has been approved with a financial outlay of Rs 427 crore (US\$ 64.1 million) for five years from 2014-15.
  - A Memorandum of Understanding (MoU) has been signed between India and Kyrgyzstan seeking to strengthen bilateral cooperation in three fields -Textiles and Clothing, Silk and Sericulture, Fashion

### **Road Ahead**

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

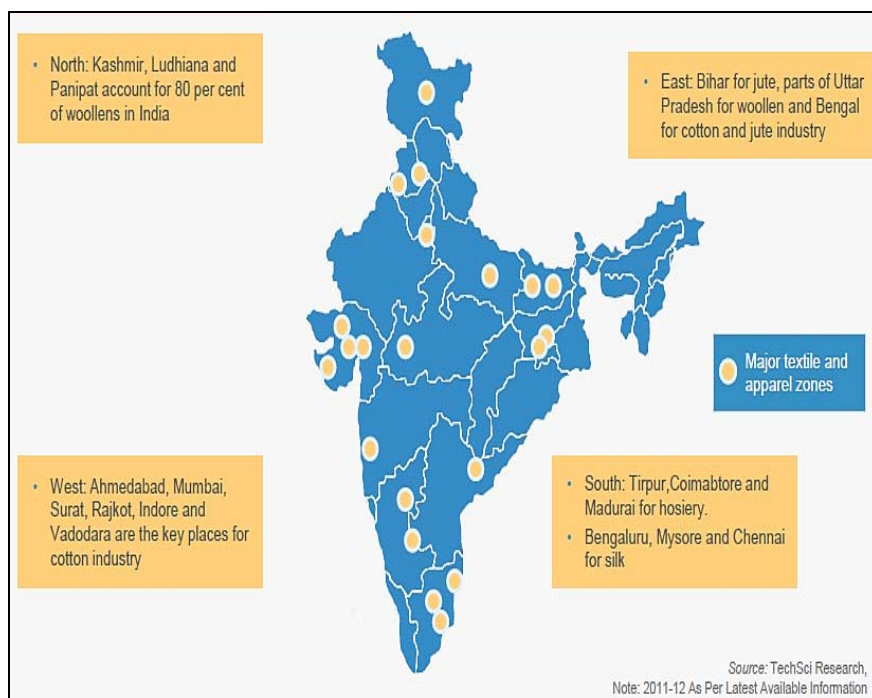
**Exchange Rate Used:** INR 1 = US\$ 0.015 as on December 17, 2015

**References:** Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau

(Source: Indian Textile Industry, India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))



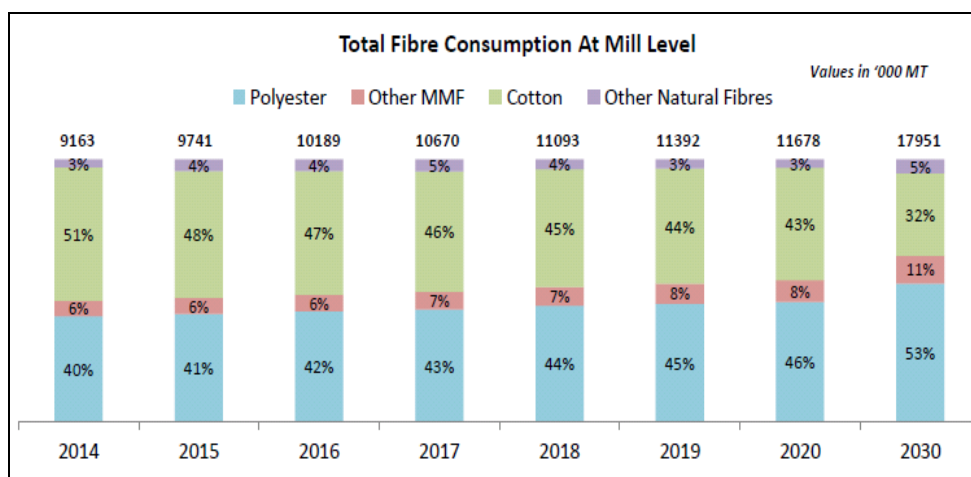
## KEY TEXTILES AND APPAREL ZONES IN INDIA



(Source: Textile and Apparel Report January 2016 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## DEMAND DRIVERS

Indian textile industry will consume more polyester than cotton within next five years as depicted below:



- Share of manmade fibre in total mill consumption is expected to reach ~65% by 2030. However, the share of cotton is expected to decrease from current level of ~55% to 32% by 2030.
- A drastic change is expected in the mill consumption of polyester fibre, share of which is projected to grow to 53% (9,455,000MT) by 2030.

(Source: Future of Indian MMF Based Textiles Industry, Wazir Advisors - [www.wazir.in](http://www.wazir.in))

## STRUCTURE OF INDIAN TEXTILE INDUSTRY

The Indian textile industry mostly comprises small-scale, non-integrated spinning, weaving and knitting, fabric finishing, and apparel-making enterprises. Other textile-producing countries mainly have large scale mills with modern technology and machinery, that integrate spinning, weaving and,



sometimes, fabric finishing. This unique industry structure in India is primarily a result of government policies on tax, labour and other regulations that have promoted labour-intensive, small-scale operations often discriminating against larger scale firms.

**Composite Mills:** Relatively large-scale mills that integrate spinning, weaving and, sometimes, fabric finishing now account for about only 3 percent of output in the textile sector in India. About 276 composite mills are now operating in India, most owned by the public sector and many deemed financially “sick.”

**Spinning:** Spinning is the process of converting cotton or manmade fibre into yarn to be used for weaving and knitting. Largely due to deregulation that began in the mid-1980s, spinning is to date considered the most consolidated and technically efficient segment of the industry. However average plant sizes remain small and technology is out-dated, relative to other major producers.

**Weaving and Knitting:** Weaving and knitting converts cotton, manmade, or blended yarns into woven or knitted fabrics. This segment is highly unorganised with mostly small-scale and labour-intensive enterprises. The organised sector contributes only 5% of the total production. The segment has about 3.9 million hand looms and 1.8 million power-looms in India.

**Fabric Finishing:** Fabric finishing also called processing includes dyeing, printing, and other cloth preparation prior to the manufacture of apparels. This segment is dominated by a large number of independent, small scale enterprises. Overall, about 2,300 processors are operating in India, including about 2,100 independent units and 200 units that are integrated with spinning, weaving, or knitting units.

**Apparels:** Apparels are produced by about 77,000 small-scale units classified as domestic manufacturers, manufacturer exporters, and fabricators (subcontractors). According to a report by Wazir Advisors, the size of the Indian apparel market in 2012 was \$ 45 billion. The report estimates India and China to be the fastest growing markets, growing in double digits and becoming the biggest consumer market with a mammoth share of 27% in the world’s apparel market.

*(Source: The Textile & Apparels Industry – Contributing to “Make in India” October, 2015 - The Associated Chambers of Commerce and Industry of India – [www.assochem.org](http://www.assochem.org))*

## PRODUCT CLASSES AND USES

The textiles and apparels industry is broadly classified into the following segments according to products:

### **Cotton and Cotton textiles**

The Indian textile industry which has a diverse range of fibres and yarn is predominantly cotton based. Hence, growth and all around development of cotton and cotton industry has a vital bearing on the development of the sector and the economy as a whole. According to the Ministry of Textiles, 9 the consumption of cotton is more than 400 lakh bales (of 170 kg each) per year. The Cotton Corporation of India reports that the total production in 2013-14 rose to 375 lakh bales from 365 lakh bales in 2012-13.

### **Jute and Jute Textiles**

Jute, the golden fibre, is considered to be a natural, renewable, biodegradable and eco-friendly product. According to the Ministry of Textiles, the jute industry provides direct employment to about 0.37 million workers in organised mills and in diversified units including the tertiary sector and supports the livelihoods of around 4 million farm families. There are 89 composite jute mills in India and about 49,500 looms installed in the jute industry including Hessian looms, sacking looms, C.B.C looms and others. The maximum installed capacity in jute mills is estimated to be more than 2.64 million tonnes per annum.

### **Silk and Silk Textiles**

India is the second largest producer of silk in the world. According to the Central Silk Board, 10 26,480 MT of raw silk was produced in India in 2013-14, 74% of which (or 19,476 MT) was



mulberry raw silk. The remaining 26% was wild silk (vanyasilk). Mulberry sericulture is mainly practiced in five states namely, Karnataka, Andhra Pradesh, West Bengal, Tamil Nadu and Jammu & Kashmir which jointly account for about 96% of the total mulberry silk production in the country. As the consumption of raw silk (around 29,740 MT) exceeds production, the additional requirement (particularly bivoltine mulberry silk of international quality) is imported mainly from China.

### **Wool and Woollen Textiles**

The woollen industry is small and widely scattered. It is basically located in the states of Punjab, Haryana, Rajasthan, U.P., Maharashtra and Gujarat. 40% of the woollen units are located in Punjab, 27% in Haryana, 10% in Rajasthan, while the rest of the states account for the remaining 23%.

### **Hand crafted Textiles**

The tradition of weaving by hand is one of the richest and most vibrant aspects of Indian cultural heritage. The level of artistry and intricacy achieved in handloom fabrics is unparalleled and beyond the scope of modern machines. The strength of the sector lies in its uniqueness, flexibility of production, openness to innovations, adaptability to the suppliers' requirements and the wealth of its tradition. Indian handlooms have been famous throughout the world for centuries and have been exported across the world.

### **Technical textiles**

Technical textiles are defined as textile material and products manufactured primarily for their technical performance and functional properties rather than aesthetic and decorative characteristics. It has applications across various industries including automobiles, civil engineering and construction, agriculture, healthcare, industrial safety, personal protection etc. The technical textiles segment is a high technology segment which is steadily gaining importance in India. Some of the properties of technical textiles that may be attributed to its increasing popularity are cost effectiveness, durability, lightweight, high strength and user and eco friendliness. Based on usage, there are 12 technical textile segments, viz., Agrotech, Buildtech, Clothtech, Geotech, Hometech, Meditech, Mobiltech, Oekotech, Protech, Packtech, Indutech, Sporttech.

In India the sector registered a compounded annual growth rate of 11% during 11th Five Year Plan. According to the Planning Commission's Working Subgroup on Technical Textiles, its market size is estimated to grow at a CAGR of 20% to reach ` 1,58,540 crores by 2016-17 from ` 70,151 crores in 2012-13. The market for 2014-15 is projected to be ` 1,09,659 crores.

### **Readymade Garments**

Readymade garments (RMG) manufacturing being the least capital intensive segment of the textile value chain is characterised by low entry barriers and is hence highly fragmented. It is also labour-intensive and requires skilled, unskilled and semi-skilled manpower. A study by CARE Research<sup>12</sup> says the domestic apparel industry in India grew at a CAGR of 9% from ` 1,360 billion in FY08 to ` 2,115 billion in FY13 and is expected to continue this growth trend to FY16. In 2012, apparels had a 69% share of the overall market; textiles contributed the remaining 31%. At the inauguration of the 55th India International Garment Fair, 2015 the Textiles Minister, supporting the apparel industry said that it plays a significant role in realising the 'Make in India' vision, given its employment and export intensity.

(Source: *The Textile & Apparels Industry – Contributing to “Make in India”* October, 2015 - *The Associated Chambers of Commerce and Industry of India* – [www.assochem.org](http://www.assochem.org))

## **MAN MADE FIBRES AND POLYMERS**

Man-made fibres (MMF) and man-made filament yarns (MMFY) account for around 40% share of the total fibre consumption in the textile industry as a whole. These fibres form a key raw material for the technical textile industry because of their customizable properties. The key man-made fibres, filaments and polymers used as raw materials in technical textiles are: **Man-Made Fibres and Filaments** – Viscose, Polyester, Nylon, Acrylic/Mod acrylic, Polypropylene and **Polymers** – HDPE, LLDPE, LDPE, PVC





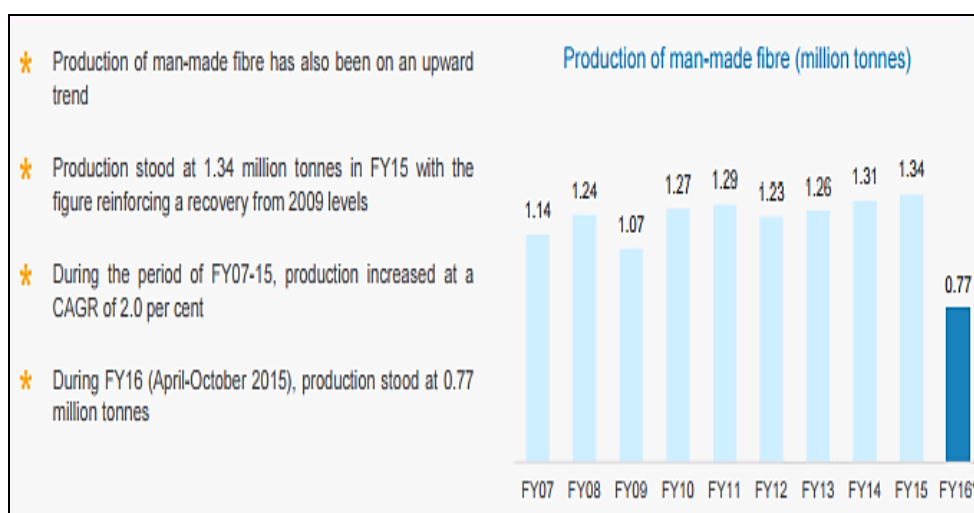
India ranks among one of the world's largest producers of MMF and MMFY, with production of 1284.64 million kg and 1549.80 million kg in 2010-11, respectively. While production of MMF and MMFY registered growth of 1.31% and 1.78%, respectively, over the previous year alone, the last decade has witnessed a steady increase in production and consumption of major synthetic fibres and polymers, resulting in a fair degree of self sufficiency in the domestic MMF and MMFY markets.

Technical Textiles are manufactured from a variety of fibres and filaments based on the desired properties of the end product. The fibres and filaments can be broadly classified as natural and man-made.

| Natural fiber | Man Made Fibres and Polymers |                        |
|---------------|------------------------------|------------------------|
|               | Synthetic fiber              | High performance fiber |
| • Cotton      | • Viscose                    | • Aramid               |
| • Silk        | • Polyamide                  | • UMHW Polyethylene    |
| • Sisal       | • Polyolefin                 | • Carbon               |
| • Flax        | • Flax                       | • Glass, etc.          |
| • Wool, etc.  | • Polyester, etc..           |                        |

(Source: *Investor Guide – Driving Growth of Technical Textiles in India Report*, January, 2013 – Federation of Indian Chambers of Commerce and Industry (FICCI) - [www.ficci.in](http://www.ficci.in))

## PRODUCTION OF MAN-MADE FIBRE HAS BEEN RISING



(Source: *Textile and Apparel Report January 2016 - India Brand Equity Foundation* [www.ibef.org](http://www.ibef.org))

## MAN MADE FIBRE SECTOR OUTLOOK

Polyester dominates the world fibre consumption contributing more than half of the overall fibre consumption. The rise in share can be attributed to the growing consumption of polyester in the developing countries. On the other hand, the Indian textile industry is predominantly a cotton-based industry. However, limited area under cultivation and erratic rain affects the cotton availability.

Over a longer term view, polyester consumption is expected to pick up gradually with increase in demand for apparels, home textiles and technical textiles as the macro economic scenario recovers. The growth in apparels and home textile segments will be supported by factors such as rise in disposable income, growing consumer class, rising urbanization, increasing retail penetration and increased usage of credit cards etc.

According to CMIE manmade fibre & filament industry sales in FY15 is estimated to have declined by 3.3% on back of subdued demand and fall in realisation. Further, reduction in cotton yarn prices has affected substitution demand for man-made fibre. The operating margin of polyester companies in





last couple of years have remained under pressure on account of huge capacity additions taken place in the industry and intense competitive, commoditised and fragmented nature of the industry which limits the pricing flexibility of players operating in the segment.

However, in FY16 sales are expected to increase by 10.6% (Source: CMIE) supported by increase in textile and clothing exports in FY16 (target of \$47.5 billion for textile and clothing export as against \$41.4 billion in FY15), increase in domestic consumption and expected increase in demand for technical textiles on back of pick up in infrastructure sector. The outlook for man-made fibre industry remains stable.

(Source: Textile Sector Outlook – July 2015, Credit Analysis & Research Limited (CARE Ratings) [www.careratings.com](http://www.careratings.com))

## **OPPORTUNITIES IN TEXTILE INDUSTRY**

### **Immense growth potential**

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The sector is expected to be reached to USD226 billion by FY2023. Population is expected to reach to 1.34 billion by FY2019. Urbanisation is expected to support higher growth due to change in fashion and trends

### **Private sector participation in silk Production**

The Central Silk Board sets targets for raw silk production and encourages farmers and private players to grow silk. To achieve these targets, alliances with the private sector, especially major agro-based industries in pre-cocoon and post-cocoon segments has been encouraged

### **Proposed FDI in multi-brand retail**

For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods. With global retail brands assured of a domestic foothold, outsourcing will also rise significantly

### **Retail sector offers growth Potential**

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks & Spencer, Guess and Next having entered Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

### **Centers of Excellence (CoE) for research and technical training**

The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities. Existing four CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centre and support for development of prototypes. Fund support would be provided for appointing experts to develop these facilities

### **Foreign investments**

The government is taking initiatives to attract foreign investments in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France. According to the new Draft of the National Textile Policy, the government is planning to attract foreign investments thereby creating employment opportunities to 35 million people

(Source: Textile and Apparel Report January 2016 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))



## **POLICY SUPPORT HAS BEEN A KEY INGREDIENT TO GROWTH**

### **Technology Up gradation Fund Scheme (TUFS)**

- Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates.
- USD 0.39 billion has been allocated for TUFS scheme for FY15

### **National Textile Policy – 2000**

- The policy was introduced for the overall development of textile industry.
- Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements. New draft for this policy ensures to employ 35 million by attracting foreign investments. It also focuses on establishing a modern apparel garment manufacturing centre in every.
- North Eastern state for which Government has invested an amount of USD3.27 million.

### **Foreign Direct Investment**

- FDI of up to 100 per cent is allowed in the textile sector through the automatic route.

### **Scheme for Integrated Textiles Parks (SITP)**

- SITP was set up in 2005 to provide necessary infrastructure to new textile units; under SITP, 40 projects (worth USD678 million) have been sanctioned.
- Out of these 40 projects, 27 have started production. 16 projects has been completed and as on November 2014, Government has invested a total of USD21.96 million for 21 new textile parks and the remaining 13 textile parks has been given the in-principle approval under SITP

### **Technical textile industry**

- Government of India has planned an increase in the fund outlay for technical textiles industry to more than USD117 million during the current 12th Five Year Plan (2012-17)

(Source: Textile and Apparel Report January 2016 - India Brand Equity Foundation [www.ibef.org](http://www.ibef.org))

## **ADVANTAGE INDIA**

### **Robust demand**

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

### **Increasing investments**

- Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP)-(USD184.98 Million) and Technology Up gradation Fund Scheme (TUFS)-(term loan sanctioned in Feb, 2015-USD2198.45 Million) to encourage more private equity and to train workforce.

### **Competitive Advantage**

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

### **Policy support**

- 100 per cent FDI (automatic route) is allowed in the Indian textile sector.
- Under Union Budget 2015-16, government has allocated USD39.81million for integrated parks in India.



- Free trade with ASEAN countries and proposed agreement with European Union will boost exports.

Market Value: USD 108.5 Billion 2015E

Market Value: USD 226 Billion 2023F

(Source: *Textile and Apparel Report January 2016 - India Brand Equity Foundation* [www.ibef.org](http://www.ibef.org))

## GROWTH DRIVERS

Factors contributing to growth of the industry and analysed in this study are:

Rising disposable incomes and evolving lifestyles of India's prospering urban consumer, are broadening their clothing needs. Today, Indians are more inclined to buy apparels for a specific purpose, than consumers in other markets. Family celebrations and weddings in India continue to eat up an enormous share of Indian consumers' clothing budgets.

Rising urbanisation leads to increase in demand for new designs and fashions to match new lifestyles. The growing participation of women in the workforce is also contributing a great deal to this demand.

Backed by the enormous capacity to absorb labour, skilled human capital to meet the growing demand is one of the important factors that will drive growth of this industry.

India may be a major player in traditional textiles, but technical textiles as a segment is growing due to rising demand for specialised fabrics from various sectors of the economy.

India's cotton and apparel exports are set to climb by around 10% in 2015 as higher wages, political instability and concerns about workplace conditions in other producing markets are likely to push international buyers towards Indian exporters. India has overtaken Germany and Italy to emerge as the world's second largest textile exporter but lags behind China, whose exports are nearly seven times higher.

The proliferation of digital internet technology in India coupled with wide scale ownership of devices such as smart phones, laptops and tablets that support internet usage, have resulted in an unprecedented growth of e-commerce. As incomes rise and lifestyles change, people have little time to spare. E-commerce has provided consumers with a wide range of apparels, with just a few simple clicks, making their shopping experience easier, faster and more convenient.

The textile industry, being one of the most significant sectors in the Indian economy, has been a key focus area for the Government of India. A number of initiatives have been taken by the Government to make the industry more competitive.

(Source: *The Textile & Apparels Industry – Contributing to “Make in India” October, 2015 - The Associated Chambers of Commerce and Industry of India* – [www.assocham.org](http://www.assocham.org))

## CHALLENGES FACED BY THE INDIAN TEXTILE INDUSTRY

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

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

- Paucity of domestic producers of shuttle-less looms and spindles greatly affects the industry with the waiting time per order being as much as 2 to 3 years. Obsolete machinery leads to low efficiency and poor quality products. Lack of investment and research in the area of textile machinery, is forcing imports to compete with other textile producing countries.
- Stiff competition from mechanised mills, changing consumer preferences and the pursuit of less demanding means of livelihood have threatened the vibrancy of the handloom industry. Traditional hand woven products are in danger of becoming obsolete and weaving skills face



threat of dilution. The lack of credit facilities extended to the handloom sector adds to its woes.

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

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



## OUR BUSINESS

### OVERVIEW

Incorporated in 2008, our Company 'Titanium Ten Enterprise Limited' is engaged in trading of yarn, grey cloth and manufacturing and trading of knitted fabrics. We also undertake job work of yarn and fabrics in our own capacity or on outsource basis. The registered office of our Company is situated at Shop No. 901/914, Rajhans Complex, 9th Floor, Ring Road, Surat, Gujarat- 395002 and the manufacturing plant is situated at Plot No. 660/A, 660/B and 660/C, Village Palsana, District Surat, Gujarat.

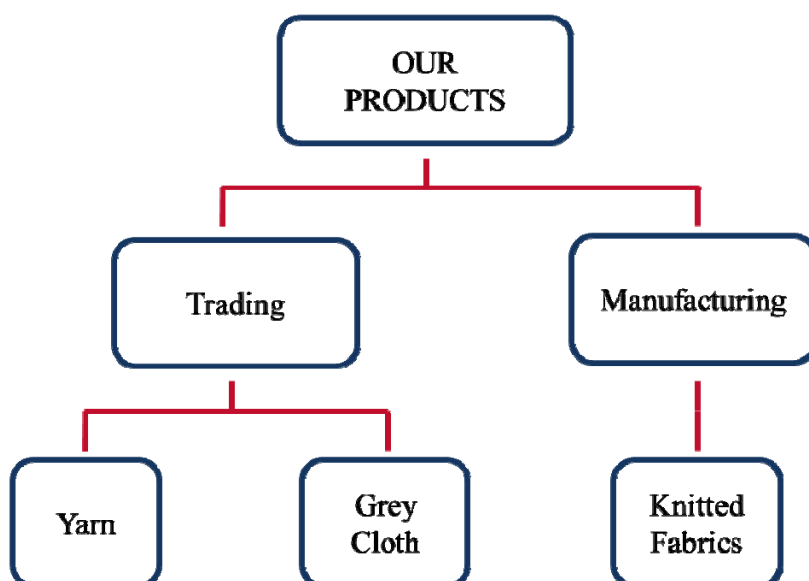
Our Company is promoted by Rohitkumar Kapadia and Ilaben Kapadia. Being engaged in the textile industry since last four decades, our Promoter Rohitkumar Kapadia has been the pioneer of the Company's business ideology and growth strategies. The Company's operations are backed by the inventive initiatives and textile knowledge of Tejus Kapadia, the CEO of our Company. Within a short span of time, our Company has created a steady position for itself in the Surat textile market and has been able to generate turnover of around Rs. 100 Crores during the past few years of operations.

Our sales model is divided into 2 parts i.e. i) trading of yarn and grey cloth and ii) supply of knitted fabrics. For the year ended March 31, 2015, our trading and manufacturing operations constituted 85.49% and 14.51% respectively of our total revenue from operations. Our trading operations cater to customers from both domestic and international markets. Our traded materials are mostly used in the process of weaving and knitting of fabrics which is then used for apparels such as sarees, shirtings, suitings, and upholstery such as curtains, etc. For our manufacturing operations, we have a plant set up at Surat which is considered as "The Textile Hub of The Nation". Spread over 2,853.12 square meters, our manufacturing facility is well equipped with requisite plant and machinery such as Warping and Knitting machines. At present we have an installed production capacity of more than 6,00,000 kgs p.a. for knitted fabrics. Our manufacturing process mainly consists of blending and knitting of yarn into beams of cloth which is then converted to fabric. We use different qualities of yarn as raw material of which Bi-Shrinkage Yarn (BSY) and Cationic Yarn are imported and others such as Filament Yarn, Bright Yarn, Nylon Mono Yarn, etc are procured locally. We also undertake jobwork activities to customise the products to suit the clients' requirements.

Customer satisfaction has been one of the key strengths of our Company. Our management and team has enables us to maintain continuing customer relations, ensuring repeat order flows. Similarly we have developed strong bonds with our suppliers. We are the only authorised representative for sales of yarns in Surat. of PT. Asia Pacific Fibers Tbk., a well-known Indonesian yarn manufacturing Company.

We aim to satisfy the needs of customers and give them value for their money by ensuring quality and a wide variety of products accompanied by technology development, involvement of our management team and dedication of our employees. We also desire to expand our business operations on PAN India basis.

Despite the severe competition and slowdown in economy, our Company has been able to maintain a consistent turnover. For the nine months ended as on December 31, 2015, our Company's Total Income and Restated Profit After Tax was Rs. 6,557.45 Lakhs and Rs. 14.94 Lakhs, respectively. For the year ended March 31, 2015, our Company's Total Income and Restated Profit After Tax was Rs. 10,505.09 Lakhs and Rs. 32.10 Lakhs respectively, compared to our Company's Total Income and Restated Profit After Tax of Rs. 10,460.15 Lakhs and Rs. 35.77 Lakhs respectively, over previous year ended i.e. March 31, 2014.



## OUR PRODUCTS: TRADING

| DOMESTIC YARN                                                                       |                                                                                      |                                                                                       |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| FULLY DRAWN YARN (FDY)                                                              | DRAW TEXTURED YARN                                                                   | RAW TWISTED YARN                                                                      |
|  |  |  |
| IMPORTED YARN                                                                       |                                                                                      |                                                                                       |
| INTERLOCK TWIST YARN (ITY)                                                          | BI-SHRINKAGE YARN (BSY)                                                              | SPIN DRAW YARN                                                                        |
|  |  |  |





**100% REMI YARN, 100% POLYSTER  
SPUN & POLYSTER VISCOSE-SPUN  
YARN**



**SPARKLE YARN**



**FABRICS**

**FANCY FABRICS**



**GREY FABRICS**



**WOVEN  
DOBBY & JACQUARDS**



**WOVEN PLAIN  
SATIN, GEORGETTE AND CREPE**





## OUR PRODUCTS: MANUFACTURING

| Product Name                              | Product                                                                             | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BRASSO FABRICS</b>                     |    | <p>These fabrics are also called cut fabrics and are mainly used for manufacture of sarees and dress materials.</p> <p>The notable features are:</p> <ul style="list-style-type: none"> <li>• Easy to wash</li> <li>• Smooth texture</li> <li>• Non-shrinkable</li> <li>• High demand</li> </ul>                                                                                                                                                                                                |
| <b>SOFT ROUND NET</b>                     |   | <p>This type of fabric is used for different kinds of garments and apparels due to the following key features:</p> <ul style="list-style-type: none"> <li>• Soft texture</li> <li>• Appealing design</li> <li>• Attractive appearance</li> </ul>                                                                                                                                                                                                                                                |
| <b>RASHEL NET FABRIC</b>                  |  | <p>This fabric is available in different attractive colors and mesmerizing patterns as per the diverse needs of our clients. In order to design this fabric as per the current market trends, we ensure usage of premium quality thread, aid of advanced techniques and modern machines.</p> <p>Key features are:</p> <ul style="list-style-type: none"> <li>• Lustrous</li> <li>• Skin friendly</li> <li>• Colour Fastness</li> <li>• Wide range of attractive designs and patterns</li> </ul> |
| <b>MONO NET, SQUARE NET AND ROUND NET</b> |  | <p>The notable features of these types of fabric are:</p> <ul style="list-style-type: none"> <li>• high flexibility</li> <li>• light in weight</li> <li>• shrink-resistant</li> <li>• tear-resistant</li> </ul> <p>These features make it suitable for knitting of embroidery, garments, sarees, suits, dupattas bedding, mattress, tent, and mosquito net.</p>                                                                                                                                 |



| Product Name                 | Product                                                                             | Description                                                                                                                                                                                                                                                                  |
|------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>VELVET FABRICS</b>        |    | Velvet is one of the smoothest and softest amidst all the other kinds of fabrics. Velvets are specially manufactured and processed because of its distinctive properties. This type of fabric is used as materials for upholstery, comforter fabrics, covers, curtains, etc. |
| <b>CURTAIN FABRICS</b>       |    | <p>This fabric has a good demand in the Industry.</p> <p>Notable features of this fabric are:</p> <ul style="list-style-type: none"> <li>• Fine design</li> <li>• Seamless finish</li> <li>• Resistant to shrinkage</li> </ul>                                               |
| <b>JERSEY FABRICS</b>        |   | Single jersey is lightweight and stretchy, whilst double jersey is heavier and less elastic. Both are warm and insulating and are used in the manufacture of bedding and clothing.                                                                                           |
| <b>DOBBY DESIGN FABRICS</b>  |  | <p>This fabric is used for various garments and apparels.</p> <p>Key features include:</p> <ul style="list-style-type: none"> <li>• Water repellent</li> <li>• Stain resistant</li> <li>• Lightfast</li> </ul>                                                               |
| <b>SELF DESIGNED FABRICS</b> |  | This fabric is used for manufacture of Sarees, Dress materials and garments.                                                                                                                                                                                                 |





## OUR MANUFACTURING PROCESS

Our manufacturing process depends on a supply of various types of yarn depending upon the quality and specifications of fabric required by our customers. We procure raw materials both from domestic and international markets. Post procurement of raw materials, the manufacturing process is expedited in the following manner:

### Warp Knitting Process

#### Warping



Warping is the first step of the fabric manufacturing process. This is a process of winding yarns into warp beams. The rolls of Polyester and Nylon yarn are loaded on the creel stand of the warping machines with latest tension control device which enables warp stoppage. The threads from the rolls are passed through the reed to the warping drum as per the desired quality combinations. Thereafter, the ends of the yarn are withdrawn from warping creel, evenly spaced in a sheet form and wound onto a beam of substantial length.



#### Knitting



The beams of the merged yarns are then transferred to the knitting machines by way of a pulley. The beams are then fed into the knitting machines where adjustments for size and of patterns are made. The number of beams to be inserted for production of final fabric is decided according to customers' size specifications. Once the beams are fed and pattern is set, the process is an automated process and does not require any manual interference. Warp knit fabric consists of a series of wales, or parallel ridges, running lengthwise through the material. The front of the fabric contains angled vertical stitches, while the back consists of horizontal floats. Knitted fabric is majorly used for end products such as Curtains, Bright Polyester Cloth, Viscose and Jersey Material.



### **Folding & Inspection**



The Knitted Fabrics are then extricated from the knitting machines and tied into manageable lengths. These clusters of fabrics are collected in the folding room. Here, the fabrics are manually mounted on folding structures which aids in speedy folding of the fabrics. Such fabrics are simultaneously inspected by checkers for defects and irregularities. Defects or tears in cloth, if any, are mended by sewing up such irregularities meticulously. During inspection, if it is noticed that the fabric is severely damaged or not upto the quality required, the same is put aside as scrap.



### **Packing of Final Product for Dispatch**



Finished goods are packed in synthetic bags in sets of such number of units as the clients specify. These packages are loaded into trucks and dispatched to customer's place by using third party transportation.



### **Raschel Knitting Process**



This machine is specially used for producing stretch and non-stretch fabrics. The patterning facility enables a virtually unlimited range of designs to be worked. This is a high-end machine with electronic guide bar control which permits rapid lapping changes and enables changes and variations to be incorporated. These warp knit fabrics resemble crochet and lace fabrics but are more open and with a coarser texture. Warp knit fabrics have good dimensional stability and are less likely to sag, nor do they ravel easily. Raschel warp knit machines generate fabrics in more diverse textures and designs than other warp knit machines. They tend to have little stretch and hold their shapes well. It is to be noted that we are required to maintain the room temperature at around 24°C to ensure smooth working of the machinery.

#### **Raw Materials**

The yarn required for production of knitted fabric is fed into the Raschel machine by way of pulleys. The choice of yarn to be used for production is as per customer requirements as to finish product. Our Company generally uses this machine to manufacture net materials using zari and nylon yarn as main raw materials.



#### **Knitting**

The design is then fed into the computer system of the machine. There is a variety of designs to choose from depending on customer requirement and choice. In raschel knitting, the fabric is formed in line with the movement of the needles. Our machine is called a Multibar Raschel Machine where the needle bar is a row of needles which work in synergy to form loops and net designs.

These compound needles are mounted on a bar in the machine. The sinker performs the function of holding down the fabric during the upward journey of the needles and to assist in casting-off, the trick plate is employed. The fabric, coming out of the knitting zone, is taken down over the trick plate at a very low angle such that the fabric and needle axis are nearly parallel to each other. During the downward motion of needle, the new yarn is bent across the arms of the cast-off loop.

The yarn sheet fed to the needles and the resultant knitted fabric are nearly in the same plane, a very high take down tension can be applied on the fabric without loading the needles excessively. This maintains very straight and rigid lines on the machine, a necessary condition for producing nets with large openings. As the fabric is pulled in the downward direction by the take-up motion, it is conceivable that two sets of needle bed and trick plate can be easily arranged back to back for the production of a double layered knitted fabric.



#### **Folding & Inspection, Packing of Final Product for Dispatch**

These processes are same as explained for Warp Knitting Process.





## COMPETITIVE STRENGTHS



### 8. In depth knowledge of Yarn

Our promoter, Rohitkumar Kapadia has an experience of more than four decades and our CEO Tejus Kapadia has an experience of more than a decade in the textile industry. Further, Tejus Kapadia has completed his Bachelor in Science from South Gujarat University and Postgraduate Diploma in Textile Industries from University of Leeds. With relevant qualifications and backed by experience, our management has believed to gain an in depth knowledge of our primary raw material and traded good i.e. yarn. The textile industry is an extremely competitive industry and there is always a chance of duplication of fabric designs and usage of yarns. The detailed knowledge of our CEO and experience of our management enables us to innovate and develop exclusive yarns, proving to be a distinctive competitive advantage in the industry in which we operate.

### 9. Technological Advantage

We are in possession of Four-Bar Knitting Machine as against the commonly used Two-Bar Knitting Machine, which is one of the latest technologically forward machines used in knitting industry. The increased number of bars enables increased production capacity of the machines. Further our Company has recently, imported warping and knitting machinery which provides the benefits of latest international technologies in our production process. Our Company consciously dedicate resources to be technologically upgraded and has developed a scalable technology system.

### 10. Quality and innovation

We procure yarn from domestic as well as from international markets. We take the initiative to approach our suppliers and discuss with them, the ways by which the raw materials can be improved in terms of quality. The suppliers implement our suggestions on yarn properties such as mix of Polymers, variation in deniers, elongation, shrinkage, etc. The synergy of efforts and knowledge between our yarn manufacturers and our team enables us to offer diverse and innovative varieties to our customers. We believe such continuing efforts provide us with a strong platform to build our market share and exclusivity in the textile industry.



Further our company is focused on delivering qualitative and customer specific products and has developed in-house check processes at different level of operations.

#### **11. Sole Representative for a well known Indonesian Supplier**

We are the sole authorized representative in Surat city for sale of yarns of a well known Indonesian Supplier. The type of yarns imported from this supplier is known as Bi-Shrinkage Yarn which is used in our manufacturing process of knitted fabrics and also supplied to other users. The specialty of this yarn is its ability to increase elongation, withstand shrinkage and immediate breakage. Such exclusive representation gives us an edge in the Surat textile market and makes us stand apart from other traders. It also helps us build a reputation in international market and develop confidence among our suppliers and customers.

#### **12. Customer Centric Business Model**

Our Company focuses on attaining highest level of customer satisfaction. The progress achieved by us is largely due to our ability to address and exceed customer satisfaction. Our Company has always believed in assessing the changing consumer preferences from time to time and redesigning our products accordingly by continuously exploring new types of yarn, cloth and fabric.

#### **13. Diversified Product Range**

Ever since our initiation, we have been engaged in trading, manufacturing and exporting of fabrics and yarn. We have a comprehensive portfolio of product offerings covering Polyester, Netting Fabrics, Raschel Knitted Fabrics, Viscose, etc. We believe our comprehensive range of products enables ourselves to capitalize on growth opportunities and demand in the textile industry. We also make fabrics according to the client specification. We supply our products across various textile processing entities and to few well-known garment and apparels brand.

#### **14. Locational Advantage**

Our manufacturing facility is situated at Surat, Gujarat which is known as ‘The Textile Hub of the Nation’, thereby resulting in easy availability of transportation and intermediaries of the textile industry. Being situated in textile hub of the nation, we have a better absorbent market for the demand of our products. Further our manufacturing facility is situated at around 300 km away from Nhava Sheva port, Mumbai enabling us to import required goods at pace.

### **COLLABORATIONS**

As on date of the Draft Prospectus, our Company has not entered into any collaboration agreements.

### **OUR RAW MATERIALS**

The major raw material used in our manufacturing process is Yarn. For manufacturing of knitted fabrics, we use different types of yarn to suit customer’s requirements. The major types of Yarns include:

|               |              |                        |                            |                     |
|---------------|--------------|------------------------|----------------------------|---------------------|
| Filament Yarn | Bright Yarn  | Bright Viscose         | Tex Nim                    | Nylon Mono Yarn     |
| Spun Yarn     | SD Poly Yarn | Cationic Yarn-Imported | Bi-Shrinkage Yarn-Imported | Oil for maintenance |

### **UTILITIES & INFRASTRUCTURE FACILITIES**

#### **Infrastructure Facilities**

Our registered office at Ring Road, Surat and manufacturing unit at Palsana, Surat are well equipped with computer systems, internet connectivity, other communications equipment, security and other



facilities, which are required for our business operations to function smoothly. It is equipped with requisite utilities and modern facilities including the following:

#### Power

Our Company meets its power requirements for our manufacturing process by purchasing electricity from Dakshin Gujarat Vij Company Limited. The power requirements for our registered office is purchased from Torrent Power Limited.

#### Water

We meet our water requirements for our manufacturing process and our registered office by purchasing the same from Palsana Taluka Panchayat.

#### Export Analysis and Obligation

| License No.            | Item required to be exported                                                                                 | Issue Authorisation Date | Duty Saved (Rs. in Lacs) | Export Obligation in (Rs. in Lacs) | Balance Export obligation to be completed in (Rs. in Lacs) | Period to which Export Obligation to be completed                                                                                                      |
|------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5230007677/<br>3/11/00 | Synthetic Filament Yarn                                                                                      | 26/10/2010               | 17.73                    | 141.81                             | 141.81                                                     | 8 Years from the Issue authorization date                                                                                                              |
|                        | Synthetic Fabrics                                                                                            |                          |                          |                                    |                                                            |                                                                                                                                                        |
| 5230010246/<br>3/11/00 | Texturised Yarn                                                                                              | 10/04/2012               | 9.86                     | 78.89                              | 78.89                                                      | 8 Years from the Issue authorization date                                                                                                              |
|                        | Synthetic Fabrics                                                                                            |                          |                          |                                    |                                                            |                                                                                                                                                        |
| 5230017698/<br>3/12/00 | Made up articles, including knitted Raschel, Laces made of 85% or more by weight of Synthetic Filament Yarns | 30/07/2015               | 31.28                    | 187.67                             | 187.67                                                     | 6 Years (Block year 1 <sup>st</sup> to 4 <sup>th</sup> year – 50% and 5 <sup>th</sup> to 6 <sup>th</sup> year – 50%) from the Issue authorization date |
|                        | Synthetic Filament Fabrics made of 85% or more by weight of Synthetic Filament Yarn                          |                          |                          |                                    |                                                            |                                                                                                                                                        |
|                        | Made ups made of 85% or more by weight of Synthetic Filament Yarn                                            |                          |                          |                                    |                                                            |                                                                                                                                                        |
|                        | Synthetic Filament Knitted Fabrics with Knitted Raschels,                                                    |                          |                          |                                    |                                                            |                                                                                                                                                        |



| License No.        | Item required to be exported                                   | Issue Authorisation Date | Duty Saved (Rs. in Lacs) | Export Obligation in (Rs. in Lacs) | Balance Export obligation to be completed in (Rs. in Lacs) | Period to which Export Obligation to be completed                                                                                                      |
|--------------------|----------------------------------------------------------------|--------------------------|--------------------------|------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    | Laces made of 85% or more by weight of Synthetic Filament Yarn |                          |                          |                                    |                                                            |                                                                                                                                                        |
| 5230018330/3/12/00 | Knitted Fabrics                                                | 07/10/2015               | 17.95                    | 107.67                             | 107.67                                                     | 6 Years (Block year 1 <sup>st</sup> to 4 <sup>th</sup> year – 50% and 5 <sup>th</sup> to 6 <sup>th</sup> year – 50%) from the Issue authorization date |

Our Company has not yet undertaken or fulfilled any export obligation of the above manufactured products. We are in the process of expanding of business operations and begin to export the above manufactured products in addition to the traded goods that are already being exported.

## HUMAN RESOURCE

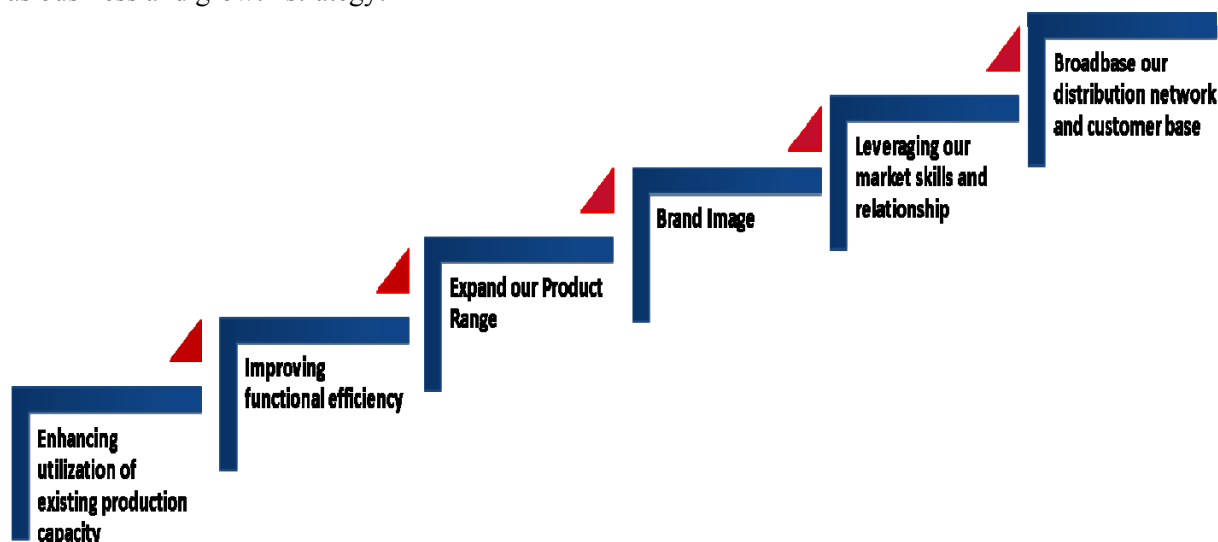
We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on the date of this Draft Prospectus, our manufacturing facilities has 41 employees who look after our business operations and factory management. Apart from these employees, we also employ casual labour or temporary labour on need basis. Further at our registered office, we have 18 employees in addition to our management. These employees look after administrative, secretarial, legal, marketing and accounting functions. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.



## BUSINESS STRATEGY

Our vision is to provide customer satisfaction, by offering high qualitative products. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing business with specific emphasis on the following factors as business and growth strategy:



### 1. Enhancing utilization of existing production capacity

Our current business model comprises more of trading and less of manufacturing activities, resulting into under utilization of our installed production capacity. We intend to increase our manufacturing activities simultaneously with our trading activities by offering our customer base qualitative and reliable range of products. In this direction, our Company has recently increased its installed capacity as well by importing new machineries. Our management believes that it shall be able to expand its existing market for its manufactured products in a smooth manner. Further with our widespread customer base built over the years, we seek to capitalize this base for increasing our manufacturing activities.

### 2. Improving functional efficiency

Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer service and technology development.

### 3. Expand our Product Range

Currently our revenue is largely driven from trading of yarns, grey cloth and manufacturing of knitted fabrics. We have a well equipped plant capable of manufacturing various types of Fabrics. We plan to utilise our manufacturing plant for expanding our products range to include self manufactured woven fabrics, processed fabrics and ready made garments and fabrics in a bid to serve the retail market as well.

### 4. Brand Image

We would 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.



## 5. Leveraging our market skills and relationship

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

## 6. Broadbase our distribution network and customer base

Our Company intends to expand our distribution network and increase the geographical reach of our products, both manufactured and traded, across India and abroad. We also intend to venture into woven fabrics, inhouse processing of fabrics and manufacture of ready made garments. This shall enable us to target the retail textile and apparels market and broadbase our customer base. We also aim to expand our export operations down the line.

## CAPACITY UTILIZATION

| Product Name          | Actual    |         |         | Expected | Projected |         |
|-----------------------|-----------|---------|---------|----------|-----------|---------|
|                       | 2012-13   | 2013-14 | 2014-15 | 2015-16  | 2016-17   | 2017-18 |
| Knitted Fabrics (kgs) | 556670.22 | 289313  | 483352  | [•]      | [•]       | [•]     |
| Sized Beam Yarn (kgs) | 9204.05   | 8455    | 10248   | [•]      | [•]       | [•]     |
| Grey Cloth (mtrs)     | 350105.25 | 47284   | 0       | [•]      | [•]       | [•]     |

*\*Above data Includes figures for capacity utilised for job-work contracts as well.*

### Note:

The Company intends to achieve higher production by utilising its existing unutilising installed capacity and increase its installed capacity by purchasing/hiring new machineries in the future years. The Projected capacity for the next three years cannot be accurately estimated as the production depends upon the demand of the products and various other factors.

## COMPETITION

Textile being a large and global industry, we face competition from various domestic and international players. The industry is largely unorganized and fragmented with many small and medium-sized companies and entities. Among listed companies, we face competition from the below:

### List of competitors

Major players include Dhanlaxmi Fabrics Limited, Suryavanshi Spinning Mills Ltd, Suditi Industries Ltd, Kandagiri Spinning Mills Ltd, Lambodhara Textiles Ltd, etc. Most of our competitors in the regional level are from the unorganized sector of the textile industry.

We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

## END USERS

Our business model is B2B based. Our end users represent the following businesses:

- Dye Houses
- Yarn Traders
- Cloth Traders
- Fabric Manufacturers

## MARKETING

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company. Our team through their vast experience and good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our





Company. We believe our relationship with the clients is strong and established as we receive repeat order flows. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. 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.

## INSURANCE

Our insurance policies are subject to customary exclusions and 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 maintained. We maintain insurance policies in respect of our operations. These policies insure our assets against standard fire and special perils, earthquake (Fire and Shock). We also maintain Marine Cargo Policy.

## PLANT AND MACHINERY

Our manufacturing facility is located at Palsana, Surat. The area of the factory is approximately 2,853.12 sq. mtr. area. Following is the list of Machineries used by the Company at the factory:

| Sr. No. | Name of Machinery | Owned (In.Nos) |             | On Rent (In.Nos) |             | Age of Second Hand Machines | Approximate Residual Life of Second Hand Machines |
|---------|-------------------|----------------|-------------|------------------|-------------|-----------------------------|---------------------------------------------------|
|         |                   | New            | Second Hand | New              | Second Hand |                             |                                                   |
| 1       | Warping Machines  | 2              | -           | -                | 1           | [•] years                   | [•]                                               |
| 2       | Warping Beam      | 84             | -           | -                | -           | NA                          | NA                                                |
| 3       | Knitting Machines | 1              | 2           | -                | 9           | [•] years                   | [•]                                               |

## INTELLECTUAL PROPERTY

As on the date of this Draft Prospectus, our Company has not registered its trademark logo with the Registrar of Trademarks. Apart from this, our Company does not have any intellectual property.

## LAND AND PROPERTY

We currently operate from the state of Gujarat from the following locations:

| Sr. No. | Property Kind                                       | Description of Property                                                      | Area                                                   |
|---------|-----------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------|
| 1       | <b>Registered Office</b><br>Free Hold Property      | Office No. 901 and 904, Ninth Floor, Rajhans Building, Ring Road, Surat City | 172.33 sq. mt. plus 19.71.34 sq. mt. of common passage |
| 2       | <b>Manufacturing Facility</b><br>Free Hold Property | Plot No. 660/A, Village Palsana, District Surat                              | 1,053.14 sq. mt.                                       |
| 3       | <b>Manufacturing Facility</b><br>Free Hold Property | Plot No. 660/B, Village Palsana, District Surat                              | 503.57 sq. mt.                                         |
| 4       | <b>Manufacturing Facility</b><br>Free Hold Property | Plot No. 660/C, Village Palsana, District Surat                              | 1,296.41 sq. mt.                                       |



## KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the business of manufacturing knitted fabrics and trading of textile related products. Taxation statutes such as the Income Tax Act, 1961 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 247 of this Draft Prospectus.

### **APPLICABLE LAWS AND REGULATIONS**

#### **A. BUSINESS / TRADE RELATED REGULATIONS**

##### **AMENDED TECHNOLOGY UP-GRADATION FUND SCHEME (ATUFS)**

Ministry of Textiles, Government of India has notified Amended Technology Up gradation Fund Scheme vide notification dated January 13, 2016. In order to promote ease of doing business, promote make in India and increase the employment, government will be providing credit linked Capital Investment Subsidy (CIS) under the ATUFS. The scheme would facilitate augmenting of investment, productivity, quality, employment and exports. It will also increase investment in textile industry (using benchmarked technology). Entities registered as Companies which have acknowledgment of Industrial Entrepreneur Memorandum (IEM) with DIPP except MSMEs units which will be as per ministry of MSME or units registered with the concerned Directorates of the State Government showing clearly the activity for which the unit is registered, will only be eligible to get benefits under the scheme. Only benchmarked machinery as specified will be eligible for the subsidy under the scheme. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted to Rs.30 Crore.

##### **National Textile Policy – 2000 (“NTxP – 2000”)**

The Government of India in November 2000 announced the National Textile Policy – 2000, thereby replacing the previous Textile Policy of 1985. Though it is to be noted that a revised national textile policy is in the framework stage, however the same is yet to be notified. The main objective of the NTxP – 2000 was to enable the industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. It aimed at achieving textiles and apparel exports of upto \$ 50 billion by 2010 from the present \$ 11 billion. The NTxP – 2000 took note of the new challenges and opportunities presented by the changing global environment, particularly the initiation of the process of gradual phasing out of quantitative restrictions on imports and the lowering of tariff levels for an integration of the world textile and clothing markets by the end of 2004.



**The objectives of the NTxP – 2000 are:**

- Facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing, to enable the textile industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards, and for this purpose to encourage Foreign Direct Investment as well as research and development in the sector.
- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Liberalise controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment enable the textile industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards, and for this purpose to encourage both Foreign Direct Investment as well as research and development in the sector;
- Develop a strong multi-fibre base with thrust on product upgradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the Institutional structure;
- Expand productive employment by enabling the growth of the textile industry, with particular effort directed to enhancing the benefits to the north east region;
- Make Information Technology (IT), an integral part of the entire value chain of textile
- Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing and;
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organizations in the fulfilment of these objectives vide the NTxP – 2000 the Government has conveyed it's commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society.

**Gujarat Textile Policy, 2012**

With the object of continuing leadership position in textile sector, State Government of Gujarat issued Gujarat Textile Policy, 2012. The state government wants to strengthen entire value chain for overall growth of textile sector in the State of Gujarat. Eligible entities will be provided various incentives under the different schemes under the policy.

Major schemes under the policy are as follows;

- **Special Concession in Power tariff**

Power Tariff subsidy of @ Rs. 1 per unit in the billed amount of the utility for the units available for a period of five years as promotional initiative for cotton spinning and industries with or without preparatory in the State of Gujarat.

- **VAT Concession**

Eligible units will also be entitled to refund of VAT paid on purchase of raw materials and remission of VAT/CST collected on final/intermediate product within entire value chain to the extent of 100% the eligible fixed capital investments in plant and machinery with in one year.

- **100% Foreign Direct Investment (FDI) in the Textile Sector**

The Indian Government has allowed foreign equity investment up to 100%, through automatic route, in the textile sector. Indian manufacturing companies are allowed 100% FDI to carry out



wholesale trading on “a cash and carry basis” and also export trading through the automatic route, without seeking prior Government approval.

- **Export Promotion Capital Goods (EPCG) Scheme**

The EPCG scheme facilitates import of capital goods at 3% concessional rate of duty with appropriate export obligation.

- **Advance Licensing Scheme (Advance Authorisation Scheme)**

With a view to facilitate exports and to access duty-free inputs under the Advance Licensing Scheme, standard input-output norms for approximately 300 textiles and clothing export products have been prescribed.

- **Duty Drawback Scheme**

Indian exporters are allowed a refund of the excise and import duty incurred on raw materials under the Duty Drawback Scheme so as to make Indian textile products more competitive in the international market

- **Scheme for Integrated Textile Parks**

In 2005, during the Tenth Five Year Plan, the Government sponsored “Scheme for Integrated Textile Parks (“SITP”) was launched, by merging the two previously existing schemes namely, the Scheme for Apparel Parks for Exports and the Textile Centre Infrastructure Development Scheme. SITP is intended to provide the Indian textile industry with world-class infrastructure facilities for setting up textile units and to facilitate textile units to meet international standards and social standards. The SITP is now co-terminus with the Eleventh Five Year Plan (i.e. 2007-2012) and is continued in the twelfth Five Year Plan (i.e. 2012-17). The state government under the scheme, shall inter alia, provide requisite clearances, assistance in identification and procurement of suitable land, and participate in projects, by way of subscribing to equity of special purpose vehicles through various state government agencies. During the Tenth Five Year Plan, 30 textiles park projects were approved. Locations of these projects are: Andhra Pradesh-4, Gujrat-7, Maharastra-6, Tamil Nadu-6, Rajasthan-4, Karnataka-1, Punjab-1 and West Bengal-1.

### **The Textiles Committee Act, 1963**

The Textiles Committee Act, 1963 (“TCA”) was enacted in 1963. The textiles committee has been established under the TCA (hereinafter referred to as the “Textile Committee”) with the primary objective of ensuring a standard quality of textiles both for domestic and export markets as well as standardization of the type of textile machinery used for production. The Textiles Committee’s functions include, among others, the promotion of Indian textiles and textile exports, researching in technical and economic fields, establishing standards for Indian textiles and textile machinery, setting up of laboratories, and data collection. Additionally, the Textile Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India under the Textiles Committee Act. **The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978** prescribes and provides for the levy and collection of an additional excise duty on certain textiles and textile articles.

### **Textile (Development and Regulation) Order, 2001 (“Textile Order”)**

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to



that effect under the Trade and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or trade name.

### **Gujarat Industrial Policy 2015**

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support will be provided to each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

### **Export Promotion Capital Goods Scheme (EPCG Scheme)**

To facilitate import of capital goods for producing quality goods and services to enhance India’s export competitiveness. EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. Also covers a service provider who is designated / certified as a Common Service Provider (CSP) by the DGFT.

The EPCG Scheme allows import of capital goods for pre-production, production and post production at 5% customs duty subject to an export obligation equivalent to 8 times of the duty saved on capital goods imported under the EPCG Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of the license. The EPCG Scheme covers manufacturer, exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers. Capital goods would be allowed at 0% duty for exports of agricultural products and their value added variants. However, in respect of EPCG licences with a duty saved of Rs.100 crore or more, the same export obligation shall be required to be fulfilled over a period of 12 years.

### **Advance Authorization Scheme**

Advance Authorization Scheme is a duty exemption scheme issued to allow duty free import of inputs, which are physically incorporated in export product (making normal allowance for wastage). In addition, fuel, oil, energy, catalysts which are consumed / utilized to obtain export product, may also be allowed. The DGFT, by means of Public Notice, may exclude any product(s) from the purview of Advance Authorization. Advance Authorizations are exempted from payment of basic





customs duty, additional customs duty, education cess, antidumping duty and safeguard duty, if any. The facility of Advance Authorization shall also be available where some or all inputs are supplied free of cost to exporter by foreign buyer.

### **Duty Entitlement Passbook Scheme (DEPB)**

DEPB is a duty remission scheme enabling post export replenishment / remission of duty on inputs used in export products. The Objective of DEPB is to neutralize the incidence of customs duty on import content of export product. Component of Special Additional Duty and customs duty on fuel shall also be allowed under DEPB (as a brand rate) in case of non availment of CENVAT credit. The neutralization shall be provided by way of grant of duty credit against the export product. An exporter may apply for credit, at a specified percentage of FOB value of exports, made in freely convertible currency or payment made from foreign currency account of SEZ unit / SEZ Developer in case of supply by DTA. Credit shall be available against such export products and at such rates as may be specified by DGFT by way of public notice. Credit may be utilized for payment of Customs Duty on freely importable items. The DEPB holder shall have the option to pay additional customs duty in cash as well. DEPB credit rates have been prescribed for textiles and clothing products. DEPB credit rates have been prescribed for 83 textiles and clothing products out of which 6 talks about silk products. The scheme aims to neutralize the incident of basic and special custom duty on the import content of the export product, by way of grant of duty credit against the export product at specified rates. However, these export incentives may be reviewed shortly to make them WTO-compatible.

### **The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978**

The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 provides for the levy and collection of an additional 15% of the total amount of excise duty chargeable on certain textiles and textile articles as specified in the schedule to the said Act.

### **Foreign Trade (Development and Regulation) Act, 1992**

The Act for 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 and includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

### **Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act





applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

### **The Legal Metrology Act, 2009**

An act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto. The part of metrology in relation to weighing and measuring units as well as methods of weighing and measuring instruments with the object of ensuring public guarantee and from the point of view of security and accuracy of weighing and measurement. Any weight or measure which conforms to the standard of such weight or measure and also conforms to such of the provisions of Sec. 7 as are applicable to it shall be the standard of weight or measure. Any numeral which conforms to the provisions of Sec. 6 shall be the standard numeral. It further provides that no weight, measure or numeral, other than the standard weight, measure or numeral shall be used as a standard weight, measure or numeral.

Every reference standard, secondary standard and working standard shall be verified and stamped in such manner and after payment of such fee as may be prescribed. Every reference standard, secondary standard and working standard which is not verified and stamped in accordance with the provisions shall not be deemed to be a valid standard. The provision relating to Use and Prohibition provides that no person shall, in relation to any goods, things or service quote, or make announcement of, whether by word of mouth or otherwise, any price or charge, or issue or exhibit any price list, invoice, cash memo or other document, or prepare or publish any advertisement, poster or other document, or indicate the net quantity of a pre-packaged commodity, or express in relation to any transaction or protection, any quantity or dimension, otherwise than in accordance with the standard unit of weight, measure or numeration.

No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a licence issued by the Controller. No licence to repair shall be required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Controller shall issue a licence in such form and manner, on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.



### **The Micro, Small and Medium Enterprises Development Act, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (“MSMED Act”) seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in the manufacturing and production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, the classification of an enterprise will be as follows:

- a. where the investment in plant and machinery does not exceed twenty-five lakh rupees shall be regarded as a micro enterprise;
- b. where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees shall be regarded as a small enterprise;
- c. Where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees shall be regarded as a medium enterprise.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council („Council”). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

The MSMED act provides for appointment and establishment of National Board by the Central Government for MSME enterprise with its head office at Delhi. The Central Government may from time to time for the purpose of promotion and development of the MSME and to enhance the competitiveness in the sector organise such programmes, guidelines or instructions, as it may deem fit. In case of any offences under this act, no court inferior to that of Metropolitan Magistrate or Chief Metropolitan Magistrate shall try the offence under this act.

### **Competition Act, 2002**

The Competition Act, 2002 (the “Competition Act”) prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 04, 2011 and came into effect on June 01, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as ‘Individuals’ and ‘Group’. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 01, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of



a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

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.

A Competition Fund shall be constituted and there shall be credited all government grants of such sum of money as the Government may think fit. The Central Government may by notification in the official gazette establish an Appellate Tribunal known as Competition Appellate Tribunal. The tribunal shall hear and dispose of appeal and adjudicate to claim for compensation that may arise from the findings of the commission.

## **B. GENERAL CORPORATE COMPLIANCE**

### **The Companies Act 1956 and 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 lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

### **APPROVALS FROM LOCAL AUTHORITIES**

Setting up of a factory or a manufacturing or housing unit entails that the requisite planning approvals are obtained from the relevant local panchayat(s) outside the city limits and the appropriate metropolitan development authority within the city limits. Consents from the State Pollution Control Board(s), the relevant State Electricity Board(s) and the State Excise Authorities (Sales Tax) are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

## **C. ENVIRONMENTAL LEGISLATIONS**

The Company is subject to Indian laws and regulations concerning environmental protection, in particular, the discharge of effluent water and solid particulate matter during its manufacturing processes. The principal environmental regulations applicable to industries in India are the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of pollution) Cess Act, 1977, the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986 and the Hazardous Wastes (Management and Handling) Rules, 1989. Further, environmental regulations require a company to file an Environmental Impact Assessment ("EIA") with the State Pollution Control Board ("PCB") and the Ministry of Environment and Forests ("MEF") before undertaking a project entailing the construction, development or modification of any plant, system or structure. If the PCB approves the project, the matter is referred to the MEF for its final determination. The estimated impact that a particular project might have on the environment is



carefully evaluated before granting clearances. When granting clearance, conditions may be imposed and the approving authorities may direct variations to the proposed project. The PCBs located across the various states in India monitor compliance with the applicable environmental regulations. No industrial or production facility may operate without a valid authorisation or consent from the jurisdictional PCB. PCBs routinely inspect industrial and production facilities, to monitor compliance with applicable environmental standards and regulations, including the provisions of the Water Act and the Water Access Act. PCBs are also empowered to grant authorisation for the collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility. Violations of relevant environmental regulations are punishable by monetary fines and imprisonment for company officers and controlling persons. The authorities are further empowered to shut down operations of a defaulting concern.

### **The Environment Protection Act, 1986 (“Environment Protection Act”)**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### **Water (Prevention and Control of Pollution) Act, 1974**

The Water (Prevention and Control of Pollution) Act 1974 (“the Act”) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

### **Water (Prevention and Control of pollution) Cess Act, 1977**

The Central Government has the power to exempt the levy of water cess. The Central Government shall take into consideration nature of raw materials, effluents, source of water extraction, nature of effluent receiving bodies and production data. Schedule II of the act gives details regarding purpose for which water is consumed in different industries. The act lays down levy and collection of cess for the purpose of Water Act, 1974.

### **Air (Prevention and Control of Pollution) Act, 1981**

Air (Prevention and Control of Pollution) Act 1981 (“the Act”) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

### **Hazardous Waste (Management and Handling) Rules, 1989**

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required



### **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.

### **Integrated Processing Development Scheme**

The Integrated Processing Development Scheme seeks to address environmental concerns of the textile industry, including improving the effluent infrastructure. This scheme has received approval of the Cabinet Committee on Economic Affairs, GoI and is proposed to be implemented during the twelfth five year plan and has an outlay of ` 5,000 million.

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

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

## **D. EMPLOYMENT AND LABOUR LAWS**

### **The Factories Act, 1948**

The Factories Act, 1948 (“Factories Act”) aims at regulating labour employed in factories. A “factory” is defined as “any premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...”. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.





### **Employee's Compensation Act, 1923**

The Employee's Compensation Act, 1923 ("ECA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The ECA makes every employer liable to pay compensation in accordance with the ECA if a personal injury/disablement/ loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the ECA within one month from the date it falls due, the commissioner appointed under the ECA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **Industrial (Development and Regulation) Act, 1951**

The development and regulation of certain industries are governed under this act. For the purpose of advising on matters relating to relating to development and regulation, the central government may establish a council known as central advisory council. This council shall have not more than 31 members including the chairman who shall be appointed by the Central Government. Every industrial undertaking shall be registered within such period as the central government may notify in this regard. The Central Government has direct power to assume management or control of an industrial undertaking owned or for companies in liquidation.

### **Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act")**

The EPF Act is applicable to the establishment employing more that 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.

### **Employees Provident Fund Scheme, 1952**

The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Fund Scheme, 1952. The Chairman of the Central Board shall call a meeting of the Board for the purpose of election to the Executive Committee of the members representing the employer or the employees as the case may be. In case of meetings a notice of not less than 15 days from the date of posting with all the required details of the meeting shall be dispatched by registered post or by special messenger to each trustee or the member of committee that are present in India. The provisions relating to Chairman presiding over the meeting or Quorum or nomination of the business are laid down under the scheme. A previous sanction of the Central Government for undertaking any work by the Central provident fund commissioner and the financial adviser. The act gives an express provision for classes of employees and membership of the fund.

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The Central Board may by resolution delegate all or any of its power to the Chairman or Commissioner or both, to sanction the expenditure on any single item. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."





### **The Employees Family Pension Scheme, 1971**

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 for 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”)**

All the establishments to which the ESI Act applies are required to be registered under the ESI Act with the Employees State Insurance Corporation. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department. The Act was enacted with the motive of providing for certain benefits to employees in case of sickness, maternity, and employment injury and to make for provision of certain other matters. There shall be for the purpose of administration of the scheme of Employees State Insurance in accordance with the provisions of this Act a Corporation to be known as Employees State Insurance Corporation. This corporation shall be a body corporate having perpetual succession and common seal. All contributions paid under this act and all other money received on behalf of the Corporation shall all be paid into a fund called the Employees State Insurance Fund.

### **Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 (the “Gratuity Act”) establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the central government may, by notification, specify. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. Presently, an employer is obliged for a maximum gratuity payout of Rs.10,00,000/- for an employee.

### **Payment of Wages Act, 1936 (“Wages Act”)**

Payment of Wages Act, 1936 contains provisions as to the minimum wages that are to be fixed by the appropriate Governments for the employees, fixation and revision for the minimum wages of the employees, entitlement of bonus to the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

### **Minimum Wages Act, 1948 (“MWA Act”)**

The Minimum Wages Act, 1948 gives power to appropriate government (Central or State) to fix minimum wages to be paid to the persons employed in scheduled or non scheduled employment and the concerned employer is required to pay the minimum wages, fixed by the appropriate government. Such employer is also required to maintain registers and exhibits giving the particulars of wages paid to employees.



### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act 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.

### **Child Labour Prohibition and Regulation Act 1986**

The Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### **Maternity Benefit Act, 1961**

The Maternity Benefits Act, 1961 the purpose of the Maternity Benefit Act is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter alia, for paid leave of 12 weeks, payment of maternity benefits and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

### **Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex. It states that no employer shall pay to any worker, employed by him in an establishment or employment, remuneration, whether payable in cash or in kind, at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment or employment for performing the same work or work of a similar nature.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of female 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.



## **E. TAX RELATED LEGISLATIONS**

### **Central Sales Tax Act, 1956**

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.

### **Service Tax**

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of “taxable services”, defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax\_Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

### **Excise Regulations**

The Central Excise Act, 1944 seeks to impose an excise duty on excisable goods which are produced or manufactured in India. The rate at which such a duty is imposed is contained in the Central Excise Tariff Act, 1985. However, the Indian Government has the power to exempt certain specified goods from excise duty by notification.

### **The Value Added Tax Act (“VAT”)**

Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax 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. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

### **Gujarat Value Added Tax Act, 2003 (“GVAT”)**

Gujarat Value Added Tax, 2003 (GVAT Act) is made effective in the state of Gujarat from 1st April, 2006. On its implementation following Acts are repealed.

- The Gujarat Sales Tax Act, 1969,
- The Bombay Sales of Motor Spirit Taxation Act, 1958,
- The Purchase Tax on Sugarcane Act, 1989.

However provisions relating to pending assessment, appeals, recovery etc., under the above Acts will survive. The basic requirement of charging tax under GVAT Act is that where any sale in the course of business is affected, in the State of Gujarat, VAT is payable under GVAT Act. Transactions made in the course of business only are covered under the GVAT Act.

### **The Customs Act, 1962**

All the laws relating to customs are consolidated under the Indian Customs Act, 1962. The officers of customs shall be appointed by the Central Government as it thinks fit. An officer of customs may exercise the powers and discharge the duties conferred on him. The provisions relating to appointment of customs ports, airports, warehousing stations are laid down under the act. There shall be absolute or



partial prohibition on import or export of goods by the Central Government for maintenance of security in India. The interest on levy of or exemption of Customs duty is thus laid down under the act. The clearance of imported goods and export shall not apply to baggage and goods imported or to be exported by post.

### **Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976. And The Gujarat State Tax On Professions Traders, Callings and Employments Rules, 1976**

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of 'dealer' defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more than Rs. 2.50 lakhs, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlors, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc are covered under this Act. It is duty of the employers to deduct tax from the person earning any salary/wage in the organisation. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager of agent of the employer.

Monthly Salary Amount payable in Gujarat

|                       |                   |
|-----------------------|-------------------|
| Less than Rs. 5999    | Nil               |
| Rs. 6000 to Rs. 8999  | Rs. 80 per month  |
| Rs. 9000 to Rs. 11999 | Rs. 150 per month |
| Rs. 12000 & above     | Rs. 200 per month |

### **OTHER LAWS**

#### **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.

### **F. INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- The Copyright Act, 1957
- The Trade Marks Act, 1999
- The Information Technology Act, 2000

#### **The Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

#### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter



alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### **Trade Marks Act, 1999**

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **The Information Technology (“IT”) Act, 2000**

This Act aims to provide the legal infrastructure for e-commerce in India. And the cyber laws have a major impact for e-businesses and the new economy in India. So, it is important to understand what are the various perspectives of the IT Act, 2000 and what it offers. The Information Technology Act, 2000 also aims to provide for the legal framework so that legal sanctity is accorded to all electronic records and other activities carried out by electronic means. The Act states that unless otherwise agreed, an acceptance of contract may be expressed by electronic means of communication and the same shall have legal validity and enforceability.

## **G. HUMAN RESOURCE DEVELOPMENT**

### **TEXTILE WORKERS’ REHABILITATION FUND SCHEME (TWRFS)**

In order to protect the interests of the workers of closed mills, the Textile Workers’ Rehabilitation Fund Scheme (**TWRFS**) came into force with the objective of providing interim relief to textile workers rendered unemployed as a consequence of the permanent closure of any particular portion of, or the entire textile unit. The assistance under TWRFS is available to eligible workers only for the purpose of enabling them to settle in other gainful employment and is available only for three years on a tapering basis, but would not extend beyond the date of super-annuation of any worker. A closed textile mill should be licensed under the Industrial (Development and Regulation) Act, 1951 or registered with the Textile Commissioner as a medium scale unit on the date of the closure. The mill should have obtained the requisite permission for closure from the appropriate State Government under Section 25(o) of the Industrial Disputes Act, 1947, or should be taken over by an Official Liquidator appointed by the High Court, and the unit should have closed down on or after June 6, 1985. This also includes partially closed units, wherein the State Government recommends that an entire uneconomic activity (like weaving or processing) is scrapped as a part of rehabilitation package for a sick/weak mill (as per the RBI definition) approved by the Nodal Agency/BIFR, provided the scrapped capacity is surrendered for cancellation and endorsement is made on the License /Registration certificate to this effect.

### **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Income Tax Act 1961, Negotiable Instrument Act 1881, Indian Contract Act 1872, Specific Relief Act 1963, Transfer of Property Act 1882, Indian Stamp Act 1899, Indian Registration Act 1908 and Consumer Protection Act, 1986 are also applicable to the company.

### **POLICIES APPLICABLE**

#### **THE FOREIGN DIRECT INVESTMENT**

The current consolidation subsumes and supersedes all Press Notes/Press Releases/Clarifications/Circulars issued by DIPP, which were in force as on May 11, 2015 and reflects the FDI Policy as on May 12, 2015. However, Press Note 4 of 2015, dated April 24, 2015, regarding policy on foreign investment in pension sector, will remain effective. This Circular accordingly will take effect from May 12, 2015 and will remain in force until superseded in totality or in part thereof. Reference to any statute or legislation made in this Circular shall include modifications, amendments or re-enactments thereof.



Further, DIIP has issued a press note no. 12 (2015 series) dated November 24, 2015 which introduces a few changes in the consolidated FDI Policy issued on May 12, 2015, and as amended from time to time. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2015 will be valid until the DIIP 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 are 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.

Under the current consolidated FDI Policy of 2015, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.





## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### CORPORATE PROFILE AND BRIEF HISTORY

Our Company was incorporated as “Titanium Ten Enterprise Private Limited” at Surat, Gujarat as a Private Limited Company under the provisions of the Companies Act, 1956 *vide* Certificate of Incorporation dated September 18, 2008 bearing Corporate Identification Number U52100GJ2008PTC055075 issued by Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into Public Company pursuant to Shareholders resolution passed at the Extraordinary General Meeting of our Company held on May 06, 2016 and the name of our Company was changed to “Titanium Ten Enterprise Limited” and a fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated June 2, 2016 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U52100GJ2008PLC055075. Our Company has applied for change of name to "Titanium Ten Enterprise Limited" and is awaiting a fresh certificate of incorporation Consequent upon change of name.

Rohitkumar Kapadia and Ilaben Kapadia are the promoters of our Company. Rohitkumar Kapadia, and Shalu Kapadia were the initial subscribers to the Memorandum of Association of our Company. Ilaben Kapadia joined the Company in the year 2009.

Our Company is engaged mainly into dealing, exporting, distributing all types of yarn, readymade garments, etc. and manufacturing of knitted fabrics. 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*”, “*Financial Statements as Restated*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*”, “*Government and Other Statutory Approvals*” beginning on page 137, 194, 228 and 247 respectively of the Draft Prospectus.

The total number of members of our Company as on the date of filing of this Draft Prospectus is 9. For further details, please refer the chapter titled “*Capital Structure*” beginning on page 74 of this Draft Prospectus.

### CHANGES IN OUR REGISTERED OFFICE:

At the time of incorporation our Company’s registered office was situated at 1005, Krishna Textile Market, Ground Floor, Ring Road, Surat. The registered office of our company was then shifted to:

| Date         | From                                                                  | To                                                                                  | Reason                         |
|--------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------|
| May 19, 2014 | 1005, Krishna Textile Market, Ground Floor, Ring Road, Surat - 395002 | Shop No. 901/914, Rajhans Complex, 9 <sup>th</sup> Floor, Ring Road, Surat - 395002 | For administrative convenience |

### 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 act as distributors, dealers, exporters, importers, agents and to undertake and carry on anywhere in India or abroad any or all the trades of all types of yarn, fibres, fabrics, including readymade garments of all type and size, cotton, wool, silk, flax, hemp, jute, cellulose and non cellulose products, nylon, polyester whether textile, netted or looped and also fibrous or textile substances altering, adding, bleaching, blending, carbonizing, calendaring, converting, coloring, curing, creeping, dyeing, doubling, dipping, dewatering, developing, enlarging, extracting, finishing, improving, knitting, knotting, manipulating, mercertising, making, printing, preparing,



reconditioning, refining, sizing, scouring, sanforishing, treating, twisting, thinning, texturizing, watering, washing, working, utilizing.

2. To carry on in India or elsewhere the business as traders, merchants, wholesalers, retailers, liasioners, stockiest, distributors, importers, exporters, intermediaries middle men, brokers, suppliers, indentors, C & F agents, commission agents, buying agents, selling agents or otherwise handle, deal in all types of machinery equipments, components, goods, articles, things, products, commodities, consumables, accessories, spare parts, ingredients, systems, substances, instruments, chemicals, devices, fittings, tools, dies, jigs, compounds, raw materials, by-products semi-finished products, materials, wastes, residues, derivatives, appliances, stores, preparations, mixtures, vehicles, agro based products, grains, cattle feed and any other items used from time to time in any industry, commerce, transport, public welfare needs, defence, aviation, agriculture, construction, power, transmission, pollution in domestic and / or industrial usage.
3. To carry on in India or elsewhere the business to act as consultant, advisor; representative, advocate, signatory, attorney, liasioner, agent servicemen, middlemen, recruitment of man power and labour services arbitrator, conciliator, valuar, Business Processing outsourcing (BPO), Knowledge Process out sourcing (KPO) within and out of India.

#### **AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION**

Since incorporation, the following amendments have been made to the MoA of our Company:

| <b>Date of EGM</b> | <b>Changes</b>                                                                                                                                                               |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| February 24, 2009  | Increase of Authorised Capital from Rs. 10,00,000 consisting of 1,00,000 Equity Shares of Rs.10/- each to Rs. 20,00,000 consisting of 2,00,000 Equity Shares of Rs.10/- each |
| December 30, 2010  | Increase of Authorised Capital from Rs. 20,00,000 consisting of 2,00,000 Equity Shares to Rs. 30,00,000 consisting of 3,00,000 Equity Shares of Rs.10/- each                 |
| May 06, 2016       | Increase of Authorised Capital from Rs. 30,00,000 consisting of 3,00,000 Equity Shares to Rs. 8,00,00,000 consisting of 80,00,000 Equity Shares of Rs.10/- each              |
| June 02, 2016      | Conversion into Public Limited Company                                                                                                                                       |

#### **KEY EVENTS AND MILESTONES**

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

| <b>Year</b> | <b>Events</b>                           |
|-------------|-----------------------------------------|
| 2008        | Incorporation of Company                |
| 2010        | Turnover exceeded Rs. 50 Crore          |
| 2012        | Turnover exceeded Rs. 100 Crore         |
| 2016        | Conversion of Company to Public Company |

#### **OUR HOLDING / SUBSIDIARY COMPANY**

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

#### **CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT**

For details in relation to our capital raising activities through equity and debt, please refer to the chapters titled “*Financial Information as Restated*” and “*Capital Structure*” beginning on page 194 and 74, respectively, of this Draft Prospectus.



#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since its incorporation.

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

Since incorporation, there has been no change in the activities being carried out by our Company.

#### **INJUNCTIONS OR RESTRAINING ORDERS**

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

#### **MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY**

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

#### **SHAREHOLDERS' AGREEMENTS**

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

#### **OTHER AGREEMENTS**

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

#### **STRIKES AND LOCK-OUTS**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Draft Prospectus, our employees are not unionized.

#### **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

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

#### **STRATEGIC PARTNERS**

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

#### **CONVERSION OF LOANS INTO EQUITY SHARES**

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Draft Prospectus.

#### **FINANCIAL PARTNERS**

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

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

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

#### **NUMBER OF SHAREHOLDERS**

Our Company has 9 (Nine) shareholders as on date of this Draft 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 4 directors on our Board.

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

| Sr. No. | Name, Father's / Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN                                                                                                                                                                                                                                                                                                                            | Date of Appointment                                                                                         | Other Directorships                                                                                   |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| 1.      | <b>Name:</b> Rohitkumar Kapadia<br><b>Age:</b> 72 years<br><b>Father's Name:</b> Hasmukhlal Kapadia<br><b>Designation:</b> Whole-time Director<br><b>Address:</b> 28, Nehru Nagar Soc, Surat Dumas Road, Ichchhanath, Surat- 395007, Gujarat<br><b>Occupation:</b> Business<br><b>Nationality:</b> Indian<br><b>Term:</b> Five years from June 1, 2016, subject to liable to retire by rotation<br><b>DIN:</b> 02140862 | <b>Appointed as Whole-time Director</b> on June 1, 2016<br><br><b>Designated as Chairman</b> on May 5, 2016 | <b>Public Limited Company:</b> Nil<br><br><b>Private Limited Company:</b> Kapadia Health Club Pvt Ltd |
| 2.      | <b>Name:</b> Ilaben Kapadia<br><b>Age:</b> 72 years<br><b>Father's Name:</b> Indrajitlal Choksi<br><b>Designation:</b> Director<br><b>Address:</b> 28, Nehru Nagar, Umra-4, Surat- 395007, Gujarat<br><b>Occupation:</b> Business<br><b>Nationality:</b> Indian<br><b>Term:</b> Liable to retire by rotation<br><b>DIN:</b> 03507916                                                                                    | <b>Designated as Non-Executive Director</b> on May 6, 2016                                                  | <b>Public Limited Company:</b> Nil<br><br><b>Private Limited Company:</b> Nil                         |
| 3.      | <b>Name:</b> Nidhi Joshi<br><b>Age:</b> 44 years<br><b>Husband's Name:</b> Jigar Joshi<br><b>Designation:</b> Independent Director<br><b>Address:</b> 22, Shreerang, Jivan Vikas Soc., Athwalines, Surat- 395001, Gujarat<br><b>Occupation:</b> Self- Employed<br><b>Nationality:</b> Indian<br><b>Term:</b> Five years. Not liable to retire by rotation.<br><b>DIN:</b> 07500523                                      | <b>Appointment as Independent Director</b> on May 5, 2016                                                   | <b>Public Limited Company:</b> Nil<br><br><b>Private Limited Company:</b> Nil                         |



| Sr. No. | Name, Father's / Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN                                                                                                                                                                                                                                                                                                                              | Date of Appointment                                       | Other Directorships                                                       |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------|
| 4.      | <b>Name:</b> Dhiren Shah<br><b>Age:</b> 48 years<br><b>Father's Name:</b> Rasiklal Shah<br><b>Designation:</b> Independent Director<br><b>Address:</b> C/702, Royal Residency, Opposite Mahalakshmi Temple, Anand Mahal Road, Adajan, Choriyasi, Surat-395009, Gujarat<br><b>Occupation:</b> Business<br><b>Nationality:</b> Indian<br><b>Term:</b> Five years. Not liable to retire by rotation.<br><b>DIN:</b> 07510417 | <b>Appointment as Independent Director</b> on May 5, 2016 | <b>Public Limited Company:</b> Nil<br><b>Private Limited Company:</b> Nil |

## BRIEF BIOGRAPHIES OF OUR DIRECTORS

### Rohitkumar Kapadia

Rohitkumar Kapadia, aged 72 years, is the Chairman and Whole-time Director of our Company. He has been Director of our Company since incorporation. Subsequently, he has been designated as Chairman with effect from May 5, 2016 and appointed as Whole-time Director with effect from June 1, 2016. He has an experience of around four decades in the textile industry. He is the guiding force behind the strategic decisions of our Company and has been instrumental in formulating the overall business strategy and developing business relations of the Company.

### Ilaben Kapadia

Ilaben Kapadia, aged 72 years is a Non-Executive Director of our Company. She has been Director of our Company since April 1, 2011 and subsequently designated as Non- Executive Director of our Company with effect from May 6, 2016.

### Nidhi Joshi

Nidhi Joshi, aged 44 years was originally appointed as Additional Independent Director of our Company with effect from May 5, 2016. She is qualified with a Diploma in Homoeopathic Medicine and Surgery from Council of Homoeopathic System of Medicine, Gujarat. Presently, she works as an Insurance Agent.

### Dhiren Shah

Dhiren Shah, aged 48 years was originally appointed as Additional Independent Director of our Company with effect from May 5, 2016. He has completed his Bachelor of Engineering (Civil) from the Maharaja Sayajirao University, Baroda.

## CONFIRMATIONS

As on the date of this Draft Prospectus:

- Except as stated below; none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013:

| Director           | Other Director | Relation       |
|--------------------|----------------|----------------|
| Rohitkumar Kapadia | Ilaben Kapadia | 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 Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

## REMUNERATION / COMPENSATION OF DIRECTORS

Except as mentioned below, no other current Directors have received remuneration during the last financial year ended on March 31, 2015,

| Name of Director   | Amount (in Rs.) |
|--------------------|-----------------|
| Rohitkumar Kapadia | 3,00,000        |

### Terms and conditions of employment of our Directors

#### A. Rohitkumar Kapadia

Rohitkumar Kapadia was appointed as Director of our Company since incorporation. Subsequently, he was designated as Chairman of our Company with effect from May 5, 2016 and Whole-time Director of the Company pursuant to a shareholders resolution passed at EGM of our Company held on May 30, 2016 for a period of 5 years commencing from June 1, 2016. His terms of appointment are as under:

- (i) **Salary:** Salary at the rate of Rs. 50,000 (Rupees Fifty Thousand only) per month inclusive of dearness and all other allowances.
- (ii) The Whole-time Director shall be entitled for the reimbursement of actual traveling and out of pocket expenses incurred by him on Company's business.
- (iii) The Whole-time Director shall be entitled to use the Company's Car in connection with the Company's business.

#### Sitting Fees

Non-executive 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.

## SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our Company.

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

| Sr. No. | Name of the Director | No. of Equity Shares | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---------|----------------------|----------------------|-------------------------------------|--------------------------------------|
| 1.      | Rohitkumar Kapadia   | 22,28,828            | 45.37%                              | 33.13%                               |
| 2.      | Ilaben Kapadia       | 19,19,695            | 39.08%                              | 28.53%                               |





## INTERESTS OF DIRECTORS

### **Interest in promotion of our Company**

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled “*Related Party Transactions*” beginning on page 192 of this Draft Prospectus.

### **Interest in the property of our Company**

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of filing the of this Draft Prospectus

### **Interest as member of our Company**

As on date of this Draft Prospectus, our Directors together hold 41,48,523 Equity Shares in our Company i.e. 84.45% of the pre Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

### **Interest as a creditor of our Company**

As on the date of this Draft Prospectus, our Company has availed loans from the Promoters of our Company. For further details, refer to chapter titled “*Financial Indebtedness*” section titled “*Related Party Transactions*” beginning on page 237 and 192 of this Draft Prospectus.

### **Interest as Director of our Company**

Except as stated in the chapters titled “*Our Management*”, “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 172, 194 and 74 of this Draft Prospectus our Promoters/ Directors, may deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

### **Interest as Key Managerial Personnel of our Company**

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any. 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, if any. Except as disclosed under heading titled “*Shareholding of the Key Managerial Personnel*” on page 182 of this Draft Prospectus none of our Key Managerial Personnel hold any equity shares in our Company. Further they may also be interested as creditors for the loans advanced by them and the interest accrued thereon and for the purchases made from their interested entities. Further, the Whole-time Director of our Company is also interested to the extent of being Promoter of our Company. For more information, see chapter titled “*Our Promoters and Promoter Group*” on page 184 of this Draft Prospectus. Except as stated in chapter titled ‘*Related Party Transactions*’ beginning on page 192 of this Draft Prospectus and as described herein above, our KMPs do not have any other interest in our business.

### **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 in the heading titled “*Land and Property*” in chapter titled “*Our Business*” beginning on page 137 of the Draft 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

Except as stated in “*Financial Statements as Restated*” beginning on page 194 of this Draft Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Promoters.

## Payment of benefits to our Promoters and Promoter Group during the last two years

Other than in the normal course of business including any advances or commission paid and Except as stated in “*Financial Statements as Restated*” beginning on page 194 of this Draft Prospectus, there has been no payment of any amount of benefits to our Promoters or the members of our Promoter Group during the last two years from the date of this Draft Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter group as on the date of the Draft Prospectus.

Our Promoters are not interested in the appointment of or acting as Underwriters, Registrar or any such intermediaries registered with SEBI.

## Interest in the Business of Our Company

Save and except as stated otherwise in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 194 of this Draft Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Prospectus.

## SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

Our Company does not have a 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 Draft Prospectus.

| Name               | Date of event | Nature of event | Reason                                |
|--------------------|---------------|-----------------|---------------------------------------|
| Nidhi Joshi        | May 5, 2016   | Appointment     | Appointment of Independent Director   |
| Dhiren Shah        | May 5, 2016   | Appointment     | Appointment of Independent Director   |
| Rohitkumar Kapadia | June 1, 2016  | Appointment     | Appointment as Whole-time Director    |
| Ilaben Kapadia     | May 6, 2016   | Re-designation  | Designation as Non-Executive Director |

## BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at May 6, 2016 Extraordinary General Meeting of our Company, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of monies from time to time notwithstanding that the money or monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from temporary loans obtained from the Company’s bankers in the ordinary course of the business) shall not exceed Rs. 1000 Crores (Rupees One Thousand Crores Only) over and above the paid- up share capital and free reserves of the Company for the time being.”

## CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of our Equity Shares with BSE. We have complied with the corporate governance code in accordance with Chapter IV (as applicable) of the SEBI Listing Regulations and the Companies Act,



Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Chapter IV of the SEBI Listing Regulations as may be applicable.

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

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

Currently our Board has three directors out of which three are Independent Directors. The constitution of our Board is in compliance with the requirements of Regulation 17 of the SEBI Listing Regulations.

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

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

**A) Audit Committee**

Our Company has constituted an audit committee ("*Audit Committee*"), as per section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of the Board of Directors held on May 7, 2016.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) directors:

| Name of the Director | Status      | Nature of Directorship  |
|----------------------|-------------|-------------------------|
| Nidhi Joshi          | Chairperson | Independent Director    |
| Ilaben Kapadia       | Member      | Non- Executive Director |
| Dhiren Shah          | Member      | Independent Director    |

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

The Audit Committee shall have following powers:

- a. To investigate any activity within its terms of reference,
- b. To seek information from any employee
- c. To obtain outside legal or other professional advice, and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

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



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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft 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 May 7, 2016.

The Stakeholder's Relationship Committee comprises the following Directors:

| <b>Name of the Director</b> | <b>Status</b> | <b>Nature of Directorship</b> |
|-----------------------------|---------------|-------------------------------|
| Dhiren Shah                 | Chairman      | Independent Director          |
| Nidhi Joshi                 | Member        | Independent Director          |
| Ilaben Kapadia              | Member        | Non- Executive Director       |

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressal of shareholder's/investor's complaints;
3. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
5. Allotment and listing of shares;
6. Reference to statutory and regulatory authorities regarding investor grievances; and
7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
8. Any other power specifically assigned by the Board of Directors of the Company

### **Quorum for Stakeholders Relationship Committee**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be 2 members or one third of the members, whichever is greater.



### 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 Compensation committee was approved by a Meeting of the Board of Directors held on May 7, 2016. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

| Name of the Director | Status      | Nature of Directorship |
|----------------------|-------------|------------------------|
| Ilaben Kapadia       | Chairperson | Non-Executive Director |
| Nidhi Choksi         | Member      | Independent Director   |
| Dhiren Shah          | Member      | Independent Director   |

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Nomination and Remuneration Committee.

#### **The terms of reference of the Nomination and Compensation Committee are:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
- Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing / Deputy Managing / Whole time / Executive Director(s), including all elements of remuneration package;
- To ensure that the relationship of remuneration to perform is clear and meets appropriate performance benchmarks.
- Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
- Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/regulatory authorities

#### **Quorum for Nomination and Remuneration Committee**

The quorum necessary for a meeting of the Remuneration Committee shall be 2 members or one third of the members, whichever is greater.

#### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

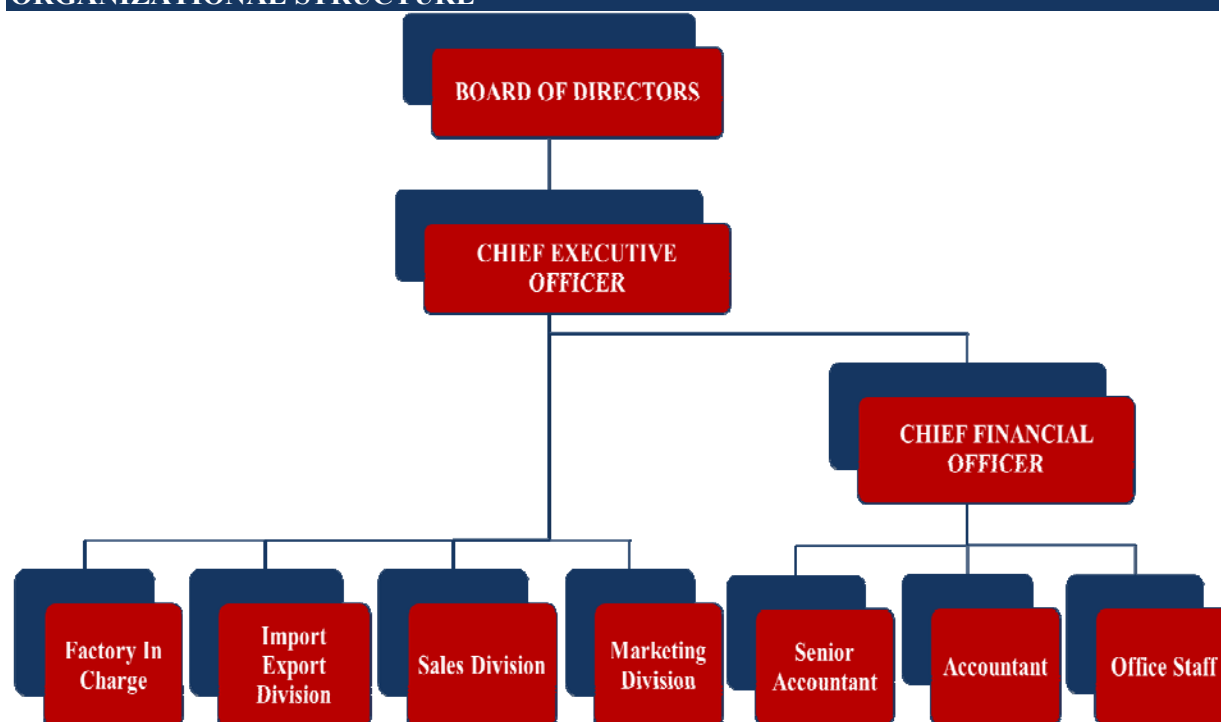
We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, post listing of our Company's shares on the Stock Exchange.

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





## ORGANIZATIONAL STRUCTURE



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company.

### **Rohitkumar Kapadia**

Rohitkumar Kapadia, aged 72 years, is the Chairman and Whole-time Director of our Company. He has been Director of our Company since incorporation. Subsequently, he has been designated as Chairman with effect from May 5, 2016 and re-appointed as Whole-time Director with effect from June 1, 2016. He has an experience of around four decades in the textile industry. He is the guiding force behind the strategic decisions of our Company and has been instrumental in formulating the overall business strategy and developing business relations of the Company. During the financial year 2014-15, we have paid him Rs. 3,00,000.

### **Minesh Shah**

Minesh Shah, aged 49 years is a Chief Financial Officer of our Company with effect from May 6, 2016. He has been associated with our Company as an Accounts Executive since April 1, 2009. He is responsible for looking after accounting, finance and taxation of our Company. During the financial year 2014-15, we have paid him Rs. 2,95,217

### **Tejus Kapadia**

Tejus Kapadia, aged 47 years is a Chief Executive Officer of our company with effect from May 6, 2016. He has completed his Bachelor in Science from South Gujarat University and Postgraduate Diploma in Textile Industries from University of Leeds. He has experience of around 10 years in the textile industry. He is responsible for looking after the strategic growth of our company. During the financial year 2014-15, we have paid him Rs. 4,20,000.

### **Pashmina Chevli**

Pashmina Chevli aged 23 years is Company Secretary and Compliance Officer of our Company with effect from June 1, 2016. She is a Company Secretary by qualification and a member of Institute of



Company Secretaries of India. She looks after the Legal and Compliance Department of the Company. During the financial year 2015-16, she was not paid remuneration as she has joined the Company in the current financial year.

#### **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 Key Managerial Personnel</b> | <b>Relationship</b> |
|---------------------------------------------|---------------------------------------------|---------------------|
| Rohitkumar Kapadia                          | Tejus Kapadia                               | Father – Son        |

#### **RELATIONSHIPS OF DIRECTORS / AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL**

Except as disclosed below, none of the key managerial personnel are “related” to the Promoter or Director of our Company within the meaning of Section 2 (77) of the Companies Act, 2013:

| <b>Name of Director / Promoter</b> | <b>Name of Key Managerial Personnel</b> | <b>Relationship</b> |
|------------------------------------|-----------------------------------------|---------------------|
| Rohitkumar Kapadia                 | Tejus Kapadia                           | Father - Son        |
| Ilaben Kapadia                     | Tejus Kapadia                           | Mother - Son        |
| Ilaben Kapadia                     | Rohitkumar Kapadia                      | Wife- Husband       |

#### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

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

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

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

| <b>Sr. No.</b> | <b>Name of Shareholder</b> | <b>No. of Shares held</b> |
|----------------|----------------------------|---------------------------|
| 1.             | Rohitkumar Kapadia         | 22,28,828                 |
| 2.             | Tejus Kapadia              | 2,59,675                  |

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

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

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

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

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any. 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, if any. Except as disclosed under heading titled “*Shareholding of the Key Managerial Personnel*” on page 182 of this Draft Prospectus none of our Key Managerial Personnel hold any equity shares in our Company. Further, the Whole-time Director of our Company is also interested to the extent of being Promoter of our Company. For more information, see “*Our Promoters and Promoter Group*” on page 184 of this Draft Prospectus. Except as stated in chapter titled ‘*Related Party Transactions*’ beginning on page 192 of this Draft Prospectus and as described herein above, our KMPs do not have any other interest in our business. Except as disclosed in this Draft Prospectus, none of our Key Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

#### **CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS**

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

| <b>Name of Managerial Personnel</b> | <b>Designation</b>                       | <b>Date of Event</b> | <b>Reason</b>                                           |
|-------------------------------------|------------------------------------------|----------------------|---------------------------------------------------------|
| Rohitkumar Kapadia                  | Whole-time Director                      | June 1, 2016         | Appointment as Whole-time Director                      |
| Tejus Kapadia                       | Chief Executive Officer                  | May 6, 2016          | Appointed as Chief Executive Officer                    |
| Minesh Shah                         | Chief Financial Officer                  | May 6, 2016          | Appointed as Chief Financial Officer                    |
| Pashmina Chevli                     | Company Secretary and Compliance Officer | June 1, 2016         | Appointment as Company Secretary and Compliance Officer |

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

#### **ESOP/ESPS SCHEME TO EMPLOYEES**

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

#### **PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)**

Except as disclosed in the heading titled “*Related Party Transactions*” in the chapter titled “*Financial Statements as Re-stated*” beginning on page 194 of this Draft Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.



## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTERS

The promoters of our Company are Rohitkumar Kapadia and Ilaben Kapadia. As on the date of the Draft Prospectus, our Promoters hold, in aggregate 41,48,523 Equity Shares representing 84.45% of the pre-issue Paid up Capital of our Company.

**Brief profile of our individual Promoter is as under:**

|                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <p><b>Rohitkumar Kapadia, Promoter, Chairman and Whole-time Director</b></p> <p>Rohitkumar Kapadia, aged 72 years, is the Promoter, Chairman and Whole-time Director of our Company. He has been Director of our Company since incorporation. Subsequently, he has been designated as Chairman with effect from May 5, 2016 and re-appointed as Whole-time Director with effect from June 1, 2016. He has an experience of around four decades in the textile industry. He is the guiding force behind the strategic decisions of our Company and has been instrumental in formulating the overall business strategy and developing business relations of the Company.</p> <p><b>Passport No:</b> Not Available<br/><b>Driving License:</b> Not Available<br/><b>Voters ID:</b> CTL7023013</p> <p><b>Address:</b> 28, Nehru Nagar Soc, Surat Dumas Road, Ichchhanath Surat, Gujarat- 395007, India.</p> <p>For further details relating to Rohitkumar Kapadia, including terms of appointment as our Whole-time Director, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 172 of this Draft Prospectus.</p> |
|  | <p><b>Ilaben Kapadia, Promoter and Non-Executive Director</b></p> <p>Ilaben Kapadia, aged 72 years is a Promoter and Non-Executive Director of our Company. She has been Director of our Company since April 1, 2011 and subsequently designated as Non- Executive Director of our Company with effect from May 6, 2016.</p> <p><b>Passport No:</b> G0398150<br/><b>Driving License:</b> GJ05 19720015782<br/><b>Voters ID:</b> CTL5402995</p> <p><b>Address:</b> 28, Nehru Nagar, Umra-4, Surat, Gujarat- 395007, India.</p> <p>For further details relating to Ilaben Kapadia, including terms of appointment as our Director, other Directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 172 of this Draft Prospectus.</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 Draft Prospectus with it.



## **LITIGATION**

For details on litigations and pending disputes against the Promoters, Promoter Group and Group Companies and defaults made by them, please refer to the chapter titled, “*Outstanding Litigations and Material Developments*” beginning on page 240 of this Draft Prospectus.

## **DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS**

Our Promoters have not disassociated themselves from any entities, firms or companies during preceding three years.

## **UNDERTAKING/CONFIRMATIONS**

The Promoters, Promoter Group entities or Group Company have not been debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Neither of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Neither our Promoters, the relatives of our Promoters (as defined under the Companies Act) nor our Group Companies have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws (in India or overseas) committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them. Further, no winding up proceedings have been initiated against the Promoters or the Group Companies, except as disclosed in the section “*Our Group Companies*” on page 189 of this Draft Prospectus.

For other confirmations of the Our Promoters and Group Company, please see the chapter titled “*Other Regulatory and Statutory Disclosures*” beginning on page 253 of this Draft Prospectus. Additionally, neither the Promoters, Promoter Group Entities nor our Group Company have become defunct in the five years preceding the filing of the Draft Prospectus.

## **INTEREST OF PROMOTERS**

### **Interest in promotion of our Company**

Our Promoters may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to “*Annexure XXIII-Related Party Transactions*” under the chapter titled “*Financial Statement as Restated*” beginning on page 194 of this Draft Prospectus.

### **Interest in the property of our Company**

Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of filing the Prospectus with RoC.

### **Interest as member of our Company**

As on date of this Draft Prospectus, our Promoters together hold 41,48,523 Equity Shares in our Company i.e. 84.45% of the pre-issue paid up Equity Share capital of our Company. Therefore, our Promoters are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

### **Interest as a creditor of our Company**

As on December 31, 2015, our Company has undertaken transactions with certain entities in which our Promoters or members of our Promoter group may deem to be interested. For further details regarding their interest as creditor, refer to chapter titled “*Financial Statements as Restated*” and “*Related Party Transactions*” beginning on pages 194 and 192 of this Draft Prospectus.



### **Interest as Director of our Company**

Except as given in the chapters titled “*Our Management*”, “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 172, 194 and 74 respectively of this Draft Prospectus our Promoters, may deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in the capacity of being Directors of our Company, in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

### **Interest as Key Managerial Personnel of our Company**

Rohitkumar Kapadia is the Whole-time Director of the Company and hence a Key Managerial Personnel of the Company and may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to him for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AoA of our Company. For further details, please refer to chapters titled “*Our Management*” and “*Related Party Transactions*” beginning on page 172 and 192 respectively of this Draft Prospectus.

### **Interest in transactions involving acquisition of land**

Except as stated / referred to in the heading titled “*Land and Property*” under the chapter titled ‘*Our Business*’ beginning on page 137 of this Draft Prospectus, our Promoters have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Promoters are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

### **Interest in transactions involving supply of machinery**

As on December 31, 2015, our Company has undertaken transactions relating to supply of machinery by way of rent with M/s. Titanium Venture, a partnership firm in which our Promoters are interested as partners. For further details regarding such interest, refer to chapter titled “*Financial Statements as Restated*” and “*Related Party Transactions*” beginning on pages 194 and 192 respectively of this Draft Prospectus.

### **Other Indirect Interest**

Except as stated in chapter titled “*Financial Statements as Restated*” beginning on page 194 of this Draft Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Promoters or members of our Promoter group.

### **Payment of benefits to our Promoters and Promoter Group during the last two years**

Other than in the normal course of business including any advances or commission paid and except as stated in “*Financial Statements as Restated*” beginning on page 194 of this Draft Prospectus, there has been no payment of any amount of benefits to our Promoters or the members of our Promoter Group during the last two years from the date of the Draft Prospectus nor is there any intention to pay or give any benefit to our Promoters or members of Promoter group as on the date of this Draft Prospectus.

## **COMMON PURSUITS**

Except for Promoter Group Entities, M/s. Titanium Venture and M/s. Kapadia, our Promoters and members of our Promoter Group do not have any common pursuits. For further details please refer to chapter titled “*Risk Factors*” on page 17 of this Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

## **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 192 of this Draft Prospectus.

## PAYMENTS OR BENEFITS TO PROMOTER

Except as stated otherwise in the chapter titled “*Related Party Transactions*” on page 192 of this Draft Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Draft Prospectus.

## OUR PROMOTER GROUP

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

### A. Individuals related to our Promoter:

| Relationship with Promoter | Rohitkumar Kapadia    | Ilaben Kapadia        |
|----------------------------|-----------------------|-----------------------|
| Spouse                     | Ilaben Kapadia        | Rohitkumar Kapadia    |
| Brother                    | Pankajkumar Kapadia   | -                     |
| Brother                    | Shaileshkumar Kapadia | -                     |
| Son                        | Tejus Kapadia         | Tejus Kapadia         |
| Spouse's Brother           | -                     | Pankajkumar Kapadia   |
| Spouse's Brother           | -                     | Shaileshkumar Kapadia |

### Disassociation of certain immediate relatives from Promoter Group by Promoters:

The below mentioned persons are ‘immediate relatives’ of our Promoters, Rohitkumar Kapadia and Ilaben Kapadia but as such, do not form part of the ‘Promoter Group’ of the Company. Moreover, the aforesaid relatives do not own shareholding in our Company and are also not involved in the business of our Company. Further our Promoters vide letters dated May 27, 2016 have submitted that information related to business/financial interest held by the said relatives is not accessible for the purpose of disclosure in the Draft Prospectus/Prospectus. Therefore, the disclosures made in this Draft Prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group.

| Relationship with Promoter | Rohitkumar Kapadia  | Ilaben Kapadia      |
|----------------------------|---------------------|---------------------|
| Brother                    | -                   | Munnesh Choksi      |
| Brother                    | -                   | Kamal Choksi        |
| Sister                     | Surekhaben Marfatia | Daxaben Sutaria     |
| Spouse's Brother           | Munnesh Choksi      | -                   |
| Spouse's Brother           | Kamal Choksi        | -                   |
| Spouse's Sister            | Daxaben Sutaria     | Surekhaben Marfatia |

### B. In the case of our Individual Promoters

| Nature of Relationship                                                                                                                                                                                                                                  | Entity                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Any body corporate in which 10% or more of the equity share capital is held by the Promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the Promoter or any one or more of his immediate relative is a member | 1. Kapadia Health Club Private Limited<br>2. Orange Polymers Limited    |
| Any body corporate in which a body corporate as mentioned above holds 10% or more, of the equity share capital                                                                                                                                          | -                                                                       |
| Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 10%                                                                                                                            | 1. VISSA Developers<br>2. Titanium Venture<br>3. Rohitkumar Kapadia HUF |



| Nature of Relationship | Entity                                                                                                   |
|------------------------|----------------------------------------------------------------------------------------------------------|
|                        | 4. M/s Kapadia Traders<br>5. M/s Tejus<br>6. P. H. Kapadia HUF<br>7. S. H. Kapadia HUF<br>8. M/s Kapadia |

#### RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Except as disclosed herein, none of our Promoters are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

|                    |                    |                |
|--------------------|--------------------|----------------|
|                    |                    |                |
| Rohitkumar Kapadia | Ilaben Kapadia     | Husband - Wife |
| Ilaben Kapadia     | Rohitkumar Kapadia | Wife - Husband |

#### CHANGES IN CONTROL

There has been no change in the management or control of our Company in the last three years.

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 240 of this Draft Prospectus.



## OUR GROUP COMPANIES

The definition of group companies was amended pursuant to the SEBI (ICDR) Regulations, to include companies covered under applicable accounting standards, being Accounting Standard 18 and such other companies as are considered material by our Board. Pursuant to a resolution dated May 5, 2016, our Board has formulated the Materiality Policy. Pursuant to the Materiality Policy, the following companies are identified as Group Companies of our Company:

1. Kapadia Health Club Private Limited
2. Orange Polymers Limited

No equity shares of our Group Companies are listed on any stock exchange and none of them have made any public or rights issue of securities in the preceding three years.

## OUR GROUP COMPANIES

### 1. Kapadia Health Club Private Limited

Kapadia Health Club Private Limited is a Private Company incorporated on August 17, 1988 under the provisions of Companies Act, 1956. The Company has its registered office at Kapadia Health Club, New Bhatar Road, Majuragate, Surat, Gujarat and is mainly engaged in the business of establishing and managing complex for promotion of various types of sports and related activities, physical and mental fitness activities, run health club and gymnastic activities with all facilities. The Corporate Identification Number is U92119GJ1988PTC011125. The paid up capital of the Company as per records of Registrar of Companies is Rs. 4.00 lakhs.

#### Equity Shareholding:

| Name of the Promoter  | Number of shares held | Shareholding percentage in the Company |
|-----------------------|-----------------------|----------------------------------------|
| Pankajkumar Kapadia   | 1,000                 | 25%                                    |
| Shaileshkumar Kapadia | 1,600                 | 40%                                    |
| Rohitkumar Kapadia    | 1,400                 | 35%                                    |

#### Board of Directors

| Name of the Directors | Date of appointment |
|-----------------------|---------------------|
| Pankajkumar Kapadia   | August 17, 1988     |
| Shaileshkumar Kapadia | August 17, 1988     |
| Rohitkumar Kapadia    | May 20, 2015        |

#### Financial Information

The audited financial statements of the company for the last three Financial Years are as follows:

(Rs. In Lakhs)

| Particulars             | 2012-13  | 2013-14  | 2014-15  |
|-------------------------|----------|----------|----------|
| Paid Up Capital         | 4.00     | 4.00     | 4.00     |
| Reserves & Surplus      | 114.87   | 138.08   | 166.06   |
| Sales and other income  | 121.30   | 151.10   | 143.66   |
| Profit / loss after tax | 24.49    | 23.21    | 33.35    |
| EPS (Rs.)               | 612.26   | 580.21   | 833.73   |
| NAV (in Rs.)            | 2,971.83 | 3,552.04 | 4,251.43 |

Kapadia Health Club Private Limited has not become sick company under the meaning of The Sick Industrial Companies (Special Provisions) Act, 1985, it is not under winding up and does not have a negative network.



## **2. Orange Polymers Limited**

Orange Polymers Limited is a Public Company incorporated on October 10, 2003 under the provisions of Companies Act, 1956. The Company has its registered office at A0/2 Tribhuvan Complex, Ghod Dod Road, Surat- 395002, Gujarat and was mainly engaged in the business of Spinning, weaving and finishing of textiles. The Corporate Identification Number is U17119GJ2003PLC043040. The Company is presently a Dormant Company and has not filed any forms with the RoC since the year 2006.

Any other information and documents pertaining to Orange Polymers Limited is not available with our CEO.

### **CONFIRMATION**

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

### **LITIGATION**

For details on litigations and disputes pending against the Promoters and Group Companies and defaults made by them, please refer to the chapter titled, “*Outstanding Litigations and Material Developments*” on page 240 of this Draft Prospectus.

### **DISSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS**

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

### **NEGATIVE NET WORTH**

Except as disclosed above, our Group Companies do not have negative net worth as on the date of this Draft Prospectus.

### **DEFUNCT / STRUCK-OFF COMPANY**

Except as disclosed above, none of our Promoters or Promoter Group or Group Companies has become defunct or struck – off in the five years preceding the filing of this Draft Prospectus.

### **INTEREST OF OUR PROMOTERS AND GROUP COMPANIES**

Our Promoters and Group Companies are interested to the extent of their shareholding of Equity Shares, if any, from time to time, and in case of our Individual Promoters, also to the extent of shares held by their relatives from time to time, for which they are entitled to receive the dividend declared, if any, by our Company. Our Individual Promoters may also benefit from holding directorship in our Company. Our Individual Promoters may also be deemed to be interested to the extent of remuneration and / or reimbursement of expenses payable to him under the Articles / terms of appointment. As on the date of this Draft Prospectus, our Promoters together hold 73.01% Equity Shares of our Company.

Except as stated hereinabove and as stated in “*Annexure XXIII- Related Party Transactions*” under chapter titled “*Financial Statements*” and “*Our Management*” beginning on page 194 and 172 respectively of this Draft Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.



Further, except as stated above and as stated otherwise under the paragraph titled “Shareholding of our Directors” in the chapter titled “*Our Management*” beginning on page 172 of this Draft Prospectus; in “*Annexure XXIII- Related Party Transactions*” under section titled “*Financial Statements*” beginning on page 194 of this Draft Prospectus and under the paragraph titled “Interest of Directors” in the chapter titled “*Our Management*” beginning on page 172 paragraph titled “*Land and Property*” in the chapter titled “*Our Business*” beginning on page 137, our Promoters do not have any other interest in our Company as on the date of this Draft Prospectus.

Further, except as disclosed above and in the audited restated financial statements of our Company under “*Annexure XXIII- Related Party Transactions*” under section titled “*Financial Statements*” beginning on page 194 of this Draft Prospectus, our Group Companies and associates have no business interest in our Company.

#### **COMMON PURSUITS**

Our Promoters are not interested as Directors and/or Member in any Group Companies which is involved in activities similar to those conducted by our Company.

#### **SALES / PURCHASES BETWEEN OUR COMPANY AND GROUP COMPANIES**

Other than as disclosed in the chapter titled “*Related Party Transactions*” on page 192 of this Draft Prospectus, there are no sales / purchases between the Company and the Group Companies when such sales or purchases exceed in value in the aggregate 10 per cent of the total sales or purchases of the Company.

#### **PAYMENT OR BENEFIT TO OUR GROUP COMPANIES**

Except as stated in chapter titled “*Related Party Transactions*” beginning on page 192 of this Draft Prospectus, there has been no payment of benefits to our Group Companies in financial year 2014-2015.



## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure XXIII of the restated financial statement under the section titled, “*Financial Statements as Restated*” beginning on page 194 of this Draft Prospectus.





## **DIVIDEND POLICY**

The declaration and payment of dividend, if any, will be recommended by the Board of Directors and approved by the Shareholders of our Company, at their discretion, subject to the provisions of the Articles of Association and the Companies Act.

Generally, the factors that may be considered by the Board of Directors before making any recommendations for Dividends include, but not limited to are, Company's future expansion plans and capital requirements, profits earned during the financial year, cost of raising funds, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Our Company has no formal dividend policy. Our Company has not declared any dividends in any of the Financial Years preceding the filing of this Draft Prospectus



**SECTION V – FINANCIAL STATEMENTS**  
**FINANCIAL STATEMENTS AS RE-STATED**

**Independent Auditor's Report for the Restated Financial Statements of  
Titanium Ten Enterprise Limited**

The Board of Directors

**Titanium Ten Enterprise Limited**

Shop No. 901/914, Rajhans Complex,

9<sup>th</sup> Floor, Ring Road,

Surat – 395002,

Gujarat.

Dear Sirs / Madam,

1. We have examined the attached Restated Summary Statement of Assets and Liabilities of **Titanium Ten Enterprise Limited**, (hereinafter referred to as “**the Company**”) as at December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flow for the period / financial year ended on December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 (collectively referred to as the “**Restated Summary Statements**” or “**Restated Financial Statements**”) annexed to this report and initialled by us for identification purposes. These Restated Financial Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) on SME Platform of BSE Limited (“**BSE**”).
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 (“**the Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
3. We have examined such Restated Financial Statements taking into consideration:
  - (i) The terms of reference to our engagements with the Company letter dated April 07, 2016 requesting us to carry out the assignment, in connection with the Draft Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited (“**IPO**” or “**SME IPO**”); and
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
4. The Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period / year ended on December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 which have been approved by the Board of Directors.
5. In accordance with the requirements of the Act including the rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:



- (i) The "**Restated Statement of Assets and Liabilities as Restated**" of the Company as at December 31, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, examined by us, as set out in **Annexure I** to this report read with significant accounting policies in Annexure IV has 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 Notes to the Restated Summary Statements to this Report.
  - (ii) The "**Restated Statement of Profit and Loss**" of the Company for the period/ financial year ended on December 31, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, examined by us, as set out in **Annexure II** to this report read with significant accounting policies in Annexure IV has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Restated Summary Statements to this Report.
  - (iii) The "**Restated Statement of Cash Flow**" of the Company for the period/ financial year ended on December 31, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, examined by us, as set out in **Annexure III** to this report read with significant accounting policies in Annexure IV has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in Notes to the Restated Summary Statements to this Report
6. Based on our examination of audited financial statements, we report that the Restated Financial Statements have been made after incorporating:
- a) Adjustments for the changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate.
  - c) There are no further extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the period / financial year ended on December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 which would require adjustments in this Restated Financial Statements of the Company.
  - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this report.
  - f) There are no revaluation reserves, which needed to be disclosed separately in the Restated Financial Statements in the respective financial years.
7. Audit for the period / financial year ended on December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 was conducted by M/s. DSI & Co., Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years/ period. The financial report included for these period / financial years is based solely on the report submitted by them. Further, financial statements for the period / financial year ended on December 31, 2015 and March 31, 2015, has been re-audited by us as per the relevant guidelines.



8. 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 period / financial year ended on December 31, 2015, March 31, 2015, 2014, 2013, 2012 and 2011 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”).

**Annexure to Restated Financial Statements of the Company:-**

- i. Summary Statement of Assets and Liabilities, as Restated as appearing in ANNEXURE I to this report;
- ii. Summary Statement of Profit and Loss, as Restated as appearing in ANNEXURE II to this report;
- iii. Summary Statement of Cash Flow, as Restated as appearing in ANNEXURE III to this report;
- iv. Significant Accounting Policies and Notes to Restated Summary Statements as Restated as appearing in ANNEXURE IV to this report;
- v. Details of Share Capital as Restated as appearing in ANNEXURE V to this report;
- vi. Details of Reserves and Surplus as Restated as appearing in ANNEXURE VI to this report;
- vii. Details of Long Term Borrowings as Restated as appearing in ANNEXURE VII to this report;
- viii. Details of Deferred Tax Liabilities (Net) as Restated as appearing in ANNEXURE VIII to this report;
- ix. Details of Long Term Provisions as Restated as appearing in ANNEXURE IX to this report;
- x. Details of Short-term Borrowings as Restated as appearing in ANNEXURE X to this report;
- xi. Details of Trade Payables as Restated as appearing in ANNEXURE XI to this report;
- xii. Details of Other Current Liabilities as Restated as appearing in ANNEXURE XII to this report;
- xiii. Details of Short Term Provisions as Restated as appearing in ANNEXURE XIII to this report;
- xiv. Details of Fixed Assets as Restated as appearing in ANNEXURE XIV to this report;
- xv. Details of Non-Current Investments as Restated as appearing in ANNEXURE XV to this report;
- xvi. Details of Long term Loans and Advances as Restated as appearing in ANNEXURE XVI to this report;
- xvii. Details of Inventories as Restated as appearing in ANNEXURE XVII to this report;
- xviii. Details of Trade Receivables as Restated as appearing in ANNEXURE XVIII to this report;
- xix. Details of Cash and Bank Balances as Restated as appearing in ANNEXURE XIX to this report;
- xx. Details of Short term Loans and Advances as Restated as appearing in ANNEXURE XX to this report;
- xxi. Details of Revenue from Operations as Restated as appearing in ANNEXURE XXI to this report;
- xxii. Details of Other Income as Restated as appearing in ANNEXURE XXII to this report;
- xxiii. Details of Related Party Transactions as Restated as appearing in ANNEXURE XXIII to this report;
- xxiv. Summary of Accounting Ratios as Restated as appearing in ANNEXURE XXIV to this report;
- xxv. Capitalisation Statement as at December 31, 2015 as Restated as appearing in ANNEXURE XXV to this report;



- xxvi. Statement of Tax Shelters as Restated as appearing in ANNEXURE XXVI to this report;
- xxvii. Statement of Reconciliation of Restated Profit as Restated as appearing in ANNEXURE XXVII to this report;
9. We, M/s. Bipinchandra J. Modi & 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.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. In our opinion, the above financial information contained in Annexure I to XXVII of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations, Engagement Letter and Guidance Note.
13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For M/s. Bipinchandra J. Modi & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 101521W**

**Bipinchandra Modi**  
**Designation: Partner**  
**Membership No.: 031687**

**Place: Surat**  
**Date: June 3, 2016**



# STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

## ANNEXURE - I

(Rs.in lakhs)

| S<br>r.<br>N<br>o. | Particulars                                  | March 31,       |                 |                 |                 |                 | As at<br>Decemb<br>er 31,<br>2015 |
|--------------------|----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------------|
|                    |                                              | 2011            | 2012            | 2013            | 2014            | 2015            |                                   |
|                    | <b>EQUITY AND LIABILITIES</b>                |                 |                 |                 |                 |                 |                                   |
| 1)                 | <b>Shareholders Funds</b>                    |                 |                 |                 |                 |                 |                                   |
|                    | a. Share Capital                             | 18.15           | 18.15           | 18.15           | 18.15           | 20.98           | 26.40                             |
|                    | b. Reserves & Surplus                        | 249.78          | 297.40          | 330.67          | 366.43          | 415.72          | 447.24                            |
|                    | <b>Total Shareholders Fund</b>               | <b>267.94</b>   | <b>315.56</b>   | <b>348.82</b>   | <b>384.59</b>   | <b>436.70</b>   | <b>473.64</b>                     |
| 2)                 | Share Application Money<br>Pending Allotment | -               | -               | -               | -               | -               | -                                 |
| 3)                 | <b>Non Current Liabilities</b>               |                 |                 |                 |                 |                 |                                   |
|                    | a. Long Term Borrowings                      | 178.04          | 303.00          | 462.97          | 402.36          | 352.15          | 512.50                            |
|                    | b. Deferred Tax Liabilities (Net)            | 7.40            | 7.25            | 5.89            | 5.49            | 2.42            | 2.18                              |
|                    | c. Long Term Provisions                      | 0.48            | 1.20            | 2.23            | 3.04            | 4.05            | 4.71                              |
|                    | <b>Total Non Current Liabilities</b>         | <b>185.92</b>   | <b>311.45</b>   | <b>471.08</b>   | <b>410.89</b>   | <b>358.62</b>   | <b>519.39</b>                     |
| 4)                 | <b>Current Liabilities</b>                   |                 |                 |                 |                 |                 |                                   |
|                    | a. Short Term Borrowings                     | 851.11          | 1,719.74        | 1,890.56        | 2,167.77        | 2,145.28        | 2,111.24                          |
|                    | b. Trade Payables                            | 384.76          | 578.35          | 1,003.87        | 365.61          | 2,032.43        | 745.88                            |
|                    | c. Other Current Liabilities                 | 44.69           | 47.37           | 67.85           | 69.63           | 77.15           | 152.08                            |
|                    | d. Short Term Provisions                     | 12.66           | 22.28           | 17.27           | 17.51           | 21.13           | 12.45                             |
|                    | <b>Total Current Liabilities</b>             | <b>1,293.22</b> | <b>2,367.74</b> | <b>2,979.56</b> | <b>2,620.53</b> | <b>4,275.98</b> | <b>3,021.65</b>                   |
|                    | <b>T O T A L (1+2+3+4)</b>                   | <b>1,747.08</b> | <b>2,994.74</b> | <b>3,799.46</b> | <b>3,416.01</b> | <b>5,071.31</b> | <b>4,014.68</b>                   |
|                    | <b>ASSETS</b>                                |                 |                 |                 |                 |                 |                                   |
| 5)                 | <b>Non Current Assets</b>                    |                 |                 |                 |                 |                 |                                   |
|                    | a. Fixed Assets                              |                 |                 |                 |                 |                 |                                   |
|                    | i. Tangible Assets                           | 141.51          | 420.31          | 519.83          | 642.76          | 637.51          | 912.17                            |
|                    | Less: Accumulated Depreciation               | (31.01)         | (75.43)         | (137.80)        | (200.46)        | (242.67)        | (246.51)                          |
|                    | ii. Capital Work in Progress                 | 104.85          | -               | 36.19           | -               | -               | -                                 |
|                    | <b>Net Block</b>                             | <b>215.35</b>   | <b>344.87</b>   | <b>418.21</b>   | <b>442.29</b>   | <b>394.84</b>   | <b>665.66</b>                     |
|                    | c. Non-current Investments                   | 5.00            | -               | -               | -               | -               | 0.01                              |
|                    | d. Long Term Loans & Advances                | 75.39           | 62.88           | 67.14           | 62.77           | 81.22           | 98.46                             |
|                    | <b>Total Non Current Assets</b>              | <b>295.74</b>   | <b>407.75</b>   | <b>485.36</b>   | <b>505.06</b>   | <b>476.05</b>   | <b>764.12</b>                     |
| 6)                 | <b>Current Assets</b>                        |                 |                 |                 |                 |                 |                                   |
|                    | a. Inventories                               | 146.17          | 637.07          | 252.18          | 437.67          | 274.65          | 481.17                            |
|                    | b. Trade Receivables                         | 1,079.33        | 1,625.09        | 2,688.16        | 2,103.13        | 3,925.08        | 2,373.48                          |
|                    | c. Cash and Bank Balances                    | 210.87          | 297.79          | 359.67          | 357.52          | 375.08          | 382.50                            |
|                    | d. Short Term Loans & Advances               | 14.97           | 27.05           | 14.10           | 12.64           | 20.44           | 13.41                             |
|                    | <b>Total Current Assets</b>                  | <b>1,451.34</b> | <b>2,586.99</b> | <b>3,314.11</b> | <b>2,910.96</b> | <b>4,595.26</b> | <b>3,250.56</b>                   |
|                    | <b>T O T A L (4+5)</b>                       | <b>1,747.08</b> | <b>2,994.74</b> | <b>3,799.46</b> | <b>3,416.01</b> | <b>5,071.31</b> | <b>4,014.68</b>                   |





STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE - II

(Rs. In lakhs)

| S<br>r<br>·<br>N<br>o<br>. | Particulars                                                                   | For the year ended March 31, |                  |                 |                  |                  | For the period ended December 31, 2015 |
|----------------------------|-------------------------------------------------------------------------------|------------------------------|------------------|-----------------|------------------|------------------|----------------------------------------|
|                            |                                                                               | 2011                         | 2012             | 2013            | 2014             | 2015             |                                        |
| <b>A</b>                   | <b>INCOME</b>                                                                 |                              |                  |                 |                  |                  |                                        |
|                            | Revenue from operations                                                       | 6,940.51                     | 10,391.11        | 9,586.25        | 10,426.78        | 10,471.50        | 6,533.21                               |
|                            | Other income                                                                  | 10.45                        | 26.88            | 27.48           | 33.36            | 33.60            | 24.24                                  |
|                            | <b>Total Income (A)</b>                                                       | <b>6,950.97</b>              | <b>10,417.99</b> | <b>9,613.73</b> | <b>10,460.15</b> | <b>10,505.09</b> | <b>6,557.45</b>                        |
| <b>B</b>                   | <b>EXPENDITURE</b>                                                            |                              |                  |                 |                  |                  |                                        |
|                            | Cost of materials consumed & purchase of stock in trade                       | 6,452.63                     | 10,275.45        | 8,540.00        | 9,786.26         | 9,806.90         | 6,218.36                               |
|                            | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 0.41                         | (494.63)         | 396.28          | 38.06            | 55.67            | (173.77)                               |
|                            | Employee benefits expense                                                     | 26.96                        | 52.68            | 70.08           | 89.17            | 105.22           | 85.03                                  |
|                            | Finance costs                                                                 | 146.98                       | 216.50           | 221.54          | 217.54           | 227.80           | 188.85                                 |
|                            | Depreciation and amortization expense                                         | 21.29                        | 44.42            | 62.37           | 62.66            | 64.76            | 65.10                                  |
|                            | Other expenses                                                                | 253.92                       | 254.65           | 275.31          | 214.70           | 202.28           | 151.93                                 |
|                            | <b>Total Expenses (B)</b>                                                     | <b>6,902.20</b>              | <b>10,349.07</b> | <b>9,565.57</b> | <b>10,408.39</b> | <b>10,462.63</b> | <b>6,535.50</b>                        |
| <b>C</b>                   | <b>Profit before tax</b>                                                      | <b>48.77</b>                 | <b>68.92</b>     | <b>48.16</b>    | <b>51.76</b>     | <b>42.47</b>     | <b>21.95</b>                           |
|                            | Prior period items (Net)                                                      | -                            | -                | -               | -                | -                | -                                      |
|                            | <b>Profit before exceptional, extraordinary items and tax (A-B)</b>           | <b>48.77</b>                 | <b>68.92</b>     | <b>48.16</b>    | <b>51.76</b>     | <b>42.47</b>     | <b>21.95</b>                           |
|                            | Exceptional items                                                             | -                            | -                | -               | -                | -                | -                                      |
|                            | <b>Profit before extraordinary items and tax</b>                              | <b>48.77</b>                 | <b>68.92</b>     | <b>48.16</b>    | <b>51.76</b>     | <b>42.47</b>     | <b>21.95</b>                           |
|                            | Extraordinary items                                                           | -                            | -                | -               | -                | (3.15)           | -                                      |
| <b>D</b>                   | <b>Profit before tax</b>                                                      | <b>48.77</b>                 | <b>68.92</b>     | <b>48.16</b>    | <b>51.76</b>     | <b>45.62</b>     | <b>21.95</b>                           |
|                            | Tax expense :                                                                 |                              |                  |                 |                  |                  |                                        |
|                            | (i) Current tax                                                               | 12.61                        | 21.46            | 16.25           | 16.39            | 16.59            | 7.24                                   |
|                            | (ii) Deferred tax                                                             | (0.71)                       | (0.15)           | (1.36)          | (0.40)           | (3.07)           | (0.24)                                 |
| <b>E</b>                   | <b>Total Tax Expense</b>                                                      | <b>11.90</b>                 | <b>21.30</b>     | <b>14.89</b>    | <b>15.99</b>     | <b>13.52</b>     | <b>7.01</b>                            |
| <b>F</b>                   | <b>Profit for the year (D-E)</b>                                              | <b>36.87</b>                 | <b>47.62</b>     | <b>33.27</b>    | <b>35.77</b>     | <b>32.10</b>     | <b>14.94</b>                           |



# STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE - III (Rs.in lakhs)

| Particulars                                                   | As at<br>March<br>31, 2011 | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2015 | As at<br>December<br>31, 2015 |
|---------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| <b>Cash flow from operating activities:</b>                   |                            |                            |                            |                            |                            |                               |
| Net Profit before tax as per Profit And Loss A/c              | 48.77                      | 68.92                      | 48.16                      | 51.76                      | 45.62                      | 21.95                         |
| Adjusted for:                                                 |                            |                            |                            |                            |                            |                               |
| Depreciation & Amortisation Exp.                              | 21.29                      | 44.42                      | 62.37                      | 62.66                      | 64.76                      | 65.10                         |
| Loss (Profit) on Sale of Assets                               | -                          | -                          | -                          | -                          | 3.61                       | 0.42                          |
| Dividend Income                                               | (0.65)                     | (0.65)                     | -                          | -                          | -                          | -                             |
| Interest Income                                               | (9.80)                     | (26.23)                    | (27.48)                    | (33.36)                    | (33.29)                    | (24.24)                       |
| Finance Cost                                                  | 146.98                     | 216.50                     | 221.54                     | 217.54                     | 227.80                     | 188.85                        |
| <b>Operating Profit Before Working Capital Changes</b>        | <b>206.59</b>              | <b>302.96</b>              | <b>304.58</b>              | <b>298.59</b>              | <b>308.50</b>              | <b>252.09</b>                 |
| Adjusted for (Increase)/Decrease:                             |                            |                            |                            |                            |                            |                               |
| Trade receivable                                              | (391.22)                   | (545.76)                   | (1,063.07)                 | 585.03                     | (1,821.95)                 | 1,551.60                      |
| Other Loans and advances receivable                           | (42.69)                    | (12.07)                    | 12.94                      | 1.46                       | (7.80)                     | 7.04                          |
| Inventories                                                   | (1.49)                     | (490.90)                   | 384.89                     | (185.49)                   | 163.01                     | (206.52)                      |
| Trade Payables                                                | 162.68                     | 193.59                     | 425.52                     | (638.26)                   | 1,666.81                   | (1,286.55)                    |
| Other Current Liabilities                                     | 44.69                      | 2.68                       | 20.49                      | 1.78                       | 7.52                       | 74.93                         |
| Short Term Borrowings                                         | 257.60                     | 868.63                     | 170.82                     | 277.21                     | (22.49)                    | (34.04)                       |
| Short term Provisions                                         | (6.30)                     | 9.62                       | (5.01)                     | 0.24                       | 3.61                       | (8.67)                        |
| <b>Cash Generated From Operations</b>                         | <b>229.85</b>              | <b>328.75</b>              | <b>251.16</b>              | <b>340.57</b>              | <b>297.21</b>              | <b>349.87</b>                 |
| Direct Tax Paid                                               | (12.61)                    | (21.46)                    | (16.25)                    | (16.39)                    | (16.59)                    | (7.24)                        |
| <b>Net Cash Flow from/(used in) Operating Activities: (A)</b> | <b>217.24</b>              | <b>307.30</b>              | <b>234.91</b>              | <b>324.18</b>              | <b>280.62</b>              | <b>342.63</b>                 |
|                                                               |                            |                            |                            |                            |                            |                               |
| <b>Cash Flow From Investing Activities:</b>                   |                            |                            |                            |                            |                            |                               |
| Purchase of Fixed Assets (Net)                                | (65.57)                    | (173.95)                   | (99.52)                    | (122.93)                   | (20.92)                    | (391.76)                      |
| Increase in Capital Work In Progress                          | (104.85)                   | -                          | (36.19)                    | 36.19                      | -                          | -                             |
| Sale of Fixed Assets                                          | -                          | -                          | -                          | -                          | -                          | 55.41                         |
| Purchase of Investment                                        | -                          | -                          | -                          | -                          | -                          | (0.01)                        |
| Sale / Redemption of Investment                               | -                          | 5.00                       | -                          | -                          | -                          | -                             |
| Movement in Loan & Advances                                   | -                          | 12.51                      | (4.27)                     | 4.38                       | (18.45)                    | (17.24)                       |
| Interest Income                                               | 9.80                       | 26.23                      | 27.48                      | 33.36                      | 33.29                      | 24.24                         |
| Dividend Income                                               | 0.65                       | 0.65                       | -                          | -                          | -                          | -                             |



| Particulars                                                   | As at<br>March<br>31, 2011 | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2015 | As at<br>December<br>31, 2015 |
|---------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| <b>Net Cash Flow from/(used in) Investing Activities: (B)</b> | <b>(159.96)</b>            | <b>(129.56)</b>            | <b>(112.49)</b>            | <b>(49.00)</b>             | <b>(6.08)</b>              | <b>(329.36)</b>               |
| <b>Cash Flow from Financing Activities:</b>                   |                            |                            |                            |                            |                            |                               |
| Proceeds From Issue of shares capital                         | 7.01                       | -                          | -                          | -                          | 1.02                       | 1.22                          |
| Increase in Share Premium                                     | 89.79                      | -                          | -                          | -                          | 19.00                      | 20.78                         |
| Decrease in Secured Loans                                     | (36.47)                    | 124.96                     | 159.96                     | (60.60)                    | (50.21)                    | 160.35                        |
| Increase in Long Term Provisions                              | -                          | 0.72                       | 1.03                       | 0.81                       | 1.02                       | 0.66                          |
| Increase in Unsecured Loans                                   | 162.92                     | -                          | -                          | -                          | -                          | -                             |
| Interest Paid                                                 | (146.98)                   | (216.50)                   | (221.54)                   | (217.54)                   | (227.80)                   | (188.85)                      |
| <b>Net Cash Flow from/(used in) Financing Activities ( C)</b> | <b>76.27</b>               | <b>(90.81)</b>             | <b>(60.54)</b>             | <b>(277.33)</b>            | <b>(256.98)</b>            | <b>(5.85)</b>                 |
|                                                               |                            |                            |                            |                            |                            |                               |
| Net Increase/(Decrease) in Cash & Bank Balances (A+B+C)       | 133.55                     | 86.93                      | 61.88                      | (2.15)                     | 17.56                      | 7.42                          |
| Cash & Bank Balances As At Beginning of the Year              | 77.31                      | 210.87                     | 297.79                     | 359.67                     | 357.52                     | 375.08                        |
| <b>Cash &amp; Cash Equivalents As At End of the Year</b>      | <b>210.87</b>              | <b>297.79</b>              | <b>359.67</b>              | <b>357.52</b>              | <b>375.08</b>              | <b>382.50</b>                 |
| <b>Cash &amp; Bank Balance comprise of:</b>                   |                            |                            |                            |                            |                            |                               |
| Cash                                                          | 0.76                       | 14.23                      | 3.94                       | 0.98                       | 1.13                       | 6.59                          |
| <b>Bank Balance</b>                                           |                            |                            |                            |                            |                            |                               |
| Current Account                                               | 1.06                       | 1.18                       | 1.04                       | 1.25                       | 0.43                       | 4.57                          |
| Deposit Account                                               | 209.05                     | 282.38                     | 354.69                     | 355.29                     | 373.53                     | 371.33                        |



## **Annexure IV**

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON RESTATED SUMMARY STATEMENTS**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Accounting**

The Restated Financial Statements of the company have been prepared in accordance with generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention method. The accounting policies adopted in the preparation of financial statements are consistently followed by the company.

##### **B) Use of Estimates**

The preparation of the financial statement in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustments to the carrying amounts of assets or liabilities in future period.

##### **(c) Fixed Assets**

Fixed Assets are stated at cost of acquisition less depreciation. Depreciation on fixed assets is calculated on Written Down Value Method upto March 31, 2014, depreciation has been provided under Written Down Value method at the rates prescribed under Schedule XIV of the Companies Act, 1956. From April 1, 2014, the depreciation for the respective assets has been computed on the basis of their useful life as specified in Schedule II to the Companies Act, 2013, in accordance with the information and explanations as provided to us by the management of the company. The carrying amounts of the company's assets are reviewed at each balance sheet date. If any indication of impairment exists, an impairment loss is recognized to the extent of the excess of the carrying amount over the estimated recoverable amount.

##### **(d) Inventories**

Inventories of raw materials is valued at cost whereas, inventories of finished goods are valued at lower of cost or market value basis.

##### **(e) Prior period Items**

Previous years adjustments are on account of payment of taxes, duties, interest etc., of earlier years due to short / excess provision thereof etc. which has been shown under the head 'Exceptional Items/ Extraordinary Items.'

##### **(f) Recognition of Income and Expenditure**

All incomes and expenditures are accounted on accrual basis as per the guidelines as stated in AS-9 (Revenue Recognition) i.e. once it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**(g) Borrowing Cost**

The total borrowing cost on the acquisition of fixed assets if pertaining to the period up to the date on which the said fixed assets have been put-to-use, has been capitalized in the respective fixed assets and the cost for the period after the said fixed assets have been put-to-use has been debited to the Profit and Loss Account.

**(h) Related Party Disclosure**

As per Accounting Standard 18, the disclosures of transactions with the related parties are enclosed herewith in ANNEXURE-XXIII

**(i) Calculation of Earning per Share**

Basic earning per share is computed by dividing the net profit for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**(j) Taxation**

Tax comprises of Current tax and Deferred tax. Current tax in the books is recognised as per the provisions of Income Tax Act, 1961. Deferred Tax Liability / Asset is recognised as per AS-22 (Accounting for Taxes on Income) arising out of temporary timing differences. As per AS-22 "Accounting for Taxes and Income" issued by ICAI, company has created the deferred tax liability on account of timing difference attributable to the claim of depreciation which has been adjusted against the deferred tax liability of the earlier years.

**(k) Impairment of Assets**

The carrying amounts of the company's assets are reviewed at each balance sheet date. If any indication of impairment exists, an impairment loss is recognized to the extent of the excess of the carrying amount over the estimated recoverable amount.

**(l) Foreign Exchange Transactions**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of respective transactions. However, as at year end the outstanding balances of foreign currency assets and liabilities are translated at the year end rates. Exchange differences arising on such exercise are charged to profit & loss account.

**(m) Provisions, Contingent Liabilities and Contingent Assets**

The Company claims to have no Contingent liability and hence, it is not provided for in the books of accounts.

**(n) Employee Benefits Expense**

Provision for gratuity is assessed on actuarial basis and is provided accordingly.

**(o) Previous Year's Figures**

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

**CHANGES IN ACCOUNTING POLICIES IN THE YEARS/ PERIODS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India/ Companies



(Accounting Standard) Rules, 2006 were made applicable on the relevant dates

## **NOTES ON RESTATED SUMMARY STATEMENTS**

### **(a) General**

The company was incorporated during the year 2008 and restated financial statements have been prepared for the fiscal year ended March 31, 2011, 2012, 2013, 2014 and 2015 and period ending December 2015.

### **(b) Earnings Per Share**

The detail of Earnings per Share as per AS-20 is provided in ANNEXURE-XXIV.

**(c)** The company has not given any guarantee to bank or corporate and the company is not having any contingent liability.

**(d)** The figures in the Restated Financial Statements and Other Financial Information are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.





## DETAILS OF SHARE CAPITAL AS RESTATED

Annexure V  
Amount (Rs. in lakhs)

| Share Capital                           | As at 31 March 2011 |              | As at 31 March 2012 |              | As at 31st March 2013 |              | As at 31st March 2014 |              | As at 31st March 2015 |              | As at 31st December 2015 |              |
|-----------------------------------------|---------------------|--------------|---------------------|--------------|-----------------------|--------------|-----------------------|--------------|-----------------------|--------------|--------------------------|--------------|
|                                         | Number              | Amt.         | Number              | Amt.         | Number                | Amt.         | Number                | Amt.         | Number                | Amt.         | Number                   | Amt.         |
| <b>Authorised</b>                       |                     |              |                     |              |                       |              |                       |              |                       |              |                          |              |
| Equity Shares of Rs.10 each             | 3,00,000            | 30.00        | 3,00,000            | 30.00        | 3,00,000              | 30.00        | 3,00,000              | 30.00        | 3,00,000              | 30.00        | 3,00,000                 | 30.00        |
| <b>Issued, Subscribed &amp; Paid up</b> |                     |              |                     |              |                       |              |                       |              |                       |              |                          |              |
| Equity Shares of Rs.10 each             | 1,81,535            | 18.15        | 1,81,535            | 18.15        | 1,81,535              | 18.15        | 1,81,535              | 18.15        | 2,09,848              | 20.98        | 2,64,039                 | 26.40        |
| <b>Total</b>                            | <b>1,81,535</b>     | <b>18.15</b> | <b>1,81,535</b>     | <b>18.15</b> | <b>1,81,535</b>       | <b>18.15</b> | <b>1,81,535</b>       | <b>18.15</b> | <b>2,09,848</b>       | <b>20.98</b> | <b>2,64,039</b>          | <b>26.40</b> |

## RECONCILIATION OF NUMBER OF SHARES

| Particulars                                     | As at 31 March 2011 |       | As at 31 March 2012 |       | As at 31st March 2013 |       | As at 31st March 2014 |       | As at 31st March 2015 |       | As at 31st December 2015 |       |
|-------------------------------------------------|---------------------|-------|---------------------|-------|-----------------------|-------|-----------------------|-------|-----------------------|-------|--------------------------|-------|
|                                                 | Equity Shares       |       | Equity Shares       |       | Equity Shares         |       | Equity Shares         |       | Equity Shares         |       | Equity Shares            |       |
|                                                 | Number              | Amt.  | Number              | Amt.  | Number                | Amt.  | Number                | Amt.  | Number                | Amt.  | Number                   | Amt.  |
| Shares outstanding at the beginning of the year | 99,673              | 9.97  | 1,81,535            | 18.15 | 1,81,535              | 18.15 | 1,81,535              | 18.15 | 1,81,535              | 18.15 | 2,09,848                 | 20.98 |
| Shares Issued during the year                   | 81,862              | 8.19  | -                   | -     | -                     | -     | -                     | -     | 28,313                | 2.83  | 54,191                   | 5.42  |
| Shares bought back during the year              | -                   | -     | -                   | -     | -                     | -     | -                     | -     | -                     | -     | -                        | -     |
| Shares outstanding at the end of the year       | 1,81,535            | 18.15 | 1,81,535            | 18.15 | 1,81,535              | 18.15 | 1,81,535              | 18.15 | 2,09,848              | 20.98 | 2,64,039                 | 26.40 |



**DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY**

| Name of Shareholder | As at 31 March 2011 |              | As at 31 March 2012 |              | As at 31st March 2013 |              | As at 31st March 2014 |              | As at 31st March 2015 |              | As at 31st December 2015 |              |
|---------------------|---------------------|--------------|---------------------|--------------|-----------------------|--------------|-----------------------|--------------|-----------------------|--------------|--------------------------|--------------|
|                     | No. of Shares held  | % of Holding | No. of Shares held  | % of Holding | No. of Shares held    | % of Holding | No. of Shares held    | % of Holding | No. of Shares held    | % of Holding | No. of Shares held       | % of Holding |
| Rohitkumar Kapadia  | 95,040              | 52.35%       | 95,040              | 52.35%       | 95,040                | 52.35%       | 95,040                | 52.35%       | 1,14,704              | 54.66%       | 1,43,756                 | 54.44%       |
| Shalu Kapadia       | 10,333              | 5.69%        | 10,333              | 5.69%        | 10,333                | 5.69%        | 10,333                | 5.69%        | 11,366                | 5.42%        | 13,639                   | 5.17%        |
| R H Kapadia HUF     | 15,458              | 8.52%        | 15,458              | 8.52%        | 15,458                | 8.52%        | 15,458                | 8.52%        | 17,004                | 8.10%        | 20,405                   | 7.73%        |
| Ilaben R Kapadia    | 41,973              | 23.12%       | 41,973              | 23.12%       | 41,973                | 23.12%       | 41,973                | 23.12%       | 46,170                | 22.00%       | 61,515                   | 23.30%       |
| Tejus Kapadia       | 15,133              | 8.34%        | 15,133              | 8.34%        | 15,133                | 8.34%        | 15,133                | 8.34%        | 16,646                | 7.93%        | 19,975                   | 7.57%        |

**Notes: Terms/ rights attached to equity shares**

The company has only one class of equity shares having a par value of ` 10/- per share. Each share holder of equity share is entitled to one vote per share.

In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

No shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

The Company has not bought back any shares

No shares have been forfeited by the company

**Equity Shares have been allotted on various occasions during the years, the detail of which is as under**

| Date of Allotment | No. of Shares | Remarks                 |
|-------------------|---------------|-------------------------|
| 13-10-2010        | 71350         | At a Premium of Rs. 130 |
| 31-03-2011        | 10512         | At a Premium of Rs. 115 |
| 30-06-2014        | 18153         | Bonus Issue             |
| 12-07-2014        | 10160         | At a Premium of Rs. 187 |
| 21-09-2015        | 41969         | Bonus Issue             |
| 28-09-2015        | 12222         | At a Premium of Rs. 160 |



## DETAILS OF RESERVE AND SURPLUS AS RESTATED

**Annexure VI**  
*Amount (Rs. In Lakhs)*

| Particulars                                      | As at 31 March 2011 | As at 31 March 2012 | As at 31st March 2013 | As at 31st March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|--------------------------------------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|--------------------------|
| <b>A. Securities Premium Account</b>             |                     |                     |                       |                       |                       |                          |
| Opening Balance                                  | 80.71               | 185.55              | 185.55                | 185.55                | 185.55                | 204.55                   |
| Add : Securities premium credited on Share issue | 104.84              | -                   | -                     | -                     | 19.00                 | 20.78                    |
| Less : Premium Utilised for Issuing Bonus Shares | -                   | -                   | -                     | -                     | -                     | 4.20                     |
| <b>Closing Balance</b>                           | <b>185.55</b>       | <b>185.55</b>       | <b>185.55</b>         | <b>185.55</b>         | <b>204.55</b>         | <b>221.13</b>            |
| <b>B. Surplus</b>                                |                     |                     |                       |                       |                       |                          |
| Opening balance                                  | 27.36               | 64.23               | 111.85                | 145.12                | 180.88                | 211.17                   |
| Add: Net Profit for the current year             | 36.87               | 47.62               | 33.27                 | 35.77                 | 32.10                 | 14.94                    |
| Less: Transfer for Issue of Bonus Shares         | -                   | -                   | -                     | -                     | 1.82                  | -                        |
| <b>Closing Balance</b>                           | <b>64.23</b>        | <b>111.85</b>       | <b>145.12</b>         | <b>180.88</b>         | <b>211.17</b>         | <b>226.11</b>            |
| <b>Total</b>                                     | <b>249.78</b>       | <b>297.40</b>       | <b>330.67</b>         | <b>366.43</b>         | <b>415.72</b>         | <b>447.24</b>            |

## DETAILS OF LONG TERM BORROWINGS AS RESTATED

**ANNEXURE – VII**  
*Amount (Rs. In Lakhs)*

| Particulars                                   | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|-----------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| <b><u>Secured</u></b>                         |                     |                     |                     |                     |                       |                          |
| <b>(a) Term loans</b>                         |                     |                     |                     |                     |                       |                          |
| <b>From Bank &amp; Financial Institutions</b> |                     |                     |                     |                     |                       |                          |
| Term Loan                                     | -                   | 53.29               | 104.82              | 57.50               | 21.69                 | 156.81                   |
| Vehicle Loan                                  | 8.25                | -                   | -                   | -                   | 5.18                  | 14.66                    |
| Mortgage Loan                                 | -                   | -                   | -                   | -                   | -                     | 64.31                    |
| <b>From Others</b>                            | -                   | -                   | -                   | -                   | -                     | -                        |
| <b>Sub-total (a)</b>                          | <b>8.25</b>         | <b>53.29</b>        | <b>104.82</b>       | <b>57.50</b>        | <b>26.87</b>          | <b>235.77</b>            |
| <b><u>Unsecured</u></b>                       | -                   | -                   | -                   | -                   | -                     | -                        |
| <b>(b) Loans and advances</b>                 | -                   | -                   | -                   | -                   | -                     | -                        |



| Particulars                                                          | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| <b>from related parties</b>                                          |                     |                     |                     |                     |                       |                          |
| From Promoters                                                       | 123.78              | 199.11              | 297.49              | 234.85              | 216.69                | 138.95                   |
| From Promoter Group                                                  | -                   | 5.21                | 12.66               | 64.18               | 66.85                 | 19.83                    |
| From Group Companies                                                 | -                   | -                   | -                   | -                   | -                     | -                        |
| From Members                                                         | 46.01               | 45.40               | 48.00               | 45.83               | 41.74                 | 41.53                    |
| <b>(c) Loans and Advances from Bank &amp; Financial Institutions</b> |                     |                     |                     |                     |                       |                          |
| Business Loans from Banks                                            | -                   | -                   | -                   | -                   | -                     | 45.08                    |
| Business Loans from Financial Institutions                           | -                   | -                   | -                   | -                   | -                     | 31.33                    |
| <b>Sub-total (b) + (c)</b>                                           | <b>169.79</b>       | <b>249.71</b>       | <b>358.14</b>       | <b>344.87</b>       | <b>325.28</b>         | <b>276.72</b>            |
| <b>Total</b>                                                         | <b>178.04</b>       | <b>303.00</b>       | <b>462.97</b>       | <b>402.36</b>       | <b>352.15</b>         | <b>512.50</b>            |

#### **NATURE OF SECURITY AND OF REPAYMENT FOR LONG TERM BORROWINGS**

- The Term loans are primarily secured against the hypothecation of respective Plant & Machinery and further secured by way of collateral security of the personal assets of the directors of the company as well as the immovable properties held in the name of the company. The same is further secured by way of personal guarantee of the directors. The Term Loans & Mortgage Loans carries interest in the range of 12-14% p.a. The term loans are repayable in 60 monthly instalments.
- The vehicle loan from banks are secured against the hypothecation of the respective vehicles; carries interest @ 9% p.a. and are repayable in 36 monthly instalments.
- The mortgage loan from Kotak Mahindra Prime Limited availed during the year and carried interest @ 12% p.a. The said loan is repayable in 120 installments beginning from the date of loan. The loan is secured against the mortgage of commercial property belonging to the Company.
- The unsecured loans from Promoters, Promoter Group and members are carrying interest @12% p.a. and is not repayable in accordance with any stipulated repayment schedule i.e. repayable on demand.
- The business loans from various banks and financial institutions carry interest @ ranging from 15%-20% p.a. and are repayable in 36 monthly instalments.



## DETAILS OF DEFERED TAX LIABILITIES (NET) AS RESTATED

### ANNEXURE-VIII

Amount (Rs. In Lakhs)

| Particulars                           | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| <b>Deferred Tax Liabilities</b>       |                     |                     |                     |                     |                       |                          |
| On fixed assets                       | 7.57                | 7.67                | 6.67                | 6.57                | 4.10                  | 4.20                     |
| <b>Deferred Tax Assets</b>            |                     |                     |                     |                     |                       |                          |
| On disallowances under IT Act, 1961   | 0.16                | 0.42                | 0.78                | 1.07                | 1.67                  | 2.02                     |
| <b>Deferred Tax Liabilities (Net)</b> | <b>7.40</b>         | <b>7.25</b>         | <b>5.89</b>         | <b>5.49</b>         | <b>2.42</b>           | <b>2.18</b>              |

## DETAILS OF LONG TERM PROVISIONS AS RESTATED

### Annexure IX

Amount (Rs. In Lakhs)

| Particulars                     | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| Provision for employee benefits | 0.48                | 1.20                | 2.23                | 3.04                | 4.05                  | 4.71                     |
| <b>Total</b>                    | <b>0.48</b>         | <b>1.20</b>         | <b>2.23</b>         | <b>3.04</b>         | <b>4.05</b>           | <b>4.71</b>              |

## DETAILS OF SHORT TERM BORROWINGS AS RESTATED

### Annexure X

Amount (Rs.in Lakhs)

| Particulars                   | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| <b>Secured</b>                |                     |                     |                     |                     |                       |                          |
| (a) Working Capital Loans     | 851.11              | 869.66              | 891.05              | 1,053.21            | 885.49                | 995.70                   |
| (b) Buyers' Credit Facilities | -                   | 850.08              | 999.50              | 1,114.57            | 1,259.79              | 1,115.54                 |
| <b>Total</b>                  | <b>851.11</b>       | <b>1,719.74</b>     | <b>1,890.56</b>     | <b>2,167.77</b>     | <b>2,145.28</b>       | <b>2,111.24</b>          |

## NATURE OF SECURITY AND OF REPAYMENT FOR SHORTTERM BORROWINGS

The Company has availed cash credit facility from the South Indian Bank which is secured against the hypothecation of stock and book debts and FDRs of the company as also the personal guarantee of the directors of the company. The said facility is also secured by way of collateral security in the form of pledge of LIC policies of directors and their family members and registered mortgage of the immovable properties held in the name of the company. The company has availed overdraft facility from South Indian Bank which is secured against the fixed deposits belonging to the company.



# **DETAILS OF TRADE PAYABLES AS RESTATED**

**Annexure XI**  
**Amount (Rs.in Lakhs)**

| Particulars                            | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|----------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| (a) Micro, Small and Medium Enterprise | -                   | -                   | -                   | -                   | -                     | -                        |
| (b) Others                             | 384.76              | 578.35              | 1,003.87            | 365.61              | 2,032.43              | 745.88                   |
| <b>Total</b>                           | <b>384.76</b>       | <b>578.35</b>       | <b>1,003.87</b>     | <b>365.61</b>       | <b>2,032.43</b>       | <b>745.88</b>            |

# **DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**

**ANNEXURE XII**  
**Amount (Rs.in Lakhs)**

| Particulars                              | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| (i) Current maturities of Long Term Debt | 19.14               | 24.65               | 48.28               | 47.32               | 61.49                 | 141.46                   |
| (ii) Statutory Dues Payable              | 25.55               | 22.72               | 18.43               | 21.44               | 15.23                 | 10.34                    |
| (iii) Due against Capital Expenditure    | -                   | -                   | 0.32                | 0.26                | 0.03                  | 0.03                     |
| (iv) Other Payables                      |                     |                     |                     |                     |                       |                          |
| -Machinery Loan Interest                 | -                   | -                   | 0.82                | 0.61                | 0.40                  | 0.24                     |
| <b>Total</b>                             | <b>44.69</b>        | <b>47.37</b>        | <b>67.85</b>        | <b>69.63</b>        | <b>77.15</b>          | <b>152.08</b>            |

# **DETAILS OF SHORT TERM PROVISIONS AS RESTATED**

**ANNEURE XIII**  
**Amount (Rs. in Lakhs)**

| Particulars          | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| <b>Provision For</b> |                     |                     |                     |                     |                       |                          |
| Employee benefits    | 0.05                | 0.16                | 0.29                | 0.44                | 1.37                  | 1.81                     |
| <b>Others</b>        |                     |                     |                     |                     |                       |                          |
| (i) Income Tax       | 12.61               | 21.46               | 16.25               | 16.39               | 16.59                 | 7.24                     |
| (ii) Other Expenses  | -                   | 0.66                | 0.73                | 0.69                | 3.17                  | 3.40                     |
| <b>Total</b>         | <b>12.66</b>        | <b>22.28</b>        | <b>17.27</b>        | <b>17.51</b>        | <b>21.13</b>          | <b>12.45</b>             |





**DETAILS OF FIXED ASSETS AS RESTATED**

**ANNEXURE – XIV**  
**Amount (Rs. in Lakhs)**

| Fixed Assets           | Gross Block                |              |           |                             | Accumulated Depreciation   |                                  |                                |              |                             | Net Block                  |                             |
|------------------------|----------------------------|--------------|-----------|-----------------------------|----------------------------|----------------------------------|--------------------------------|--------------|-----------------------------|----------------------------|-----------------------------|
|                        | Balance as at 1 April 2010 | Additions    | Disposals | Balance as at 31 March 2011 | Balance as at 1 April 2010 | Depreciation charge for the year | Adjustment due to revaluations | On disposals | Balance as at 31 March 2011 | Balance as at 1 April 2011 | Balance as at 31 March 2010 |
| <b>Tangible Assets</b> |                            |              |           |                             |                            |                                  |                                |              |                             |                            |                             |
| Land                   | -                          | 11.84        | -         | 11.84                       | -                          | -                                | -                              | -            | -                           | 11.84                      | -                           |
| Building               | -                          | 45.10        | -         | 45.10                       | -                          | -                                | -                              | -            | -                           | 45.10                      | -                           |
| Plant and Machinery    | 0.76                       | 0.63         | -         | 1.39                        | 0.04                       | 0.16                             | -                              | -            | 0.20                        | 1.19                       | 0.71                        |
| Furniture & Fixiture   | 4.09                       | -            | -         | 4.09                        | 0.43                       | 0.74                             | -                              | -            | 1.17                        | 2.92                       | 3.66                        |
| Motor Car              | 70.54                      | 6.83         | -         | 77.37                       | 9.21                       | 20.03                            | -                              | -            | 29.24                       | 48.13                      | 61.33                       |
| Computer               | 0.38                       | 0.08         | -         | 0.46                        | 0.03                       | 0.18                             | -                              | -            | 0.21                        | 0.25                       | 0.35                        |
| Vehicles               | 0.15                       | 0.44         | -         | 0.58                        | 0.01                       | 0.15                             | -                              | -            | 0.16                        | 0.42                       | 0.14                        |
| Office Equipments      | 0.03                       | 0.13         | -         | 0.16                        | 0.00                       | 0.02                             | -                              | -            | 0.02                        | 0.14                       | 0.03                        |
| Electrifications       | -                          | 0.52         | -         | 0.52                        | -                          | 0.00                             | -                              | -            | 0.00                        | 0.52                       | -                           |
|                        | -                          | -            | -         | -                           | -                          | -                                | -                              | -            | -                           | -                          | -                           |
| <b>Total</b>           | <b>75.94</b>               | <b>65.57</b> | <b>-</b>  | <b>141.51</b>               | <b>9.72</b>                | <b>21.29</b>                     | <b>-</b>                       | <b>-</b>     | <b>31.01</b>                | <b>110.50</b>              | <b>66.22</b>                |



| Fixed Assets           | Gross Block                |               |           |                             | Accumulated Depreciation   |                                  |                                |              |                             | Net Block                  |                             |
|------------------------|----------------------------|---------------|-----------|-----------------------------|----------------------------|----------------------------------|--------------------------------|--------------|-----------------------------|----------------------------|-----------------------------|
|                        | Balance as at 1 April 2011 | Additions     | Disposals | Balance as at 31 March 2012 | Balance as at 1 April 2011 | Depreciation charge for the year | Adjustment due to revaluations | On disposals | Balance as at 31 March 2012 | Balance as at 1 April 2012 | Balance as at 31 March 2011 |
| <b>Tangible Assets</b> |                            |               |           |                             |                            |                                  |                                |              |                             |                            |                             |
| Land                   | 11.84                      | -             | -         | 11.84                       | -                          | -                                | -                              | -            | -                           | 11.84                      | 11.84                       |
| Building               | 45.10                      | 2.99          | -         | 48.08                       | -                          | 4.78                             | -                              | -            | 4.78                        | 43.30                      | 45.10                       |
| Plant and Machinery    | 1.39                       | 209.55        | -         | 210.93                      | 0.20                       | 22.67                            | -                              | -            | 22.87                       | 188.07                     | 1.19                        |
| Rajhans Shop           | -                          | 51.95         | -         | 51.95                       | -                          | 0.23                             | -                              | -            | 0.23                        | 51.72                      | -                           |
| Furniture & Fixture    | 4.09                       | -             | -         | 4.09                        | 1.17                       | 0.53                             | -                              | -            | 1.70                        | 2.39                       | 2.92                        |
| Motor Car              | 77.37                      | 12.88         | -         | 90.25                       | 29.24                      | 15.78                            | -                              | -            | 45.02                       | 45.24                      | 48.13                       |
| Computer               | 0.46                       | 0.05          | -         | 0.51                        | 0.21                       | 0.12                             | -                              | -            | 0.33                        | 0.18                       | 0.25                        |
| Vehicles               | 0.58                       | -             | -         | 0.58                        | 0.16                       | 0.11                             | -                              | -            | 0.27                        | 0.31                       | 0.42                        |
| Office Equipments      | 0.16                       | 0.16          | -         | 0.32                        | 0.02                       | 0.03                             | -                              | -            | 0.05                        | 0.26                       | 0.14                        |
| Electrifications       | 0.52                       | 1.23          | -         | 1.75                        | 0.00                       | 0.19                             | -                              | -            | 0.19                        | 1.56                       | 0.52                        |
|                        | -                          | -             | -         | -                           | -                          | -                                | -                              | -            | -                           | -                          | -                           |
| <b>Total</b>           | <b>141.51</b>              | <b>278.79</b> | <b>-</b>  | <b>420.31</b>               | <b>31.01</b>               | <b>44.42</b>                     | <b>-</b>                       | <b>-</b>     | <b>75.43</b>                | <b>344.87</b>              | <b>110.50</b>               |



| Fixed Assets           | Gross Block                |              |           |                             | Accumulated Depreciation   |                                  |                                |              |                             | Net Block                  |                             |
|------------------------|----------------------------|--------------|-----------|-----------------------------|----------------------------|----------------------------------|--------------------------------|--------------|-----------------------------|----------------------------|-----------------------------|
|                        | Balance as at 1 April 2012 | Additions    | Disposals | Balance as at 31 March 2013 | Balance as at 1 April 2012 | Depreciation charge for the year | Adjustment due to revaluations | On disposals | Balance as at 31 March 2013 | Balance as at 1 April 2013 | Balance as at 31 March 2012 |
| <b>Tangible Assets</b> |                            |              |           |                             |                            |                                  |                                |              |                             |                            |                             |
| Land                   | 11.84                      | -            | -         | 11.84                       | -                          | -                                | -                              | -            | -                           | 11.84                      | 11.84                       |
| Building               | 48.08                      | 0.26         | -         | 48.35                       | 4.78                       | 4.80                             | -                              | -            | 9.58                        | 38.77                      | 43.30                       |
| Plant and Machinery    | 210.93                     | 97.37        | -         | 308.31                      | 22.87                      | 39.78                            | -                              | -            | 62.64                       | 245.67                     | 188.07                      |
| Rajhans Shop           | 51.95                      | 0.93         | -         | 52.87                       | 0.23                       | 5.18                             | -                              | -            | 5.41                        | 47.46                      | 51.72                       |
| Furniture & Fixture    | 4.09                       | -            | -         | 4.09                        | 1.70                       | 0.43                             | -                              | -            | 2.13                        | 1.96                       | 2.39                        |
| Motor Car              | 90.25                      | -            | -         | 90.25                       | 45.02                      | 11.71                            | -                              | -            | 56.73                       | 33.53                      | 45.24                       |
| Computer               | 0.51                       | 0.25         | -         | 0.76                        | 0.33                       | 0.08                             | -                              | -            | 0.41                        | 0.35                       | 0.18                        |
| Vehicles               | 0.58                       | -            | -         | 0.58                        | 0.27                       | 0.08                             | -                              | -            | 0.35                        | 0.23                       | 0.31                        |
| Office Equipments      | 0.32                       | 0.04         | -         | 0.35                        | 0.05                       | 0.04                             | -                              | -            | 0.09                        | 0.26                       | 0.26                        |
| Electrifications       | 1.75                       | 0.68         | -         | 2.42                        | 0.19                       | 0.27                             | -                              | -            | 0.46                        | 1.96                       | 1.56                        |
|                        | -                          | -            | -         | -                           | -                          | -                                | -                              | -            | -                           | -                          | -                           |
| <b>Total</b>           | <b>420.31</b>              | <b>99.52</b> | <b>-</b>  | <b>519.83</b>               | <b>75.43</b>               | <b>62.37</b>                     | <b>-</b>                       | <b>-</b>     | <b>137.80</b>               | <b>382.03</b>              | <b>344.87</b>               |



| Fixed Assets           | Gross Block                |                        |                                        |                             | Accumulated Depreciation   |                                  |                                |              | Net Block                   |                            |                             |
|------------------------|----------------------------|------------------------|----------------------------------------|-----------------------------|----------------------------|----------------------------------|--------------------------------|--------------|-----------------------------|----------------------------|-----------------------------|
|                        | Balance as at 1 April 2013 | Additions/ (Disposals) | Acquired through business combinations | Balance as at 31 March 2014 | Balance as at 1 April 2013 | Depreciation charge for the year | Adjustment due to revaluations | On disposals | Balance as at 31 March 2014 | Balance as at 1 April 2014 | Balance as at 31 March 2013 |
| <b>Tangible Assets</b> |                            |                        |                                        |                             |                            |                                  |                                |              |                             |                            |                             |
|                        |                            |                        |                                        |                             |                            |                                  |                                |              |                             |                            |                             |
| Land                   | 11.84                      | -                      | -                                      | 11.84                       | -                          | -                                | -                              | -            | -                           | 11.84                      | 11.84                       |
| Building               | 48.35                      | 5.95                   | -                                      | 54.29                       | 9.58                       | 4.12                             | -                              | -            | 13.70                       | 40.60                      | 38.77                       |
| Plant and Machinery    | 308.31                     | 64.72                  | -                                      | 373.03                      | 62.64                      | 40.95                            | -                              | -            | 103.59                      | 269.44                     | 245.67                      |
| Rajhans Shop           | 52.87                      | 9.27                   | -                                      | 62.14                       | 5.41                       | 4.88                             | -                              | -            | 10.29                       | 51.85                      | 47.46                       |
| Furniture & Fixture    | 4.09                       | 30.76                  | -                                      | 34.86                       | 2.13                       | 2.35                             | -                              | -            | 4.49                        | 30.37                      | 1.96                        |
| Motor Car              | 90.25                      | 3.80                   | -                                      | 94.05                       | 56.73                      | 9.32                             | -                              | -            | 66.04                       | 28.01                      | 33.53                       |
| Computer               | 0.76                       | 0.43                   | -                                      | 1.18                        | 0.41                       | 0.27                             | -                              | -            | 0.68                        | 0.50                       | 0.35                        |
| Vehicles               | 0.58                       | -                      | -                                      | 0.58                        | 0.35                       | 0.06                             | -                              | -            | 0.41                        | 0.17                       | 0.23                        |
| Office Equipments      | 0.35                       | 1.41                   | -                                      | 1.76                        | 0.09                       | 0.08                             | -                              | -            | 0.18                        | 1.59                       | 0.26                        |
| Electrifications       | 2.42                       | 6.59                   | -                                      | 9.02                        | 0.46                       | 0.62                             | -                              | -            | 1.09                        | 7.93                       | 1.96                        |
|                        | -                          | -                      | -                                      | -                           | -                          | -                                | -                              | -            | -                           | -                          | -                           |
| <b>Total</b>           | <b>519.83</b>              | <b>122.93</b>          | <b>-</b>                               | <b>642.76</b>               | <b>137.80</b>              | <b>62.66</b>                     | <b>-</b>                       | <b>-</b>     | <b>200.46</b>               | <b>442.29</b>              | <b>382.03</b>               |



| Fixed Assets                                                                                                                                                         | Gross Block                |               |                      |                             | Accumulated Depreciation   |                                  |                                               |                          |                             | Net Block                   |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------|----------------------|-----------------------------|----------------------------|----------------------------------|-----------------------------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                                                                                                                                      | Balance as at 1 April 2014 | Additions     | Disposal/ Adjustment | Balance as at 31 March 2015 | Balance as at 1 April 2014 | Depreciation charge for the year | Amount Charged to Reserves (refer Note below) | Deductions / Adjustments | Balance as at 31 March 2015 | Balance as at 31 March 2015 | Balance as at 31 March 2014 |
| <b>Tangible Assets</b>                                                                                                                                               |                            |               |                      |                             |                            |                                  |                                               |                          |                             |                             |                             |
| Land                                                                                                                                                                 | 11.84                      | -             | -                    | 11.84                       | -                          | -                                | -                                             | -                        | -                           | 11.84                       | 11.84                       |
| Building                                                                                                                                                             | 54.29                      | 23.27         | -                    | 77.56                       | 13.70                      | 3.80                             | -                                             | -                        | 17.50                       | 60.06                       | 40.60                       |
| Plant and Machinery                                                                                                                                                  | 373.03                     | 57.17         | 107.41               | 322.78                      | 103.59                     | 36.78                            | -                                             | 21.67                    | 118.69                      | 204.09                      | 269.44                      |
| Rajhans Shop                                                                                                                                                         | 62.14                      | 1.22          | -                    | 63.36                       | 10.29                      | 2.54                             | -                                             | -                        | 12.83                       | 50.53                       | 51.85                       |
| Furniture & Fixiture                                                                                                                                                 | 34.86                      | 3.78          | -                    | 38.64                       | 4.49                       | 9.34                             | -                                             | -                        | 13.83                       | 24.81                       | 30.37                       |
| Motor Car                                                                                                                                                            | 94.05                      | 13.37         | 1.50                 | 105.93                      | 66.04                      | 6.74                             | -                                             | 0.89                     | 71.90                       | 34.03                       | 28.01                       |
| Computer                                                                                                                                                             | 1.18                       | 0.82          | -                    | 2.01                        | 0.68                       | 0.84                             | -                                             | -                        | 1.52                        | 0.48                        | 0.50                        |
| Vehicles                                                                                                                                                             | 0.58                       | -             | -                    | 0.58                        | 0.41                       | 0.05                             | -                                             | -                        | 0.46                        | 0.13                        | 0.17                        |
| Office Equipments                                                                                                                                                    | 1.76                       | 3.02          | -                    | 4.78                        | 0.18                       | 2.24                             | -                                             | -                        | 2.42                        | 2.36                        | 1.59                        |
| Electrifications                                                                                                                                                     | 9.02                       | 1.01          | -                    | 10.03                       | 1.09                       | 2.44                             | -                                             | -                        | 3.53                        | 6.50                        | 7.93                        |
|                                                                                                                                                                      | -                          | -             | -                    | -                           | -                          | -                                | -                                             | -                        | -                           | -                           | -                           |
| <b>Total</b>                                                                                                                                                         | <b>642.76</b>              | <b>103.66</b> | <b>108.91</b>        | <b>637.51</b>               | <b>200.46</b>              | <b>64.76</b>                     | <b>-</b>                                      | <b>22.56</b>             | <b>242.67</b>               | <b>394.84</b>               | <b>442.29</b>               |
| The Company has revised useful life of certain assets as per the useful life specified in the schedule II of the Companies Act,2013 or as reassessed by the company. |                            |               |                      |                             |                            |                                  |                                               |                          |                             |                             |                             |



| Fixed Assets           | Gross Block                |               |                       |                                | Accumulated Depreciation   |                                  |                            |                         | Net Block                      |                             |
|------------------------|----------------------------|---------------|-----------------------|--------------------------------|----------------------------|----------------------------------|----------------------------|-------------------------|--------------------------------|-----------------------------|
|                        | Balance as at 1 April 2015 | Additions     | Disposal/ Adjustments | Balance as at 31 December 2015 | Balance as at 1 April 2015 | Depreciation charge for the year | Amount Charged to Reserves | Deductions/ Adjustments | Balance as at 31 December 2015 | Balance as at 31 March 2015 |
| <b>Tangible Assets</b> |                            |               |                       |                                |                            |                                  |                            |                         |                                |                             |
| Land                   | 11.84                      | -             | -                     | 11.84                          | -                          | -                                | -                          | -                       | -                              | 11.84                       |
| Building               | 77.56                      | 68.66         | -                     | 146.22                         | 17.50                      | 7.02                             | -                          | -                       | 24.52                          | 121.70                      |
| Plant and Machinery    | 322.78                     | 283.62        | 110.26                | 496.14                         | 118.69                     | 45.77                            | -                          | 55.98                   | 108.49                         | 387.65                      |
| Rajhans Shop           | 63.36                      | 1.47          | -                     | 64.83                          | 12.83                      | 1.83                             | -                          | -                       | 14.66                          | 50.17                       |
| Furniture & Fixture    | 38.64                      | -             | -                     | 38.64                          | 13.83                      | 2.95                             | -                          | -                       | 16.78                          | 21.86                       |
| Motor Car              | 105.93                     | -             | 6.83                  | 99.10                          | 71.90                      | 2.71                             | -                          | 5.28                    | 69.32                          | 29.77                       |
| Computer               | 2.01                       | 0.13          | -                     | 2.14                           | 1.52                       | 0.29                             | -                          | -                       | 1.81                           | 0.32                        |
| Vehicles               | 0.58                       | -             | -                     | 0.58                           | 0.46                       | 0.02                             | -                          | -                       | 0.48                           | 0.10                        |
| Office Equipments      | 4.78                       | 10.31         | -                     | 15.09                          | 2.42                       | 2.11                             | -                          | -                       | 4.53                           | 10.56                       |
| Electrifications       | 10.03                      | 27.58         | -                     | 37.60                          | 3.53                       | 2.40                             | -                          | -                       | 5.93                           | 31.67                       |
|                        | -                          | -             | -                     | -                              | -                          | -                                | -                          | -                       | -                              | -                           |
| <b>Total</b>           | <b>637.51</b>              | <b>391.76</b> | <b>117.09</b>         | <b>912.17</b>                  | <b>242.67</b>              | <b>65.10</b>                     | <b>-</b>                   | <b>61.26</b>            | <b>246.51</b>                  | <b>665.66</b>               |
|                        |                            |               |                       |                                |                            |                                  |                            |                         |                                | <b>394.84</b>               |





## DETAILS OF NON CURRENT INVESTMENTS

## ANNEXURE - XV Amount (Rs. in Lakhs)

| Particulars                                     | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|-------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| <b>(a) Investment in Equity Instruments</b>     |                     |                     |                     |                     |                       |                          |
| In Unquoted Fully paid up Equity Shares of      |                     |                     |                     |                     |                       |                          |
| New India Co-operative Bank Ltd of Rs. 100 each | 5.00                | -                   | -                   | -                   | -                     | -                        |
| Rajhans Owners Co-op Society Ltd of Rs. 10 each | -                   | -                   | -                   | -                   | -                     | 0.01                     |
| <b>(b) Other Non Current Investments</b>        | -                   | -                   | -                   | -                   | -                     | -                        |
| <b>Total</b>                                    | <b>5.00</b>         | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>              | <b>0.01</b>              |
| Aggregate amount of unquoted Investments        | 5.00                | -                   | -                   | -                   | -                     | 0.01                     |
| Aggregate Cost of Quoted Investment             | -                   | -                   | -                   | -                   | -                     | -                        |
| Aggregate Cost of Unquoted Investment           | 5.00                | -                   | -                   | -                   | -                     | 0.01                     |
| Aggregate Market Value of Quoted Investment     | -                   | -                   | -                   | -                   | -                     | -                        |

## DETAILS OF LONG TERM LOANS & ADVANCES

## ANNEXURE - XVI Amount (Rs. in Lakhs)

| Particulars                                                                                                                                  | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| (Unsecured and Considered Good)                                                                                                              |                     |                     |                     |                     |                       |                          |
| <b>a. Long term loans and advances recoverable from Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company</b> | -                   | -                   | -                   | -                   | -                     | -                        |
| <b>b. Other Long Term Loans &amp; Advances</b>                                                                                               |                     |                     |                     |                     |                       |                          |
| Security Deposits                                                                                                                            | 1.00                | 1.00                | 1.07                | 3.88                | 4.09                  | 11.17                    |
| Advance against Capital Expenditure                                                                                                          | 1.20                | 8.41                | 4.50                | 2.75                | 8.75                  | 22.72                    |
| Other Advances                                                                                                                               | 73.19               | 53.47               | 61.57               | 56.14               | 68.38                 | 64.56                    |
| <i>(recoverable in cash or kind or for value to be received)</i>                                                                             |                     |                     |                     |                     |                       |                          |
| <b>Total</b>                                                                                                                                 | <b>75.39</b>        | <b>62.88</b>        | <b>67.14</b>        | <b>62.77</b>        | <b>81.22</b>          | <b>98.46</b>             |



## DETAILS OF INVENTORIES AS RESTATED

### ANNEXURE - XVII Amount (Rs. in Lakhs)

| Particulars                                                            | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| a. Raw Materials and components<br>(Valued at Cost as per FIFO Method) | 21.52               | 17.78               | 29.17               | 252.72              | 145.37                | 178.12                   |
| b. Work-in-progress                                                    | -                   | -                   | -                   | -                   | -                     | -                        |
| c. Finished goods & stock in trade<br>(Valued At Lower of Cost or NRV) | 124.65              | 619.29              | 223.01              | 184.94              | 129.28                | 303.05                   |
| <b>Total</b>                                                           | <b>146.17</b>       | <b>637.07</b>       | <b>252.18</b>       | <b>437.67</b>       | <b>274.65</b>         | <b>481.17</b>            |

## DETAILS OF TRADE RECEIVABLES AS RESTATED

### ANNEXURE - XVIII Amount (Rs. in Lakhs)

| Particulars                                                                                                         | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|---------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| (Unsecured and Considered Good)                                                                                     |                     |                     |                     |                     |                       |                          |
| <b>a. From Directors/Promoters/<br/>Promoter Group/Associates/<br/>Relatives of Directors / Group<br/>Companies</b> |                     |                     |                     |                     |                       |                          |
| Over Six Months                                                                                                     | -                   | -                   | -                   | -                   | -                     | -                        |
| Others                                                                                                              | -                   | -                   | -                   | -                   | -                     | -                        |
| <b>b. From Others</b>                                                                                               |                     |                     |                     |                     |                       |                          |
| Over Six Months                                                                                                     | 15.98               | 83.19               | 531.17              | 235.38              | 615.13                | 516.41                   |
| Others                                                                                                              | 1,063.34            | 1,541.89            | 2,156.99            | 1,867.75            | 3,309.95              | 1,857.07                 |
| <b>Total</b>                                                                                                        | <b>1,079.33</b>     | <b>1,625.09</b>     | <b>2,688.16</b>     | <b>2,103.13</b>     | <b>3,925.08</b>       | <b>2,373.48</b>          |

## DETAILS OF CASH AND BANK BALANCES AS RESTATED

### ANNEXURE-XIX Amount (Rs. in Lakhs)

| Particulars                            | As at 31 March 2011 | As at 31 March 2012 | As at 31 March 2013 | As at 31 March 2014 | As at 31st March 2015 | As at 31st December 2015 |
|----------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------------|
| <b>a. Cash &amp; Cash Equivalent</b>   |                     |                     |                     |                     |                       |                          |
| Cash on hand                           | 0.76                | 14.23               | 3.94                | 0.98                | 1.13                  | 6.59                     |
| Balances with banks                    |                     |                     |                     |                     |                       |                          |
| - in current accounts                  | 1.06                | 1.18                | 1.04                | 1.25                | 0.43                  | 4.57                     |
| <b>b. Other Bank Balances</b>          |                     |                     |                     |                     |                       |                          |
| Fixed Deposits held against borrowings | 209.05              | 282.38              | 354.69              | 355.29              | 373.53                | 371.33                   |
| <b>Total</b>                           | <b>210.87</b>       | <b>2,97.79</b>      | <b>359.67</b>       | <b>357.52</b>       | <b>375.08</b>         | <b>382.50</b>            |



**DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED**      **ANNEXURE – XX**  
**Amount (Rs. in Lakhs)**

| Particulars                                                                                                   | As at<br>31<br>March<br>2011 | As at 31<br>March<br>2012 | As at 31<br>March<br>2013 | As at 31<br>March<br>2014 | As at<br>31st<br>March<br>2015 | As at 31st<br>December<br>2015 |
|---------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|--------------------------------|--------------------------------|
| <i>(Unsecured and Considered Good)</i>                                                                        |                              |                           |                           |                           |                                |                                |
| a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company | -                            | -                         | -                         | -                         | -                              | -                              |
| b. Balance with Government Authorities                                                                        | 14.24                        | 26.01                     | 13.11                     | 11.78                     | 16.92                          | 8.27                           |
| c. Others                                                                                                     |                              |                           |                           |                           |                                |                                |
| Prepaid Expenses                                                                                              | 0.74                         | 1.04                      | 0.97                      | 0.87                      | 2.86                           | 4.18                           |
| Others                                                                                                        | -                            | -                         | 0.02                      | -                         | 0.66                           | 0.95                           |
| <b>Total</b>                                                                                                  | <b>14.97</b>                 | <b>27.04</b>              | <b>14.10</b>              | <b>12.64</b>              | <b>20.44</b>                   | <b>13.41</b>                   |

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**      **ANNEXURE – XXI**  
**Amount (Rs. in Lakhs)**

| Particulars                                             | For the<br>year<br>ended<br>31<br>March<br>2011 | For the<br>year<br>ended 31<br>March<br>2012 | For the<br>year<br>ended 31<br>March<br>2013 | For the<br>year<br>ended 31<br>March<br>2014 | For the<br>year<br>ended 31<br>March<br>2015 | For the<br>period<br>ended 31<br>Decemb<br>er 2015 |
|---------------------------------------------------------|-------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------------|
| Sales of Traded Goods                                   | 6,750.46                                        | 9,551.97                                     | 7,863.53                                     | 9,095.94                                     | 8,906.84                                     | 5,873.01                                           |
| Sales of Manufactured Goods                             | 182.48                                          | 456.98                                       | 1,077.29                                     | 1,195.40                                     | 1,519.48                                     | 587.38                                             |
| Sales of Services                                       | 7.58                                            | 74.58                                        | 53.38                                        | 135.44                                       | 45.18                                        | 43.42                                              |
| Turnover in respect of products not normally dealt with | -                                               | 307.58                                       | 592.06                                       | -                                            | -                                            | 29.40                                              |
| <b>Total</b>                                            | <b>6,940.51</b>                                 | <b>10,391.11</b>                             | <b>9,586.25</b>                              | <b>10,426.78</b>                             | <b>10,471.50</b>                             | <b>6,533.21</b>                                    |



## DETAILS OF OTHER INCOME AS RESTATED

Annexure - XXII  
Amount (Rs. in Lakhs)

| Particulars                       | For the year ended 31 March 2011 | For the year ended 31 March 2012 | For the year ended 31 March 2013 | For the year ended 31 March 2014 | For the year ended 31 March 2015 | For the period ended 31 December 2015 | Nature |
|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------------|--------|
| Other income                      | 10.45                            | 26.88                            | 27.48                            | 33.36                            | 33.60                            | 24.24                                 |        |
| Net Profit Before Tax as Restated | 48.77                            | 68.92                            | 48.16                            | 51.76                            | 45.62                            | 21.95                                 |        |
| Percentage                        | 21.43%                           | 39.00%                           | 57.07%                           | 64.46%                           | 73.64%                           | 110.45%                               |        |

## Source of Income

|                               |              |              |              |              |              |              |                                                     |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------------------------------------|
| Interest Income               | 1.67         | 5.13         | 0.08         | 0.08         | 0.30         | -            | Non Recurring and not related to business activity. |
| Interest on Income Tax Refund | 0.00         | 0.03         | -            | 0.51         | -            | -            | Non Recurring and not related to business activity. |
| Interest on Bank F.D          | 8.13         | 21.06        | 27.40        | 32.78        | 33.29        | 24.24        | Recurring and related to business activity.         |
| Dividend Received             | 0.65         | 0.65         | -            | -            | -            | -            | Non Recurring and not related to business activity. |
| <b>Total Other income</b>     | <b>10.45</b> | <b>26.88</b> | <b>27.48</b> | <b>33.36</b> | <b>33.60</b> | <b>24.24</b> |                                                     |



**DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED**

**Annexure XXV**

*Amount (Rs. in Lakhs)*

| Name                  | Nature of Transaction       | Amount of Transaction Debited in 2010-11 | Amount of Transaction Credited in 2010-11 | Amount Outstanding as on 31.03.11 (Payable)/ Receivable | Amount of Transaction Debited in 2011-12 | Amount of Transaction Credited in 2011-12 | Amount Outstanding as on 31.03.12 (Payable)/ Receivable | Amount of Transaction Debited in 2012-13 | Amount of Transaction Credited in 2012-13 | Amount Outstanding as on 31.03.13 (Payable)/ Receivable |
|-----------------------|-----------------------------|------------------------------------------|-------------------------------------------|---------------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------------------------|
| Tejus Kapadia         | Purchase of Yarn            | 131.02                                   | -                                         | -                                                       | 18.24                                    | -                                         | -                                                       | -                                        | -                                         | -                                                       |
|                       | Shed Rent                   | 1.10                                     | -                                         | -                                                       | -                                        | -                                         | -                                                       | -                                        | -                                         | -                                                       |
|                       | Purchase of Chemical        | -                                        | -                                         | -                                                       | 9.85                                     | -                                         | -                                                       | -                                        | -                                         | -                                                       |
|                       | Salary                      | 4.08                                     | -                                         | 70.35                                                   | 4.00                                     | -                                         | 10.51                                                   | 4.00                                     | -                                         | 0.10                                                    |
| Shalu T Kapadia       | Director's Remuneration     | 2.88                                     | -                                         | (0.61)                                                  | -                                        | -                                         | -                                                       | -                                        | -                                         | -                                                       |
| Rohitbhai Kapadia     | Director's Remuneration     | 1.80                                     | -                                         | -                                                       | 3.00                                     | -                                         | -                                                       | 3.00                                     | -                                         | -                                                       |
|                       | Interest on Unsecured Loan  | -                                        | -                                         | -                                                       | 4.92                                     | -                                         | -                                                       | 7.08                                     | -                                         | -                                                       |
|                       | Unsecured Loan              | 4.45                                     | 40.35                                     | (18.66)                                                 | 38.35                                    | 41.54                                     | (43.52)                                                 | 40.05                                    | 109.87                                    | (121.43)                                                |
| M/s. Titanium Venture | Purchase of Grey Cloth      | -                                        | -                                         | -                                                       | 76.10                                    | -                                         | -                                                       | -                                        | -                                         | -                                                       |
|                       | Purchase of Knitted Fabrics | -                                        | -                                         | -                                                       | -                                        | -                                         | -                                                       | 104.90                                   | -                                         | -                                                       |
|                       | Machinery Rent Expense      | -                                        | -                                         | -                                                       | -                                        | -                                         | -                                                       | -                                        | -                                         | -                                                       |



| Name           | Nature of Transaction      | Amount of Transaction Debited in 2010-11 | Amount of Transaction Credited in 2010-11 | Amount Outstanding as on 31.03.11 (Payable)/ Receivable | Amount of Transaction Debited in 2011-12 | Amount of Transaction Credited in 2011-12 | Amount Outstanding as on 31.03.12 (Payable)/ Receivable | Amount of Transaction Debited in 2012-13 | Amount of Transaction Credited in 2012-13 | Amount Outstanding as on 31.03.13 (Payable)/ Receivable |
|----------------|----------------------------|------------------------------------------|-------------------------------------------|---------------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------------------------|
|                | Machinery Sale             | -                                        | -                                         | -                                                       | -                                        | -                                         | (15.47)                                                 | -                                        | -                                         | (46.66)                                                 |
|                |                            |                                          |                                           |                                                         |                                          |                                           |                                                         |                                          |                                           |                                                         |
| Ilaben Kapadia | Interest on Unsecured Loan | 0.70                                     | -                                         | -                                                       | 4.88                                     | -                                         | -                                                       | 10.62                                    | -                                         | -                                                       |
|                | Unsecured Loan             | 53.25                                    | 140.50                                    | (87.88)                                                 | 292.24                                   | 355.72                                    | (155.59)                                                | 409.85                                   | 420.76                                    | (176.06)                                                |

| Name            | Nature of Transaction   | Amount of Transaction Debited in 2013-14 | Amount of Transaction Credited in 2013-14 | Amount Outstanding as on 31.03.14 (Payable)/ Receivable | Amount of Transaction Debited in 2014-15 | Amount of Transaction Credited in 2014-15 | Amount Outstanding as on 31.03.15 (Payable)/ Receivable | Amount of Transaction Debited upto 31.12.2015 | Amount of Transaction Credited upto 31.12.2015 | Amount Outstanding as on 31.12.15 (Payable)/ Receivable |
|-----------------|-------------------------|------------------------------------------|-------------------------------------------|---------------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------------------------|-----------------------------------------------|------------------------------------------------|---------------------------------------------------------|
| Tejus Kapadia   | Purchase of Yarn        | -                                        | -                                         | -                                                       | -                                        | -                                         | -                                                       | -                                             | -                                              | -                                                       |
|                 | Shed Rent               | -                                        | -                                         | -                                                       | -                                        | -                                         | -                                                       | -                                             | -                                              | -                                                       |
|                 | Purchase of Chemical    | -                                        | -                                         | -                                                       | -                                        | -                                         | -                                                       | -                                             | -                                              | -                                                       |
|                 | Salary                  | 4.20                                     | -                                         | 0.10                                                    | 4.20                                     | -                                         | 6.65                                                    | 3.15                                          | -                                              | 25.43                                                   |
|                 |                         |                                          |                                           |                                                         |                                          |                                           |                                                         |                                               |                                                |                                                         |
| Shalu T Kapadia | Director's Remuneration | -                                        | -                                         | -                                                       | -                                        | -                                         | -                                                       | -                                             | -                                              | -                                                       |
|                 |                         |                                          |                                           |                                                         |                                          |                                           |                                                         |                                               |                                                |                                                         |





| Name                  | Nature of Transaction       | Amount of Transaction Debited in 2013-14 | Amount of Transaction Credited in 2013-14 | Amount Outstanding as on 31.03.14 (Payable)/ Receivable | Amount of Transaction Debited in 2014-15 | Amount of Transaction Credited in 2014-15 | Amount Outstanding as on 31.03.15 (Payable)/ Receivable | Amount of Transaction Debited upto 31.12.2015 | Amount of Transaction Credited upto 31.12.2015 | Amount Outstanding as on 31.12.15 (Payable)/ Receivable |
|-----------------------|-----------------------------|------------------------------------------|-------------------------------------------|---------------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------------------------|-----------------------------------------------|------------------------------------------------|---------------------------------------------------------|
| Rohitbhai Kapadia     | Director's Remuneration     | 3.00                                     | -                                         | -                                                       | 3.00                                     | -                                         | -                                                       | 2.25                                          | -                                              | -                                                       |
|                       | Interest on Unsecured Loan  | 8.81                                     | -                                         | -                                                       | 9.37                                     | -                                         | -                                                       | 6.86                                          | -                                              | -                                                       |
|                       | Unsecured Loan              | 145.15                                   | 119.15                                    | (155.36)                                                | 141.30                                   | 98.90                                     | (124.39)                                                | 93.05                                         | 14.90                                          | (53.85)                                                 |
| M/s. Titanium Venture | Purchase of Grey Cloth      | 1,299.15                                 | -                                         | -                                                       | 966.98                                   | -                                         | 209.99                                                  | 1,532.66                                      | -                                              | -                                                       |
|                       | Purchase of Knitted Fabrics | 65.52                                    | -                                         | -                                                       | -                                        | -                                         | -                                                       | -                                             | -                                              | -                                                       |
|                       | Machinery Rent Expense      | -                                        | -                                         | -                                                       | -                                        | -                                         | -                                                       | 6.00                                          | -                                              | -                                                       |
|                       | Machinery Sale              | -                                        | -                                         | 50.67                                                   | -                                        | -                                         | -                                                       | -                                             | 29.40                                          | -                                                       |
| Ilaben Kapadia        | Interest on Unsecured Loan  | 4.93                                     | -                                         | -                                                       | 2.34                                     | -                                         | -                                                       | 7.15                                          | -                                              | -                                                       |
|                       | Unsecured Loan              | 214.00                                   | 113.00                                    | (79.50)                                                 | 118.40                                   | 129.10                                    | (92.30)                                                 | 105.35                                        | 91.00                                          | (85.10)                                                 |



# SUMMARY OF ACCOUNTING RATIOS AS RESTATED

Annexure - XXIV  
Amount (Rs. in Lakhs)

| Particulars                                                                                                       | For the year ended 31 March 2011 | For the year ended 31 March 2012 | For the year ended 31 March 2013 | For the year ended 31 March 2014 | For the year ended 31 March 2015 | For the period ended 31 December 2015 |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------------|
| Restated PAT as per P& L Account                                                                                  | 36.87                            | 47.62                            | 33.27                            | 35.77                            | 32.10                            | 14.94                                 |
| Weighted Average Number of Equity Shares at the end of the Year/Period                                            | 1,32,933                         | 1,81,535                         | 1,81,535                         | 1,81,535                         | 2,07,009                         | 2,56,039                              |
| Impact of issue of Bonus Shares before December 31, 2015                                                          | 60,122                           | 60,122                           | 60,122                           | 60,122                           | 41,969                           | -                                     |
| Impact of issue of Bonus Shares after December 31, 2015                                                           | 31,68,468                        | 31,68,468                        | 31,68,468                        | 31,68,468                        | 31,68,468                        | 31,68,468                             |
| Weighted Average Number of Equity Shares at the end of the Year/Period after adjustment for issue of bonus shares | 33,61,523                        | 34,10,125                        | 34,10,125                        | 34,10,125                        | 34,17,446                        | 34,24,507                             |
| No. of equity shares at the end of the year/period                                                                | 1,81,535                         | 1,81,535                         | 1,81,535                         | 1,81,535                         | 2,09,848                         | 2,64,039                              |
| Impact of issue of Bonus Shares before December 31, 2015                                                          | 60,122                           | 60,122                           | 60,122                           | 60,122                           | 41,969                           | -                                     |
| Impact of issue of Bonus Shares after December 31, 2015                                                           | 31,68,468                        | 31,68,468                        | 31,68,468                        | 31,68,468                        | 31,68,468                        | 31,68,468                             |
| No. of equity shares at the end of the year/period after adjustment for issue of bonus shares                     | 34,10,125                        | 34,10,125                        | 34,10,125                        | 34,10,125                        | 34,20,285                        | 34,32,507                             |
| Net Worth                                                                                                         | 267.94                           | 315.56                           | 348.82                           | 384.59                           | 436.70                           | 473.64                                |
| <b>Earnings Per Share</b>                                                                                         |                                  |                                  |                                  |                                  |                                  |                                       |
| Basic & Diluted - before bonus                                                                                    | 27.74                            | 26.23                            | 18.33                            | 19.70                            | 15.51                            | 5.84                                  |
| Basic & Diluted - after bonus                                                                                     | 1.10                             | 1.40                             | 0.98                             | 1.05                             | 0.94                             | 0.44                                  |
| <b>Return on Net Worth (%)</b>                                                                                    | 13.76%                           | 15.09%                           | 9.54%                            | 9.30%                            | 7.35%                            | 3.15%                                 |
| <b>Net Asset Value Per Share (Rs) - before bonus</b>                                                              | 147.60                           | 173.83                           | 192.15                           | 211.85                           | 208.11                           | 179.38                                |
| <b>Net Asset Value Per Share (Rs) - after bonus</b>                                                               | 7.86                             | 9.25                             | 10.23                            | 11.28                            | 12.77                            | 13.80                                 |
| Nominal Value per Equity share (Rs.)                                                                              | 10.00                            | 10.00                            | 10.00                            | 10.00                            | 10.00                            | 10.00                                 |

Notes:



1. Ratios have been calculated as below

|                                                  |                                                                                                                                                             |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basic and Diluted Earnings Per Share (EPS) (Rs.) | $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$ |
| Return on Net Worth (%)                          | $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$                                |
| Net Asset Value per equity share (Rs.)           | $\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$                       |

2. The figures for the period ended December 31, 2015 are not annualised.

3. On May 6, 2016 31,68,468 Equity shares were issued as bonus shares in the ratio of 12 Equity Shares for every 1 Equity share held.

#### CAPITALISATION STATEMENT AS AT DECEMBER 31, 2015

Annexure - XXV  
Amount (Rs. in lakhs)

| Particulars                                | Pre Issue       | Post Issue      |
|--------------------------------------------|-----------------|-----------------|
| <b>Borrowings</b>                          |                 |                 |
| Short term debt (A)                        | 2,252.71        | 2,252.71        |
| Long Term Debt (B)                         | 512.50          | 512.50          |
| <b>Total debts (C)</b>                     | <b>2,765.20</b> | <b>2,765.20</b> |
|                                            |                 |                 |
| <b>Shareholders' funds</b>                 |                 |                 |
| Equity share capital                       | 26.40           | 672.85          |
| Reserve and surplus - as restated          | 447.24          | 250.19          |
| <b>Total shareholders' funds</b>           | <b>473.64</b>   | <b>923.04</b>   |
|                                            |                 |                 |
| <b>Long term debt / shareholders funds</b> | <b>1.08</b>     | <b>0.56</b>     |
| <b>Total debt / shareholders funds</b>     | <b>5.84</b>     | <b>3.00</b>     |

#### Notes:

1. The post-Issue debt is considered to be same as pre-Issue debt.
2. The following allotments made after December 31, 2015 till date of Draft Prospectus has also been taken into consideration while calculating Post Issue Shareholders' funds:
  - 31,68,468 Equity shares were issued as bonus shares on May 6, 2016 in the ratio of 12 Equity Shares for every 1 Equity share held.
  - 14,80,000 Equity shares allotted on May 6, 2016 of face value of Rs. 10 each issued at a premium of Rs. 5 per share.
3. Based on the information provided by the management, estimated Issue Related expense of Rs. 45 lakhs has been deducted from Reserves & Surplus as shown in post issue capital.



# STATEMENT OF TAX SHELTERS AS RESTATED

Annexure – XXVI  
Amount (Rs. in Lakhs)

| Particulars                                                  | Year ended March 31, 2011 | Year ended March 31, 2012 | Year ended March 31, 2013 | Year ended March 31, 2014 | Year ended March 31, 2015 | For the period ended 31 December 2015 |
|--------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------------|
| Restated Profit before extraordinary items and tax (A)       | 48.77                     | 68.92                     | 48.16                     | 51.76                     | 42.47                     | 21.95                                 |
| Tax Rate (%)                                                 | 30.90%                    | 30.90%                    | 30.90%                    | 30.90%                    | 30.90%                    | 30.90%                                |
| Tax at notional rate on profits                              | 15.07                     | 21.30                     | 14.88                     | 15.99                     | 13.12                     | 6.78                                  |
| <b>Adjustments :</b>                                         |                           |                           |                           |                           |                           |                                       |
| <b>Permanent Differences(B)</b>                              |                           |                           |                           |                           |                           |                                       |
| Expenses disallowed under Income Tax Act, 1961               | 0.34                      | 0.14                      | 0.15                      | -                         | 4.90                      | 1.15                                  |
| <b>Total Permanent Differences(B)</b>                        | <b>0.34</b>               | <b>0.14</b>               | <b>0.15</b>               | <b>-</b>                  | <b>4.90</b>               | <b>1.15</b>                           |
| <b>Income considered separately (C)</b>                      | <b>0.65</b>               | <b>0.68</b>               | <b>-</b>                  | <b>0.51</b>               | <b>-</b>                  | <b>-</b>                              |
| <b>Total Income considered separately (C)</b>                | <b>0.65</b>               | <b>0.68</b>               | <b>-</b>                  | <b>0.51</b>               | <b>-</b>                  | <b>-</b>                              |
| <b>Timing Differences (D)</b>                                |                           |                           |                           |                           |                           |                                       |
| Difference between tax depreciation and book depreciation    | 1.77                      | (0.33)                    | 3.23                      | 0.33                      | 4.38                      | (0.75)                                |
| Difference due to any other items of addition u/s 28 to 44DA | 0.41                      | 0.71                      | 1.04                      | 0.95                      | 1.95                      | 1.10                                  |
| <b>Total Timing Differences (D)</b>                          | <b>2.18</b>               | <b>0.38</b>               | <b>4.27</b>               | <b>1.28</b>               | <b>6.33</b>               | <b>0.35</b>                           |
| <b>Net Adjustments E = (B+D)</b>                             | <b>1.86</b>               | <b>(0.16)</b>             | <b>4.42</b>               | <b>0.77</b>               | <b>11.23</b>              | <b>1.50</b>                           |
| <b>Tax expense / (saving) thereon</b>                        | <b>0.58</b>               | <b>(0.05)</b>             | <b>1.37</b>               | <b>0.24</b>               | <b>3.47</b>               | <b>0.46</b>                           |
| <b>Income from Other Sources (F)</b>                         | <b>0.65</b>               | <b>0.68</b>               | <b>-</b>                  | <b>0.51</b>               | <b>-</b>                  | <b>-</b>                              |
| <b>Loss of P.Y. Brought Forward &amp; Adjusted(G)</b>        | <b>-</b>                  | <b>-</b>                  |                           |                           | <b>-</b>                  | <b>-</b>                              |
| <b>Taxable Income/(Loss) (A+E+F+G)</b>                       | <b>51.29</b>              | <b>69.44</b>              | <b>52.58</b>              | <b>53.04</b>              | <b>53.70</b>              | <b>23.44</b>                          |
| <b>Taxable Income/(Loss) as per MAT</b>                      | <b>48.77</b>              | <b>68.92</b>              | <b>48.16</b>              | <b>51.76</b>              | <b>42.47</b>              | <b>22.51</b>                          |
| <b>Tax as per MAT</b>                                        | <b>9.04</b>               | <b>13.13</b>              | <b>9.18</b>               | <b>9.86</b>               | <b>8.09</b>               | <b>4.29</b>                           |
| <b>Tax as per Normal Calculation</b>                         | <b>15.85</b>              | <b>21.46</b>              | <b>16.25</b>              | <b>16.39</b>              | <b>16.59</b>              | <b>7.24</b>                           |
| <b>MAT credit entitlement</b>                                | <b>3.24</b>               | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                              |
| <b>Tax paid</b>                                              | <b>12.61</b>              | <b>18.22</b>              | <b>16.25</b>              | <b>16.39</b>              | <b>16.59</b>              | <b>7.24</b>                           |
| Tax paid as per normal or MAT                                | Normal                    | Normal                    | Normal                    | Normal                    | Normal                    | Normal                                |



## RECONCILIATION OF RESTATED PROFITS

Annexure – XXVII

*Amount (Rs. in Lakhs)*

The reconciliation of Profit after tax as per audited results and the Profit after Tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited annual accounts for the respective years and its impact on the profit & loss of the company

| Adjustments for                                                  | 2010-11      | 2011-12      | 2012-13      | 2013-14      | 2014-15      | up to Dec. 2015 |
|------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| Net profit/(Loss) after Tax as per Audited Profit & Loss Account | 37.12        | 48.01        | 33.95        | 36.30        | 32.31        | 11.06           |
| <b>Adjustments for:</b>                                          |              |              |              |              |              |                 |
| Prior period expenses adjusted (Preliminary)                     | 0.12         | 0.12         | 0.12         | -            | -            | -               |
| Deferred Tax Liability / Asset Adjustment                        | 0.16         | 0.26         | 0.36         | 0.29         | 1.72         | (1.54)          |
| Increase in expenses                                             | (0.53)       | (0.83)       | (1.16)       | (0.95)       | (1.95)       | 5.42            |
| Taxes adjusted in current period                                 | -            | 0.06         | -            | 0.12         | 0.02         | -               |
| <b>Net Profit/ (Loss) After Tax as Restated</b>                  | <b>36.87</b> | <b>47.62</b> | <b>33.27</b> | <b>35.77</b> | <b>32.10</b> | <b>14.94</b>    |

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years/ period.**

### **Adjustments having impact on Profit**

- Preliminary expenses has been considered as written off in the year in which it was incurred.
- There is change in deferred tax (liability)/ asset as per audited financial statements and as per restated statements as the deferred tax is calculated on timing difference for depreciation and expense disallowed under IT Act, 1961.
- There was no provision for gratuity in audited financial statement which is now made in restated financial statements.
- Income tax has been adjusted based on restated profits and as per return of income filed for respective years.

### **Adjustments having no impact on Profit:**

#### **Material Regrouping**

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 SEBI (ICDR) Regulations, 2009.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the financial period ended December 2015 and for the financial years ended March 2015, 2014, 2013, 2012 and 2011 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Statements*" on page 194 of this Draft Prospectus.

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

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" on pages 17 and 16 respectively, of this Draft Prospectus beginning respectively.

Our Company was incorporated on September 18, 2008 and has completed about seven years since incorporation. The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the financial period ended December 2015 and for the financial years ended March 2015, 2014, 2013, 2012 and 2011.

### OVERVIEW

Incorporated in 2008, our Company 'Titanium Ten Enterprise Limited' is engaged in trading of yarn, grey cloth and manufacturing and trading of knitted fabrics. We also undertake job work of yarn and fabrics in our own capacity or on outsource basis. The registered office of our Company is situated at Shop No. 901/914, Rajhans Complex, 9th Floor, Ring Road, Surat, Gujarat- 395002 and the manufacturing plant is situated at Plot No. 660/A, 660/B and 660/C, Village Palsana, District Surat, Gujarat.

Our Company is promoted by Rohitkumar Kapadia and Ilaben Kapadia. Being engaged in the textile industry since last four decades, our Promoter Rohitkumar Kapadia has been the pioneer of the Company's business ideology and growth strategies. The Company's operations are backed by the inventive initiatives and textile knowledge of Tejus Kapadia, the CEO of our Company. Within a short span of time, our Company has created a steady position for itself in the Surat textile market and has been able to generate turnover of around Rs. 100 Crores during the past few years of operations.

Our sales model is divided into 2 parts i.e. i) trading of yarn and grey cloth and ii) supply of knitted fabrics. For the year ended March 31, 2015, our trading and manufacturing operations constituted 85.49% and 14.51% respectively of our total revenue from operations. Our trading operations cater to customers from both domestic and international markets. Our traded materials are mostly used in the process of weaving and knitting of fabrics which is then used for apparels such as sarees, shirtings, suitings, and upholstery such as curtains, etc. For our manufacturing operations, we have a plant set up at Surat which is considered as "The Textile Hub of The Nation". Spread over 2,853.12 square meters, our manufacturing facility is well equipped with requisite plant and machinery such as Warping and Knitting machines. At present we have an installed production capacity of more than 6,00,000 kgs p.a. for knitted fabrics. Our manufacturing process mainly consists of blending and knitting of yarn into beams of cloth





which is then converted to fabric. We use different qualities of yarn as raw material of which Bi-Shrinkage Yarn (BSY) and Cationic Yarn are imported and others such as Filament Yarn, Bright Yarn, Nylon Mono Yarn, etc are procured locally. We also undertake jobwork activities to customise the products to suit the clients' requirements.

Customer satisfaction has been one of the key strengths of our Company. Our management and team has enables us to maintain continuing customer relations, ensuring repeat order flows. Similarly we have developed strong bonds with our suppliers. We are the only authorised representative for sales of yarns in Surat. of PT. Asia Pacific Fibers Tbk., a well-known Indonesian yarn manufacturing Company.

We aim to satisfy the needs of customers and give them value for their money by ensuring quality and a wide variety of products accompanied by technology development, involvement of our management team and dedication of our employees. We also desire to expand our business operations on PAN India basis.

Despite the severe competition and slowdown in economy, our Company has been able to maintain a consistent turnover. For the nine months ended as on December 31, 2015, our Company's Total Income and Restated Profit After Tax was Rs. 6,557.45 Lakhs and Rs. 14.94 Lakhs, respectively. For the year ended March 31, 2015, our Company's Total Income and Restated Profit After Tax was Rs. 10,505.09 Lakhs and Rs. 32.10 Lakhs respectively, compared to our Company's Total Income and Restated Profit After Tax of Rs. 10,460.15 Lakhs and Rs. 35.77 Lakhs respectively, over previous year ended i.e. March 31, 2014.

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD**

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

1. The Board of Directors appointed Nidhi Joshi and Dhiren Rasiklal Shah as additional Independent Director of our Company in the Board of Directors meeting held on May 5, 2016.
2. The shareholders approved the conversion of Company in the extra-ordinary general meeting held on May 6, 2016 from "Titanium Ten Enterprise Private Limited" to "Titanium Ten Enterprise Limited".
3. The shareholders approved the name change in the extra-ordinary general meeting held on May 6, 2016 from "Titanium Ten Enterprise Limited" to "Titaanium Ten Enterprise Limited". Our Company has applied for change of name to "Titaanium Ten Enterprise Limited" and is awaiting a fresh certificate of incorporation Consequent upon change of name.
4. Appointment of Registrar and Peer Reviewed Auditor viz Bigshare Services Private Limited and M/s Bipinchandra J. Modi & Co., respectively for the purpose of Initial Public Issue.
5. The shareholders approved the proposal to Issue Bonus shares in the ratio of twelve equity shares for every one equity share held and also increase in authorized capital from Rs. 30,00,000 to Rs. 8,00,00,000 divided into 80,00,000 equity shares (Eight lakhs only) of Rs. 10/- per share in the extra-ordinary meeting held on May 6, 2016.
6. The shareholders approved the proposal of conversion of loan into equity shares and issue 14,80,000 equity shares of Rs. 10/- each at a premium of Rs. 5/- each in the extra-ordinary meeting held on May 6, 2016.
7. The shareholders approved and passed resolution on May 30, 2016 to authorize the Board of Directors to raise funds by making Initial Public Offering.
8. The Board of Directors appointed Tejus Kapadia as Chief Executive Officer of our Company in the Board of Directors meeting held on May 6, 2016.



9. The Board of Directors appointed Minesh Shah as Chief Financial Officer of our Company in the Board of Directors meeting held on May 6, 2016.
10. The shareholders appointed Rohitkumar Kapadia as Whole Time Director in their extra-ordinary meeting held on May 30, 2016.
11. The Board designated Ilaben Kapadia as Non- Executive Director in their board meeting held on May 6, 2016.
12. The Board of Directors appointed Pashmina Chevli as Company Secretary and Compliance Officer of the Company (w.e.f June 1, 2016) in their meeting held on May 7, 2016.

## 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 Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Risk of duplication of our products
- Brand image
- Supply and availability of raw material
- Competition and price cutting from existing and new entrants
- Development of textile sector
- Credit availability
- Technological changes
- Rate of interest policies
- Economic and Demographic conditions

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for the financial period ended December 2015 and for the financial years ended March 2015, 2014 and 2013.

### OVERVIEW OF REVENUE & EXPENDITURE

#### Revenues

##### *Income from operations:*

Our principal component of income is from sales of yarn, grey cloth and knitted fabrics. Our Company is engaged in trading of yarn and grey cloth, manufacture of knitted fabrics. We also undertake and outsource job work of yarn and fabrics.

##### *Other Income:*

Our other income mainly includes interest income from fixed deposits.

*Amount (Rs. In Lakhs)*

| Particulars                                           | Till March 31,  |                  |                  | December 30, 2015 |
|-------------------------------------------------------|-----------------|------------------|------------------|-------------------|
|                                                       | 2013            | 2014             | 2015             |                   |
| <b>Income</b>                                         |                 |                  |                  |                   |
| Revenue from Operations (after deducting excise duty) | 9,586.25        | 10,426.78        | 10,471.50        | 6,533.21          |
| As a % of Total Revenue                               | 99.71%          | 99.68%           | 99.68%           | 99.63%            |
| <b>Other Income</b>                                   | 27.48           | 33.36            | 33.60            | 24.24             |
| As a % of Total Revenue                               | 0.29%           | 0.32%            | 0.32%            | 0.37%             |
| <b>Total Revenue</b>                                  | <b>9,613.73</b> | <b>10,460.15</b> | <b>10,505.09</b> | <b>6,557.45</b>   |



## Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of materials consumed and changes in inventories of finished goods and WIP, finance cost, employee benefit expenses, depreciation and other expenses.

### Direct Expenditure

Our direct expenditure includes cost of materials consumed and changes in inventories of finished goods and WIP. The cost of materials comprises costs of raw material such as filament yarn, grey cloth and knitted fabrics.

### Employee benefits expense

Our employee benefits expense primarily comprise of director's remuneration, salaries and wages expenses, labour charges, gratuity expenses amongst others.

### Finance Costs

Our finance costs include interest on term loan, cash credit facility bank charges and commission, loan processing fees, etc.

### Depreciation

Depreciation includes depreciation on tangible assets like building, plant and machinery, vehicles, etc.

### Other Expenses

Other expenses include operating expenses like job work expenses, factory expenses, power and fuel expenses, machinery repairs and milling expenses and machinery rent expenses. Other expenses also includes administrative expenses like advertisement and sales promotion expenses, auditors' remuneration, brokerage and commission expenses, clearing, forwarding and export expenses, insurance expenses, legal and professional fees, conveyance and travelling expenses, VAT expenses etc.

### Statement of profits and loss

The following table sets forth, for the fiscal period/years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

| Particulars                                                      | For the Year Ended March 31, |                  |                  | December        |
|------------------------------------------------------------------|------------------------------|------------------|------------------|-----------------|
|                                                                  | 2013                         | 2014             | 2015             | 30, 2015        |
| <b>INCOME</b>                                                    |                              |                  |                  |                 |
| Revenue from Operations                                          | 9,586.25                     | 10,426.78        | 10,471.50        | 6,533.21        |
| As a % of Total Revenue                                          | 99.71%                       | 99.68%           | 99.68%           | 99.63%          |
| Other Income                                                     | 27.48                        | 33.36            | 33.60            | 24.24           |
| As a % of Total Revenue                                          | 0.29%                        | 0.32%            | 0.32%            | 0.37%           |
| <b>Total Revenue (A)</b>                                         | <b>9,613.73</b>              | <b>10,460.15</b> | <b>10,505.09</b> | <b>6,557.45</b> |
| <b>Growth %</b>                                                  | <b>(7.72%)</b>               | <b>8.80%</b>     | <b>0.43%</b>     | <b>(37.58%)</b> |
| <b>EXPENDITURE</b>                                               |                              |                  |                  |                 |
| Cost of Material Consumed                                        | 8,540.00                     | 9,786.26         | 9,806.90         | 6,218.35        |
| As a % of Total Revenue                                          | 88.83%                       | 93.56%           | 93.35%           | 94.83%          |
| Changes in Inventories of finished goods, WIP and stock in Trade | 396.28                       | 38.06            | 55.67            | (173.77)        |
| As a % of Total Revenue                                          | 4.12%                        | 0.36%            | 0.53%            | (2.65)%         |
| Employee benefit Expenses                                        | 70.08                        | 89.17            | 105.22           | 85.03           |



| Particulars                                                  | For the Year Ended March 31, |                  |                  | December 30, 2015 |
|--------------------------------------------------------------|------------------------------|------------------|------------------|-------------------|
|                                                              | 2013                         | 2014             | 2015             |                   |
| As a % of Total Revenue                                      | 0.73%                        | 0.85%            | 1.00%            | 1.30%             |
| Finance costs                                                | 221.53                       | 217.54           | 227.80           | 188.85            |
| As a % of Total Revenue                                      | 2.30%                        | 2.08%            | 2.17%            | 2.88%             |
| Depreciation expense                                         | 62.37                        | 62.66            | 64.76            | 65.10             |
| As a % of Total Revenue                                      | 0.65%                        | 0.60%            | 0.62%            | 0.99%             |
| Other Expenses                                               | 275.31                       | 214.70           | 202.28           | 151.93            |
| As a % of Total Revenue                                      | 2.86%                        | 2.05%            | 1.93%            | 2.32%             |
| <b>Total Expenses (B)</b>                                    | <b>9,565.57</b>              | <b>10,408.39</b> | <b>10,462.63</b> | <b>6,535.50</b>   |
| As a % of Total Revenue                                      | 99.50%                       | 99.51%           | 99.60%           | 99.67%            |
| <b>Profit before exceptional extraordinary items and tax</b> | <b>48.16</b>                 | <b>51.76</b>     | <b>42.47</b>     | <b>21.95</b>      |
| As a % of Total Revenue                                      | 0.50%                        | 0.49%            | 0.40%            | 0.33%             |
| Exceptional items                                            | -                            | -                | -                | -                 |
| <b>Profit before extraordinary items and tax</b>             | <b>48.16</b>                 | <b>51.76</b>     | <b>42.47</b>     | <b>21.95</b>      |
| As a % of Total Revenue                                      | 0.50%                        | 0.49%            | 0.40%            | 0.33%             |
| Extraordinary items                                          | -                            | -                | (3.15)           | -                 |
| <b>Profit before tax</b>                                     | <b>48.16</b>                 | <b>51.76</b>     | <b>45.62</b>     | <b>21.95</b>      |
| <b>PBT Margin</b>                                            | <b>0.50%</b>                 | <b>0.49%</b>     | <b>0.43%</b>     | <b>0.33%</b>      |
| Tax expense :                                                |                              |                  |                  |                   |
| (i) Current tax                                              | 16.25                        | 16.39            | 16.59            | 7.24              |
| (ii) Deferred tax                                            | (1.36)                       | (0.40)           | (3.07)           | (0.24)            |
| <b>Total Tax Expense</b>                                     | <b>14.89</b>                 | <b>15.99</b>     | <b>13.52</b>     | <b>7.01</b>       |
| Profit for the year/ period                                  | <b>33.27</b>                 | <b>35.77</b>     | <b>32.10</b>     | <b>14.94</b>      |
| <b>PAT Margin %</b>                                          | <b>0.35%</b>                 | <b>0.34%</b>     | <b>0.31%</b>     | <b>0.23%</b>      |

## REVIEW OF NINE MONTHS ENDED DECEMBER 31, 2015

### INCOME

#### *Income from Operations*

Our income from operations was Rs. 6,533.21 lakhs which is about 99.63% of our total revenue for the period of nine months ended on December 31, 2015 and includes sales of yarn, grey cloth and knitted fabrics

#### *Other Income*

Our other income was Rs. 24.24 lakhs which includes interest on fixed deposit placed with bank.

### EXPENDITURE

#### *Direct Expenditure*

Our direct expenditure was Rs. 6,044.58 lakhs which is 92.18% of our total revenue for the period of nine months ended December 31, 2015 .The direct material expenditure includes cost of materials consumed and changes in inventories of finished goods and work in progress.

#### *Employee Benefits Expenses*

Our employee benefits expenses were Rs. 85.03 lakhs which was 1.30% of our total revenue for the period of nine months ended December 31, 2015 and comprised of salary, labour expense, wages, director's remuneration, gratuity provision, etc.



### **Finance Cost**

Our finance cost was Rs. 188.85 lakhs which is 2.88% of our total revenue for the period of nine months ended December 31, 2015 and primarily includes interest on loans, bank charges and commission, loan processing charges, etc.

### **Depreciation**

Depreciation expenses were Rs. 65.10 lakhs which is 0.99% of our total revenue for the period of nine months ended December 31, 2015.

### **Other Expenses**

Our other expenses were Rs. 151.93 lakhs which is 2.32% of our total revenue for the period of nine months ended December 31, 2015. Other expenses include operating expenses like job work expenses, factory expenses, power and fuel expenses, machinery repairs and milling expenses and machinery rent expenses. Other expenses also includes administrative expenses like advertisement and sales promotion expenses, auditors' remuneration, brokerage and commission expenses, clearing, forwarding and export expenses, insurance expenses, legal and professional fees, conveyance and travelling expenses, VAT expenses etc.

### **Profit Before Tax**

Our Profit Before Tax was Rs. 21.95 lakhs which is 0.33% of our total revenue for the period of nine months ended December 31, 2015.

### **Net Profit**

Our Net Profit After Tax was Rs. 14.94 lakhs which is 0.23% of our total revenue for the period of nine months ended December 31, 2015.

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2015 WITH FINANCIAL YEAR ENDED MARCH 31, 2014

### **INCOME**

#### **Income from Operations**

(Rs. In lakhs)

|                  | 2013-2014 | 2014-2015 | Variance in % |
|------------------|-----------|-----------|---------------|
| Operating Income | 10,426.78 | 10,471.50 | 0.43          |

The operating income of the Company for the year ending March 31, 2015 is Rs. 10,471.50 lakhs as compared to Rs. 10,426.78 lakhs for the year ending March 31, 2014, showing an increase of 0.43%. Our income from job declined during Fiscal 2015 to Rs. 2.40 lakhs from 74.68 lakhs during Fiscal 2014.

#### **Other Income**

Our other income increased by 0.70% from Rs. 33.36 lakhs to Rs. 33.60 lakhs. This was due to higher interest income received.

### **EXPENDITURE**

#### **Direct Expenditure**

(Rs. In lakhs)

| Particulars                                                      | 2013-2014       | 2014-2015       | Variance in % |
|------------------------------------------------------------------|-----------------|-----------------|---------------|
| Cost of materials consumed                                       | 9,786.26        | 9,806.90        | 0.21%         |
| Changes in Inventories of finished goods, WIP and stock in Trade | 38.06           | 55.67           | 46.25%        |
| <b>Total</b>                                                     | <b>9,824.32</b> | <b>9,862.57</b> | <b>46.46%</b> |

Our direct expenditure has increased from Rs. 9,824.32 lakhs in Financial Year 2013-2014 to Rs. 9,862.57 lakhs in Financial Year 2014-2015 showing an increase of 0.39% over the previous year.



## Administrative and Employee Costs

(Rs. In lakhs)

| Particulars               | 2013-2014 | 2014-2015 | Variance in % |
|---------------------------|-----------|-----------|---------------|
| Employee Benefit Expenses | 89.17     | 105.22    | 18%           |
| Other Expenses            | 214.70    | 202.28    | (5.78)%       |

There is an increase in employee benefit expenses from Rs. 89.17 lakhs in financial year 2013-14 to Rs. 105.22 lakhs in financial year 2014-15 which is due to increase salary levels and gratuity expenses.

Our other expenses decreased by 5.78% from Rs. 214.70 lakhs in financial year 2013-14 to Rs. 202.28 lakhs in financial year 2014-15. The decrease is primarily due to decrease in job work expenses.

## Finance Charges

Our finance charges have increased from Rs. 217.54 lakhs in financial year 2013-14 to Rs. 227.8 lakhs in financial year 2014-15. This shows an increase of 4.71% compared to last financial year. This marginal increase was due to increase in loan processing charges and bank charges and commission.

## Depreciation

Depreciation expenses for the Financial Year 2014-2015 have increased to Rs. 64.76 lakhs as compared to Rs. 62.66 lakhs for the Financial Year 2013-2014 showing an increase of 3.36%. The increase in depreciation was majorly due to addition of new machineries.

## Profit Before Tax

(Rs. In lakhs)

| Particulars       | 2013-2014 | 2014-2015 | Variance in % |
|-------------------|-----------|-----------|---------------|
| Profit Before Tax | 51.76     | 42.47     | (17.95)%      |

Profit before tax decreased by 17.95% from Rs. 51.76 lakhs in financial year 2013-14 to Rs. 42.47 lakhs in financial year 2014-15. The decrease in profits was primarily due to increase in our operating expenses.

## Provision for Tax and Net Profit

(Rs. In lakhs)

| Particulars       | 2013-2014 | 2014-2015 | Variance in % |
|-------------------|-----------|-----------|---------------|
| Taxation Expenses | 15.99     | 13.52     | (15.45)%      |
| Profit after Tax  | 35.77     | 32.10     | (10.26)%      |

Our profit after tax decreased by 10.26% from Rs. 35.77 lakhs in financial year 2013-14 to Rs.32.10 lakhs in financial year 2014-15 increased operating costs and marginal increase in operating income

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2014 WITH FINANCIAL YEAR ENDED MARCH 31, 2013

### INCOME

#### Revenue from Operations

(Rs. in lakhs)

| Particulars      | 2012-2013 | 2013-2014 | Variance in % |
|------------------|-----------|-----------|---------------|
| Operating Income | 9,586.25  | 10,426.78 | 8.77%         |

The operating income of the Company for the financial year 2013-2014 was Rs. 10,426.78 lakhs as compared to Rs. 9,586.25 lakhs for the financial year 2012-2013 showing an increase of 8.77%. The increase was due to increase in our business operations.

#### Other Income

Other Income of the Company for the financial year 2012-2013 was Rs. 27.48 lakhs which increased by 21.40% to Rs. 33.36 lakhs during the financial year 2013-14 due to higher interest income from fixed deposits placed with banks and receipt of interest on income tax refund.





## EXPENDITURE

### Direct Expenditure

(Rs. in lakhs)

| Particulars                                                      | 2012-2013       | 2013-2014       | Variance in % |
|------------------------------------------------------------------|-----------------|-----------------|---------------|
| Cost of materials consumed                                       | 8,540.00        | 9,786.26        | 14.59%        |
| Changes in Inventories of finished goods, WIP and stock in Trade | 396.28          | 38.06           | (90.40)%      |
| <b>Total</b>                                                     | <b>8,936.28</b> | <b>9,824.32</b> | <b>9.94%</b>  |

The direct expenditure increased from Rs. 8,936.28 lakhs in financial year 2012-13 to Rs. 9,824.32 lakhs in financial year 2013-14 showing an increase of 9.94% over the previous year. Though our cost of materials consumed increased by 14.59% however, there was significant decline in our inventories due to discontinuation of diamond trading carried out by Company in Fiscal 2014.

### Administrative and Employee Costs

(Rs. in lakhs)

| Particulars               | 2012-2013 | 2013-2014 | Variance in % |
|---------------------------|-----------|-----------|---------------|
| Employee Benefit Expenses | 70.08     | 89.17     | 27.25%        |
| Other expenses            | 275.31    | 214.70    | (22.02)%      |

Employee Benefit Expenses in financial year 2013-2014 have increased by 27.25% to Rs. 89.17 lakhs as against Rs. 70.08 lakhs in financial year 2012-2013. The increase was due to increase in salaries and wages and number of employees

Other expenses decreased from Rs. 275.31 lakhs in financial year 2012-13 to Rs. 214.78 lakhs in financial year 2013-14 showing decrease of 22.02% over the previous financial year. This decrease was due to decrease in job work expenses.

### Finance Charges

The finance charges for the Financial Year 2013-2014 decreased to Rs. 217.54 lakhs from Rs. 221.53 lakhs during the financial year 2012-13 due to decrease in loan processing charges.

### Depreciation

Depreciation for the year financial year 2013-14 has increased to Rs. 62.66 lakhs as compared to Rs. 62.37 lakhs for the period 2012-13 due to increase in tangible assets.

### Profit Before Tax

(Rs. in lakhs)

| Particulars       | 2012-2013 | 2013-2014 | Variance in % |
|-------------------|-----------|-----------|---------------|
| Profit Before Tax | 48.16     | 51.76     | 7.48%         |

The Profit before Tax has increased to Rs. 51.76 lakhs in Financial Year 2013-14 from Rs. 48.16 lakhs in Financial Year 2012-2013 showing an increase of 7.48%. This increase is in line with the increase in our operations.

### Provision for Tax and Net Profit

(Rs. in lakhs)

| Particulars       | 2012-2013 | 2013-2014 | Variance in % |
|-------------------|-----------|-----------|---------------|
| Taxation Expenses | 14.90     | 15.99     | 7.41%         |
| Profit after Tax  | 33.27     | 35.77     | 7.51%         |

Profit after tax increased to Rs. 35.77 lakhs in the financial year 2013-14 as compared to Rs. 33.27 lakhs in the financial year 2012-13.



## OTHER MATTERS

### 1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled “*Risk Factors*” beginning on page 17 of this Draft Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the section titled “*Risk Factors*” beginning on page 17 of this Draft Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### 4. Future relationship between Costs and Income

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies, prices of raw material and development in power sector.

### 5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

### 6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in textile industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 108 of this Draft Prospectus.

### 7. Status of any publicly announced new products/projects or business segments

Our Company has not announced any new projects or business segments, other than disclosed in the Draft Prospectus.

### 8. The extent to which the business is seasonal

Our Company business is not seasonal in nature.

### 9. Any significant dependence on a single or few suppliers or customers

The % of Contribution of our Company’s customer and supplier vis a vis the gross revenue from operations and raw materials/ finished goods (gross of returns) cost respectively as March 31, 2015 is as follows:

|            | Customers | Suppliers |
|------------|-----------|-----------|
| Top 5 (%)  | 28%       | 49%       |
| Top 10 (%) | 42%       | 65%       |

### 10. Competitive Conditions

We face competition from existing and potential organized and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Our Business*” beginning on page 137 of this Draft Prospectus.

## CHANGES IN ACCOUNTING POLICIES IN LAST THREE YEARS

There is no change in accounting policy in the last 3 years. For further details, please refer to chapter titled “*Financial Statements as Restated*” beginning on Page 194 of this Draft Prospectus.



## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's borrowings together with a brief description of certain significant terms of such financing arrangements.

### SECURED LOAN

#### 1. Loan of Rs. 72 Lakhs From Kotak Mahindra Bank Limited

| Facility                                   | Loan Against Property                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amount                                     | Rs. 72.00 Lakhs                                                                                                                                                                                                                                                                                                                                                 |
| Tenure                                     | Equated Monthly Installment (EMI) of Rs. 101229/- for 120 Months and last EMI of Rs. 7579/-                                                                                                                                                                                                                                                                     |
| Rate of Interest                           | 11.25%                                                                                                                                                                                                                                                                                                                                                          |
| Security                                   | Immovable Property bearing Shop No. 901 & 914 admeasuring area about 1855 sq feet i.e 172.33 sq meters built up area and admeasuring and 120.63 Sq Feet carpet area along with undivided share admeasuring 19.17.34 in the scheme known as Rajhans Complex on the land bearing city survey no. 1420-A and 1420-B of ward no. 2 (Sagrampura) of Ring Road, Surat |
| Guarantors                                 | Tejus Kapadia                                                                                                                                                                                                                                                                                                                                                   |
| Outstanding amount as on December 31, 2015 | Rs. 70.37 lakhs                                                                                                                                                                                                                                                                                                                                                 |

#### 2. Loan of Rs. 2,740.00 Lakhs sanctioned by The South Indian Bank

##### A. Fund Based facilities

| Nature of Facility | CCOL                                                                                                                                                                                                                                                    | Term Loan - I                    | Term Loan – II | Term Loan – III | Term Loan – IV                                                                                           |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------|-----------------|----------------------------------------------------------------------------------------------------------|
| Limit              | 900.00                                                                                                                                                                                                                                                  | 82.00                            | 97.00          | 62.00           | 199.00                                                                                                   |
| Purpose            | Working Capital                                                                                                                                                                                                                                         | Term Loan                        | Term Loan      | Term Loan       | To acquire / Import the following machinery:<br>• High Speed Knitting machine(used)<br>• Warping Machine |
| Interest           | 12.40%                                                                                                                                                                                                                                                  | 12.75%                           | 12.75%         | 12.75%          | 12.75%                                                                                                   |
| Tenor              | 12 Months                                                                                                                                                                                                                                               | 60 Months from stipulated period |                |                 |                                                                                                          |
| Security           | <b><u>Primary</u></b><br>Hypothecation of entire current assets of the company                                                                                                                                                                          |                                  |                |                 |                                                                                                          |
|                    | <b><u>Collateral</u></b><br>Residential building of plot no 28 admeasuring 400 sq yard situated on the land bearing RS no 12, paiki 25,part 2 and 20/1/1-A, 23/1 -2, TPS No. 28, FP No 124 to 126, Plot no. 28, Nehru Nagar Co.op. Society, Umra, Surat |                                  |                |                 |                                                                                                          |
|                    | Industrial Property of Plot No. 660/A, 660/B & 660/C admeasuring about 1053.14 sq.mtrs situated on the land bearing block no. 660 of Village Palsana, Taluka Palsana, Dist Surat                                                                        |                                  |                |                 |                                                                                                          |
|                    | Commercial Shop no. 1005 admeasuring about 306 sq feet situated at ground floor of Krishna Textile Market, constructed on the land bearing Rev Survey No 91, T.P, Scheme No 8, F.P No. 135 city survey no 2018 at                                       |                                  |                |                 |                                                                                                          |



| Nature of Facility                         | CCOL                                                                                                                                                                                                                | Term Loan - I | Term Loan – II | Term Loan – III | Term Loan – IV |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|-----------------|----------------|
|                                            | Umarwada, Surat, Taluka : Choryasi, Dist Surat.                                                                                                                                                                     |               |                |                 |                |
|                                            | Residential plot no. 29 admeasuring about 334.44 sq.mt siatuated on the land bearing on the Revenue RS. No 12 piaki part 2 & 20/1-A, 23/1-2, 24/1-2, TPS No.28, FB No 124 to 126, Nehru Nagar Co.op Society, Surat. |               |                |                 |                |
|                                            | LIC Policies                                                                                                                                                                                                        |               |                |                 |                |
|                                            | Name of Policy Holder                                                                                                                                                                                               |               | Policy No      |                 |                |
|                                            | Rohitkumar Kapadia                                                                                                                                                                                                  |               | 860513890      |                 |                |
|                                            |                                                                                                                                                                                                                     |               | 860513418      |                 |                |
|                                            |                                                                                                                                                                                                                     |               | 860513891      |                 |                |
|                                            | Shalu Kapadia                                                                                                                                                                                                       |               | 863065990      |                 |                |
|                                            |                                                                                                                                                                                                                     |               | 860903040      |                 |                |
|                                            |                                                                                                                                                                                                                     |               | 860902357      |                 |                |
| Tejus Kapadia                              |                                                                                                                                                                                                                     | 860513345     |                |                 |                |
|                                            |                                                                                                                                                                                                                     | 860513347     |                |                 |                |
|                                            |                                                                                                                                                                                                                     | 860513346     |                |                 |                |
|                                            |                                                                                                                                                                                                                     | 860501675     |                |                 |                |
|                                            |                                                                                                                                                                                                                     | 860541991     |                |                 |                |
|                                            |                                                                                                                                                                                                                     | 860542950     |                |                 |                |
|                                            |                                                                                                                                                                                                                     | 860541903     |                |                 |                |
|                                            | Fixed Deposits                                                                                                                                                                                                      |               |                |                 |                |
|                                            | Fixed Deposits in the name of Company and its directors, family members – Rs. 50.60 Lakhs                                                                                                                           |               |                |                 |                |
| Guarantors                                 | <ul style="list-style-type: none"><li>• Rohitkumar Kapadia</li><li>• Shalu Kapadia</li><li>• Tejus Kapadia</li><li>• Ilaben Kapadia</li></ul>                                                                       |               |                |                 |                |
| Outstanding amount as on December 31, 2015 | Rs. 228.49 Lakhs                                                                                                                                                                                                    |               |                |                 |                |

### Key terms and Conditions:

Company should submit undertaking that:

1. They will not resort to trading in real estate by the finance availed from our bank and that they are agreeable to the bank exercising its right to withhold or withdraw the facility if found so and to charge a higher rate of interest than the existing rate on the balance outstanding
2. Any changes in the management / constitution, takeovers/ mergers etc shall be done only with prior permission of the bank and any expansion, new project / investment / acquiring assets under lease / enter into borrowing arrangements will be done with prior consent of the bank.
3. Loans & advances received from close relatives / friends/ directors / promoters will be retained in the business during the subsistence of the credit facility.

### B. Non-Fund Based / BP / DC / UBD / FBP Facilities

| Nature of Facility   | Import LC / Letter of Comfort / Inland LC                          |
|----------------------|--------------------------------------------------------------------|
| Limit                | Rs. 1,400 Lakhs                                                    |
| Purpose              | Working Capital                                                    |
| Primary Security     | Hypothecation of goods / receivable covered under Letter of Credit |
| Usance period for LC | Upto 180 days                                                      |



### Forward Contract Limit

| Nature of Facility | Forward Contract Limit |
|--------------------|------------------------|
| Limit              | Rs. 300 Lakhs          |
| Purpose            | To hedge exchange risk |

### 3. Loan of Rs. 8.05 Lakhs From Kotak Mahindra Prime Limited

| Facility                                   | Car Loan                                                                          |
|--------------------------------------------|-----------------------------------------------------------------------------------|
| Amount                                     | Rs. 8.05 Lakhs                                                                    |
| Tenure                                     | EMI of Rs. 25,980 /- every month for a period of 36 months from stipulated period |
| Rate of Interest                           | 9%                                                                                |
| Security                                   | Secured by hypothecation of Vehicle under Hire Purchase                           |
| Outstanding amount as on December 31, 2015 | Rs. 6.03 lakhs                                                                    |

### 4. Loan of Rs. 29.50 Lakhs From Kotak Mahindra Prime Limited *vide* their letter dated March 04, 2016

| Facility                                   | Car Loan                                                                         |
|--------------------------------------------|----------------------------------------------------------------------------------|
| Amount                                     | Rs. 29.50 Lakhs                                                                  |
| Tenure                                     | EMI of Rs.61,500 /- every month for a period of 60 months from stipulated period |
| Rate of Interest                           | 9.18%                                                                            |
| Security                                   | Secured by hypothecation of Vehicle under Hire Purchase                          |
| Outstanding amount as on December 31, 2015 | NIL as the loan was availed in January 2016                                      |

### 5. Loan of Rs. 35.00 Lakhs From Kotak Mahindra Prime Limited *vide* their letter dated July 30, 2015

| Facility                                   | Car Loan                                                                           |
|--------------------------------------------|------------------------------------------------------------------------------------|
| Amount                                     | Rs. 35.00 Lakhs                                                                    |
| Tenure                                     | EMI of Rs.1,68,109 /- every month for a period of 24 months from stipulated period |
| Rate of Interest                           | 14.00%                                                                             |
| Security                                   | Secured by hypothecation of Car under Hire Purchase                                |
| Outstanding amount as on December 31, 2015 | Rs. 28.54 Lakhs                                                                    |

### UNSECURED LOAN

As on December 31, 2015, our Company had unsecured loans of Rs. 319.77 lakhs.

For further details on unsecured borrowings availed during the year, repayment of unsecured loans availed and outstanding amount of unsecured loans, refer to Annexure VII of chapter titled “*Financial Statements as Restated*” beginning on page 194 of this Draft Prospectus.



## **SECTION VI – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except, as stated below and mentioned elsewhere in this Draft Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, statutory or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, and group entities or against any other company 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 (iii) no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters 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) pending proceedings initiated against our Company for economic offences; (iii) default and non-payment of statutory dues by our Company; (iv) 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; or (v) 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 May 5, 2016 determined that any outstanding dues to creditors where the amounts exceeds Rs. 5 lakhs individually, are considered as material dues and accordingly are disclosed in this Draft Prospectus. (“Material Dues”).

Our Board, in its meeting held on May 5, 2016 determined that any pending litigation individually, are considered as material pending litigation and accordingly are disclosed in this Draft Prospectus.

Unless otherwise stated to contrary, the information provided is as of date of this Draft Prospectus.

### **LITIGATION INVOLVING OUR COMPANY**

#### **AGAINST OUR COMPANY**

##### **Criminal Litigation**

**Nil**

##### **Civil Proceedings**

**Nil**

##### **Taxation Matters**

**Nil**

##### **Proceedings against Our Company for economic offence/securities laws/ or any other law**

**Nil**

##### **Penalties in Last Five Years**

**Nil**

##### **Pending Notice against our Company**

**Nil**

##### **Past Notice to our Company**





**Nil**

**Disciplinary Action 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 fraud against the Company in last five years and action taken by the Company.**

**Nil**

#### **LITIGATION FILED BY OUR COMPANY**

**Criminal Litigation**

**Nil**

**Civil Proceedings**

**Nil**

**Taxation Matters**

**Nil**

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

**Nil**

#### **LITIGATION INVOLVING DIRECTORS OF OUR COMPANY**

##### **LITIGATION AGAINST OUR DIRECTORS**

**Nil**

**Criminal Litigation**

**Nil**

**Civil Proceedings**

**Nil**

**Taxation Matters**

**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**



### **LITIGATION BY DIRECTORS OF OUR COMPANY**

#### **Criminal Litigation**

Nil

#### **Civil Proceedings**

Nil

#### **Taxation Matters**

Nil

### **LITIGATION INVOLVING PROMOTER OF OUR COMPANY**

### **OUTSTANDING LITIGATION AGAINST OUR PROMOTERS**

#### **Criminal Litigation**

Nil

#### **Civil Proceedings**

Nil

#### **Taxation Matters**

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 past**

Nil

#### **Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

### **LITIGATION BY OUR PROMOTERS**

#### **Criminal Litigation**

Nil

#### **Civil Proceedings**

Nil

#### **Taxation Matters**

Nil



## **LITIGATION INVOLVING OUR GROUP COMPANIES**

### **OUTSTANDING LITIGATION AGAINST OUR GROUP COMPANIES**

#### **Criminal Litigation**

**Nil**

#### **Civil Proceedings**

**Nil**

#### **Taxation Matters**

**Nil**

#### **Past Penalties imposed on our Group Companies**

**Nil**

#### **Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law**

**Nil**

#### **Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies**

**Nil**

#### **Adverse finding against Group Companies for violation of Securities laws or any other laws**

**Nil**

### **LITIGATION BY OUR GROUP COMPANIES**

#### **Criminal Litigation**

**Nil**

#### **Civil Proceedings**

**Nil**

#### **Taxation Matters**

**Nil**

#### **Litigation involving our Subsidiaries**

**Nil**

#### **Criminal Litigation**

**Nil**

#### **Civil Proceedings**

**Nil**

#### **Taxation Matters**

**Nil**

#### **Past Penalties imposed on our Subsidiaries**

**Nil**



**Proceedings initiated against our Subsidiaries 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 Subsidiaries**

**Nil**

**Adverse finding against Subsidiaries for violation of Securities laws or any other laws**

**Nil**

#### **LITIGATION BY OUR SUBSIDIARIES**

**Company does not have any subsidiary as on the date of this Draft Prospectus.**

#### **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/any other person whose outcome could have an adverse effect on our company**

#### **PROCEEDINGS UNDER CUSTOMS ACT, 1962**

##### **M/s Tejus v/s Commissioner of Customs (Import), Nhavasheva**

Additional Director, Directorate of Revenue Intelligence (hereinafter referred to as “DRI”), Ahmedabad has issued a Show-Cause Notice dated November 30, 2007 under Section 124 of the Customs Act, 1962 to Mr. Tejus Kapadia proprietor of M/s Tejus (hereinafter referred to as “Appellant”), CEO of Titanium Ten Enterprise Limited. M/s Rajasthan Textile Industries, M/s Ashok Weaving Industries and M/s Tulsi Udyog, Surat (hereinafter collectively referred to as “Other Parties”) were dealing in imports of various grades of yarn. They had imported 119232 kgs of PFY 80D/48F declaring value of Rs. 71,53,481/- from M/s Global Trade Well Pte Ltd., Singapore and M/s Qingdao Kohap of China, 19440 kgs of PFY 80D/48F declaring value of Rs. 10,86,312/- from M/s Global Trade Well PTE, Singapore and 19,440 kgs of PFY 80D/48F declaring value of Rs. 11,06,673/- from M/s Global Trade Well PTE, Singapore respectively during the year 2006 on payment of Customs Duty. The said goods were of Indonesian Origin manufactured by M/s S K Keris and M/s S K Fiber of Indonesia and of Chinese origin manufactured by M/s Qingdao Kohap, China the same were cleared from Nhava Sheva Port. The Appellant sold two consignments of 19940 kgs on High Seas Sale (hereinafter referred to as “HSS”) basis to M/s Rajasthan Textile Industries, Surat, procured by them from M/s S. K. Fiber, Indonesia. Attempts were made to examine the contemporary imports of the said BSY made by other importers of Surat from the same overseas suppliers of Indonesia. On scrutiny of the imports of PSY 80D/48F made by M/s Tejus, Surat, it was noticed that even M/s Tejus has cleared one consignment of 8640 kgs of PSY 80D/48F supplied by M/s S K Fiber, Indonesia at the rate of US\$ 2.00 per kg from Nhava Sheva port under B/E No. 987473 dated July 12, 2006 bearing Invoice Number E 11064 dated September 29, 2006 (RUD 10). In terms of Rule 5 of the Customs Rules 1988 the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued. The goods imported by the Appellant fall under the strict parameter of Rule 5 for computation of the transaction value in respect of all other consignments of BSY imported from Indonesia. The DRI has alleged that M/s Rajasthan Textile Industries, M/s Ashok Weaving Industries, M/s Tulsi Udyog and M/s Goenka



Industries while importing the different quantities of PSY (BSY) as mentioned above from Indonesia in connivance with the Appellant has hatched conspiracy to evade payment of Custom Duty by concealing the actual transaction value from the customs. The Appellant procured the goods at undervalued rates from overseas suppliers and sold the same on HSS basis to M/s Tulsi Udyog and prepared HSS Agreements at under-valued rates. The Appellant also admitted that he collected additional amount of money from HSS buyers in cash which was passed on through the supplier's representative Shri Raj Kishore Sharma, Surat. It appears to the DRI that the Appellant was actively involved in the undervaluation of the said goods i.e. PFY 80D/48F imported/cleared by M/s Tulsi Udyog, Surat in the year 2006 in violation of the provisions of Section 46 (4) of the Customs Act, 1962. It also appears that the Appellant had reason to believe that the goods are liable to confiscation under Section 111 of the Customs Act, 1962 and hence is also liable to penal action under Section 112 (b) of the Customs Act, 1962. Therefore, the Appellant and other parties were called-upon to show-cause to the DRI within 30 days from the receipt of this notice, reason for non-imposition of penalty under Section 112 (b) of the Customs Act, 1962. The Deputy Commissioner of Customs has passed an Order-In-Original (hereinafter referred to as the "**Impugned Order**") number 140/2009/CC(I) JNCH dated September 14, 2009 passed by the Commissioner of Customs Import Mumbai under Section 35 (1) of the Central Excise Act, 1944, Section 129 (B) of the Customs Act, 1962 and Finance Act, 1994. M/s Tejus has filed an application dated July 13, 2015 for Restoration of Appeal (hereinafter referred to as "**ROA**") number C/1251/09-Mum with Customs, Excise and Service Tax Appellate Tribunal, West Zonal Bench at Mumbai (hereinafter referred to as "**CESTAT**") against the Impugned Order consequent to dismissal of Appeal under order of the Tribunal dated June 20, 2012 for failure to deposit Rs. 30,00,000/- in addition to the amount deposited of Rs. 8,00,000/- dated August 16, 2007 vide Challan number 08/2007 and Rs. 12,00,000/- dated August 28, 2007 vide Challan number 09/2007 towards custom duty against under-valued imports and yarn 80D/48F and report compliance on April 27, 2012. 1. The application for ROA was dismissed. However, the appellant is granted liberty to approach CESTAT after depositing Rs. 30,00,000/- within eight weeks. The appellant has deposited the amount of Rs. 10,00,000/- on May 4, 2015 and balance Rs. 20,00,000/- on August 28, 2015 to the Office of the Commissioner of Customs, Raigad. As per the ROA, appellant can again file an appeal against the impugned order on payment of Rs. 30,00,000/-. Company is planning to file appeal in High Court or Tribunal.

## **PROCEEDINGS UNDER INCOME TAX ACT, 1961**

### **PROCEEDING FOR AY 2004-05**

A notice has been issued to Tejus Kumar Rohitbhai Kapadia (hereinafter referred to as "**Assessee**") under Section 245 and 220 (2) of the Income Tax Act, 1961 (herein after referred to as the "**Act**") dated April 9, 2011 for payment of outstanding demand amounting to Rs. 110/-

### **PROCEEDING FOR AY 2006-07**

A notice has been issued to Tejus Kumar Rohitbhai Kapadia (hereinafter referred to as "**Assessee**") under Section 245 and 143 (3) of the Income Tax Act, 1961 (herein after referred to as the "**Act**") dated March 31, 2009 determining a total sum payable of Rs. 7,13,880/-. The Assessee has paid amount of Rs. 3,56,940/- dated March 28, 2009 and an amount of Rs. 21,048/- in March 2010 towards the outstanding tax payable. Out of the balance outstanding demand of Rs. 2,65,360/- was adjusted against the amount of refund determined for the AY 2013-14 of Rs. 1,51,230/- and the balance outstanding demand amounting to Rs. 1,14,130/- and interest under Section 220 (2) of Rs. 1,72,445/- is payable by the Company. The interest under Section 220 (2) is liable to be computed till the date of payment/adjustment of this demand. The company is contemplating to appeal before Income Tax Appellate Tribunal Ahmedabad Branches, Ahmedabad against order issued by Commissioner of Income Tax – Appeals (ACIT), Circle-3, Surat.

### **PROCEEDING FOR AY 2007-08**

A notice has been issued to Tejus Kumar Rohitbhai Kapadia (hereinafter referred to as "**Assessee**") under Section 245 and 143 (3) of the Income Tax- Act 1961 (hereinafter referred to as the "**Act**") dated March 31, 2010 for payment of outstanding demand amounting to Rs. 3,260/-. The company is



contemplating to appeal before Income Tax Appellate Tribunal, Ahmedabad Branches, Ahmedabad against order issued by Commissioner of Income Tax – Appeals (ACIT), Circle-3, Surat.

#### **PROCEEDING FOR AY 2008-09**

A notice has been issued Tejuskumar Rohitbhai Kapadia (hereinafter referred to as “Assessee”) under Section 245 and 143 (1) of the Income Tax Act, 1961(hereinafter referred to as the “Act”) dated March 23, 2010 for payment of outstanding demand amounting to Rs. 69,851/-

#### **PROCEEDING FOR AY 2009-10**

A notice has been issued Tejuskumar Rohitbhai Kapadia (hereinafter referred to as “Assessee”) under Section 245 and 143 (3) of the Income Tax Act, 1961 (hereinafter referred to as the “Act”) dated December 26, 2011 for payment of outstanding demand amounting to Rs. 5,780/-

#### **MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as described in this Prospectus, to our knowledge, there have been no material developments, since the date of the last audited balance sheet.

#### **OUTSTANDING DUES TO CREDITORS OF OUR COMPANY**

As of December 31, 2015, our Company had 21 creditors, to whom a total amount of Rs. 931.58 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated May 5, 2016, considered creditors to whom the amount due exceeds Rs. 5 lakhs by our company 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> |
|-----------------------------|------------------------------|
| Ajay Associates             | 23.06                        |
| Ansidd Weavetech Pvt.Ltd.   | 9.48                         |
| Anushka Enterprise          | 119.73                       |
| Bhushan Petrofils P.Ltd.    | 21.71                        |
| Ekansh Trading Company      | 9.38                         |
| Gujarat Polyfils            | 5.88                         |
| JBF Industries Limited      | 117.09                       |
| JBF Industries Ltd.         | 43.87                        |
| Mahavir Textiles            | 11.03                        |
| Reliable Poly.P.Ltd.        | 5.60                         |
| Riddhi Texchem P.Ltd.       | 59.43                        |
| Sanskar Industries          | 26.43                        |
| Seeyara Weavers             | 8.32                         |
| Shraddha Industries         | 80.23                        |
| Shraddha Industries(Export) | 54.51                        |
| SVR Creations               | 23.80                        |
| Titaanium Venture           | 168.48                       |
| Vibrant Fab Pvt.Ltd.        | 64.97                        |
| Wellknown Polyesters Ltd.   | 19.60                        |
| Yash Tax Fab                | 31.78                        |
| Zoom Synthetics Pvt.Ltd.    | 27.18                        |

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 [www.titaaniumten.co.in](http://www.titaaniumten.co.in)

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, [www.titaaniumten.co.in](http://www.titaaniumten.co.in) , would be doing so at their own risk.





## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of manufacturing of knitted fabrics and trading of Textile related products, 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, see chapter titled “*Key Industry Regulations and Policies*” beginning on page 152 of this Draft Prospectus.

The Company has its business located at:

**Registered Office:** Shop No. 901-914, 9th Floor, Rajhans Complex, Ring Road, Surat- 395002, Gujarat, India

**Manufacturing Unit:** Plot No. 660/A, 660/B and 660/C, Village Palsana, District Surat- 395327 Gujarat, India

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### **APPROVALS FOR THE 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 May 7, 2016 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 Extraordinary General Meeting held on May 30, 2016 authorized the Issue.

#### **In- principle approvals from the Stock Exchange**

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference no. [●]

#### **Agreements with NSDL and CDSL**

1. The Company has entered into an agreement dated [●] 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 [●] 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 [●].



### **INCORPORATION AND OTHER DETAILS**

1. The Certificate of Incorporation dated September 18, 2008 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli in the name of “TITANIUM TEN ENTERPRISE PRIVATE LIMITED.”
2. Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company issued on June 2, 2016 by Registrar of Companies, Ahmedabad in the name of “TITANIUM TEN ENTERPRISE LIMITED”
3. The Corporate Identification Number (CIN) of the Company is U52100GJ2008PLC055075.

### **APPROVALS/LICENSES RELATED TO BUSINESS OF OUR COMPANY**

| Sr. No. | Description                                                                                                                                                | Authority                                                                                                                                                  | Registration No./<br>Reference No./<br>License No.          | Date of<br>Issue/<br>Renewal                      | Date of<br>Expiry                   |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------|-------------------------------------|
| 1       | Certificate of Importer- Exporter Code (IEC)                                                                                                               | Deputy Director General of Foreign Trade, Office of Joint Director General of Foreign Trade, Surat, Ministry of Commerce and Industry, Government of India | IEC Number – 5208033917                                     | October 27, 2008                                  | N.A.                                |
| 2       | Registration Certificate of Establishment (under Bombay Shops and Establishments Act, 1948)                                                                | Shops & Establishment Inspector, Surat Municipal Corporation                                                                                               | CZ/S/2/230993                                               | August 25, 2014<br>(Renewed on December 11, 2014) | December 31, 2017                   |
| 3       | License to work a factory (under Factories Act, 1948 and Rules made thereunder)                                                                            | Joint Director, Industrial Safety & Health, Surat Region, Directorate Industrial Safety & Health, Gujarat State                                            | License No.: 22495<br>Registration no.: 3957/13139/2014     | February 09, 2016                                 | December 31, 2018                   |
| 4       | Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit                                                                              | Manager (RM), District Industries Center, Surat, Government of Gujarat                                                                                     | Entrepreneurs Memorandum Number (Part II) – 24-022-11-11252 | October 16, 2008                                  | Perpetual                           |
| 5       | Import/Export Licence (under Foreign Trade (Development and Regulations) Act, 1992)<br>To avail benefit under Export Promotion Capital Goods Scheme (EPCG) | Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Surat, Government of India                                           | 5230007677/3/11/00                                          | October 26, 2010                                  | Export Obligation period is 8 years |



| Sr. No. | Description                                                                                                                                                                   | Authority                                                                                                        | Registration No./<br>Reference No./<br>License No. | Date of<br>Issue/<br>Renewal                                       | Date of<br>Expiry                                |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------|
|         | Concessional Duty 03%                                                                                                                                                         |                                                                                                                  |                                                    |                                                                    |                                                  |
| 6       | Import/Export Licence (under Foreign Trade (Development and Regulations) Act, 1992) To avail benefit under Export Promotion Capital Goods Scheme (EPCG) Zero Duty             | Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Surat, Government of India | 5230017698/3/12/00                                 | July 30, 2015                                                      | Export Obligation period is 6 years              |
| 7       | Import/Export Licence (under Foreign Trade (Development and Regulations) Act, 1992) To avail benefit under Export Promotion Capital Goods Scheme (EPCG) Zero Duty             | Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Surat, Government of India | 5230018330/3/12/00                                 | October 7, 2015                                                    | Export Obligation period is 6 years              |
| 8       | Import/Export Licence (under Foreign Trade (Development and Regulations) Act, 1992) To avail benefit under Export Promotion Capital Goods Scheme (EPCG) Concessional Duty 03% | Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Surat Government of India  | 5230010246/3/11/00                                 | April 10, 2012                                                     | Export Obligation period is 8 years              |
| 9       | Certificate of Recognition- Export House (under Foreign Trade Policy 2009-2014)                                                                                               | Office of Joint Director General of Foreign Trade, Ministry of Commerce & Industry, Government of India          | JA/2241                                            | June 26, 2014<br>(The certificate is effective from April 1, 2012) | March 1, 2017<br>(Valid for a period of 5 years) |



### **TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

| <b>Sr. No.</b> | <b>Authorisation granted</b>                                                                                                      | <b>Issuing Authority</b>                                                                                                                          | <b>Registration No./Reference No./License No.</b> | <b>Date of Issue</b>                                                     | <b>Validity</b>                                         |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------|
| 1              | Permanent Account Number (PAN)                                                                                                    | Income Tax Department, Government of India                                                                                                        | AADCT0316N                                        | September 18, 2008                                                       | Perpetual                                               |
| 2              | Tax Deduction Account Number (TAN)                                                                                                | Income Tax Department, Government of India                                                                                                        | SRTT01173E                                        | [•]                                                                      | Perpetual                                               |
| 3              | Certificate of Registration (under Gujarat Value Added Tax Act, 2003 read with Rule 6 of the Gujarat Value Added Tax Rules, 2006) | Office of Assistant Commissioner Commercial Tax, Unit 12, Surat Commercial Tax, Department of Government of Gujarat                               | 24221704210                                       | November 15, 2008<br>(The certificate is effective from October 2, 2008) | Perpetual                                               |
| 4              | Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002)                                          | Deputy Commissioner of Central Excise, Division – V, Surat – I, Central Board of Excise and Customs, Ministry of Finance – Department of Revenue. | AADCT0316NED002                                   | July 28, 2010                                                            | Until cancelled or surrendered or revoked or suspended. |
| 5              | Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)       | Superintendent (Service tax), Central Excise & Customs,) Office of Superintendent of (Service Tax), Central Excise and Customs- Surat– I          | AADCT0316NST001                                   | March 6, 2009                                                            | Until cancelled                                         |
| 6              | Certificate of Registration Central Sales Tax (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)      | Office of Assistant Commissioner, Commercial Tax, Unit 12, Surat Commercial Tax Department, Government of Gujarat                                 | 24721704210                                       | November 15, 2008<br>(The certificate is effective from October 2, 2008) | Until Cancelled                                         |
| 7              | Professional Tax Enrollment Certificate (PTEC) (under section 5(2) of Gujarat State Professional Tax, Act, 1976)                  | Profession Tax Officer, Assessment & Recovery Officer & Professional Tax Officer, Zone Surat Municipal Corporation                                | PEC03CZ00103402                                   | August 28, 2014                                                          | N.A.                                                    |



| Sr. No. | Authorisation granted                                                                                              | Issuing Authority           | Registration No./Reference No./License No. | Date of Issue | Validity |
|---------|--------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------|---------------|----------|
| 8.      | Professional Tax Registration Certificate (PTRC) (under section 5(1) of Gujarat State Professional Tax, Act, 1976) | Surat Municipal Corporation | PRC03CZ00013310                            | [•]           | N.A.     |

#### **LABOUR RELATED APPROVALS/REGISTRATIONS**

The Company has obtained the following approvals related to Labour/employment related 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 Director, Employees Provident Fund Organisation, Regional Office, Surat                          | Establishment Code under EPF Scheme - SRSRT1030070 | October 6, 2014 |
| 2.      | Registration for Employees State Insurance (under Employees State Insurance Act, 1948 )                         | Assistant Director, Sub Regional Office, Employees State Insurance Corporation, Sub-regional Office, Surat | Establishment Code under ESI - 39000528750000199   | April 10, 2014  |

#### **OTHER BUSINESS RELATED APPROVALS**

| Sr. No. | Description                                                                  | Authority                                                       | Registration Number                       | Date of Certificate/ Date of Issue | Date of Expiry                                                                                                   |
|---------|------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------|
| 1       | Registration-cum-Membership Certificate                                      | The Synthetic & Rayon Textiles Export Promotion Council, Mumbai | Registration Number-SR/MFG/1013 6/2013-14 | July 2, 2013                       | March 31, 2018<br>(The Registration-cum-Membership is subject to payment of annual subscription fees every year) |
| 2.      | Certificate of Membership (Membership fee payment made for the year 2016-17) | The Synthetic & Rayon Textiles Export Promotion Council         | Membership No. 40 920751                  | April 1, 2016                      | March 31, 2017                                                                                                   |

#### **INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS**

The Company has confirmed that no applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.



**PENDING APPROVALS:**

1. Application for Consent to Gujarat Pollution Control Board (GPCB) under Section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974 bearing Inward number 92942 dated March 26, 2015.
2. An Application number IS2015AEC39 is made to District Industries Commissionerate for Interest Subsidy and Capital Subsidy under Industrial Policy 2015.
3. Application for renewal of Membership of South Gujarat Wrap Knitters Association for the financial year 2016-17.
4. Application for change of name of Company from “Titanium Ten Enterprise Limited.” to “Titaanium Ten Enterprise Limited.” has been made to Registrar of Companies, Ahmedabad.

**MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY**

1. Company logo has not been registered under the Trademarks Act, 1999.
2. The abovementioned approvals are in the name of “Titanium Ten Enterprise Private Limited” and they are yet to apply for these approvals post change of name to “Titanium Ten Enterprise Limited.”





## 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 May 7, 2016 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 EGM of our Company held on May 30, 2016 at registered office of the Company.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor any of our Company, our Directors, our Promoters, 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 Promoters, 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 is 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 SME Platform of BSE for listing of our Equity Shares.

#### **We confirm that:**

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 67 of this Draft Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the 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 Draft Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Draft 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 67 of this Draft Prospectus.



5. The Company has Net Tangible assets of at least Rs. 3 crore as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 3 crore as per the latest audited financial results.
7. The Company has track record of distributable profits in terms of section 123 of Companies Act for at least two years out of immediately preceding three financial years and each financial year has a period of at least 12 months.
8. The Distributable Profit of the Company as per the restated financial statements for nine months ended December 31, 2015 and for the year ended March 31, 2015, 2014, 2013, 2012 and 2011 is as set forth below:

(Rs. In lakhs)

| Particulars            | December 31, 2015 | March 31, 2015 | March 31, 2014 | March 31, 2013 | March 31, 2012 | March 31, 2011 |
|------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|
| Distributable Profits* | 14.94             | 32.10          | 35.77          | 33.27          | 47.62          | 36.87          |
| Net Tangible Assets**  | 453.86            | 627.00         | 819.90         | 795.48         | 795.33         | 993.03         |
| Net Worth***           | 267.94            | 315.56         | 348.82         | 384.59         | 436.70         | 473.64         |

\* "Distributable profits" have been computed in terms section 123 of the Companies Act, 2013.

\*\* 'Net tangible assets' are defined as the sum of all net assets (i.e. non current assets, current assets less current liabilities) of our Company, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India

\*\*\* "Net Worth" has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any

9. The Post-issue paid up capital of the Company shall be at least Rs. 3 crore The Post issue paid up capital of our Company will be Rs. 672.85 Lakhs.
10. The Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories.
11. The Company has not been referred to Board for Industrial and Financial Reconstruction.
12. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
13. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
14. There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.
15. The Company has a website [www.titaaniumten.co.in](http://www.titaaniumten.co.in)

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 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 SECURITIES AND EXCHANGE OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE 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, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE AND SEBI A DUE DILIGENCE CERTIFICATE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992.**

**“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA**



**(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009  
AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**
6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**
8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE 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. – COMPLIED TO THE EXTENT APPLICABLE**
9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT 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 DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE. AS IN TERMS**



OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT FORM ONLY.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. NOTED FOR COMPLIANCE
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.” *COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS*

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE EQUITY SHARES 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 EQUITY SHARES 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 DRAFT PROSPECTUS. – NOT APPLICABLE**
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

**Note:**

The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under Section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad, Gujarat, in terms of Section 26 and Section 30 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website [www.titaaniumten.co.in](http://www.titaaniumten.co.in) would be doing so at his or her own risk.

**Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated June 3, 2016, the Underwriting Agreement dated June 3, 2016 entered into among the Underwriter and our Company and the Market Making Agreement dated June 3, 2016 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 Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or**





**transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the 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” to this Draft 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 Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this 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 Draft Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.



## **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE**

As required, a copy of this Draft Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to RoC.

## **FILING**

The Draft Prospectus has not been filed with SEBI, nor SEBI has issued any observation on the Offer Document in terms of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at SEBI at the Corporate Finance Department, Ahmedabad. 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 ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013

## **LISTING**

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from SME Platform of BSE. However application will be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE has given its in-principle approval for using its name in our Prospectus *vide* its letter dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft 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 SME Platform of the BSE 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 Executive Officer, Chief Financial Officer, the Statutory Auditor, the Peer Reviewed Auditor, 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 Draft Prospectus/ 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.



## **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 96 of this Draft Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager will be as per the Mandate Letter dated January 5, 2016 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 June 3, 2016, 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 unblocking or allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters 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 74 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

## **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

None of the equity shares of our Group Companies are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.



## **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Draft 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 May 7, 2016. For further details, please refer to the chapter titled “*Our Management*” beginning on page 172 of this Draft Prospectus.

Our Company has appointed Pashmina Chevli as Compliance Officer and she may be contacted at the following address:

Pashmina Chevli

**Titanium Ten Enterprise Private Limited**

Shop No. 901 / 914, Rajhans Complex,

9<sup>th</sup> Floor, Ring Road,

Surat - 395002, Gujarat, India

**Tel:** +91 261 2320240

**Fax:** +91 261 2321615

**Email:** [investors@titaaniumten.co.in](mailto:investors@titaaniumten.co.in)

**Website:** [www.titaaniumten.co.in](http://www.titaaniumten.co.in)

**Corporate Identification Number:** U52100GJ2008PLC055075



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 DURING THE LAST THREE FINANCIAL YEARS**

There are no changes in Auditors during the last three financial years

#### **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 74 of this Draft Prospectus, our Company has not capitalized its reserves or profits during the last five years.

#### **REVALUATION OF ASSETS**

Our Company has not revalue its assets since incorporation.

#### **PURCHASE OF PROPERTY**

Other than as disclosed in this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Prospectus.

Except as stated elsewhere in this Draft Prospectus, our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.



## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued and transferred are subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, our Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Draft Prospectus, the Prospectus, Application Form, ASBA Application form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents / certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, 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 Stock Exchange, the RBI, RoC and / or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular 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 websites of the concerned stock exchanges 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 in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 315 of this Draft Prospectus.

#### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. Our Company 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 193 of this Draft 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. 15 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 102 of this Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

#### **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.





## RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 315 of this Draft Prospectus.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 8,000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 8,000 Equity Shares subject to a minimum allotment of 8,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 8,000 Equity Share subject to a minimum allotment of 8,000 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 offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the**



jurisdiction where those offers and sales occur.

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

## **JOINT HOLDER**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

## **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013 the sole applicant, or the first applicant along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicant, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- 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**

|                        |  |     |
|------------------------|--|-----|
| <b>ISSUE OPENS ON</b>  |  | [●] |
| <b>ISSUE CLOSES ON</b> |  | [●] |

## **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvment 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.

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.

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 offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **MIGRATION TO MAIN BOARD**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the Main Board of BSE from the SME Stock 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 Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- 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 if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

#### **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing of shares offered through the Draft Prospectus. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 67 of this Draft Prospectus.

#### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of 8,000 shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

#### **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. Overseas Corporate Bodies (OCBs) have been de-recognised as a class of investor in India with effect from September 16, 2003. However, erstwhile OCBs which are incorporated outside India and are not under adverse notice of the RBI can make fresh investments under the FDI Scheme as incorporated non-resident entities, with the prior approval of the Government of India, if the investment is through the Government Route; and with the prior approval of the Reserve Bank, if the investment is through the Automatic Route.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **OPTION TO RECEIVE SECURITIES IN DEMATERIALISED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

#### **APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, 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 Promoters' minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page number 74 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page number 315 of this Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*



## 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, an issuer, whose post issue face value capital does not exceed ten crore rupees, 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 SME Platform of BSE). 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 264 and 271 of this Draft Prospectus.

### Following is the issue structure:

Public Issue of 18,16,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 15/- per Equity Share aggregating Rs. 272.40 lakhs ('the Issue') by our Company.

The Issue comprises a Net Issue to Public of 17,20,000 Equity Shares ('the Net Issue'), a reservation of 96,000 Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion')

| Particulars                                                                   | Net Issue to Public*                                                                                                                                                                                                                                                                | Market Maker Reservation Portion                  |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>Number of Equity Shares</b>                                                | 17,20,000 Equity Shares                                                                                                                                                                                                                                                             | 96,000 Equity Shares                              |
| <b>Percentage of Issue Size available for allocation</b>                      | 94.71% of the Issue Size                                                                                                                                                                                                                                                            | 5.29% of Issue Size                               |
| <b>Basis of Allotment/Allocation if respective category is oversubscribed</b> | Proportionate subject to minimum allotment of 8,000 equity shares and further allotment in multiples of 8,000 equity shares each.<br><br>For further details please refer to the section titled " <i>Issue Procedure–Basis of Allotment</i> " on page 305] of the Draft Prospectus. | Firm allotment                                    |
| <b>Mode of Application</b>                                                    | All the applicants shall make the application (Online or Physical) through the ASBA Process                                                                                                                                                                                         | ASBA Process                                      |
| <b>Minimum Application</b>                                                    | <b><u>For QIB and NII:</u></b><br>Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000<br><br>For Retail Individual<br>8,000 Equity shares                                                                         | 96,000 Equity Shares                              |
| <b>Maximum Application Size</b>                                               | <b><u>For QIB and NII:</u></b><br><br>For all other investors the maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable.                                                           | 96,000 Equity Shares of Face Value of Rs. 10 each |



| Particulars              | Net Issue to Public*                                                                                                                                                                     | Market Maker<br>Reservation Portion                                                                                                |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
|                          | <b><u>For Retail Individuals:</u></b><br>8,000 Equity Shares                                                                                                                             |                                                                                                                                    |
| <b>Mode of Allotment</b> | Compulsorily in dematerialized mode.                                                                                                                                                     | Compulsorily in dematerialized mode.                                                                                               |
| <b>Trading Lot</b>       | 8,000 Equity Shares                                                                                                                                                                      | 8,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations |
| <b>Terms of payment</b>  | The Applicant shall have sufficient balance in the ASBA account at the time of submitting application and the amount will be blocked anytime within two day of the closure of the Issue. |                                                                                                                                    |

*\*50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is upto Rs. 2,00,000 and the balance 50 % of the shares are reserved for applications whose value is above Rs. 2,00,000.*

#### WITHDRAWAL OF THE ISSUE

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchange shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

#### ISSUE PROGRAMME

|                        |  |     |
|------------------------|--|-----|
| <b>ISSUE OPENS ON</b>  |  | [●] |
| <b>ISSUE CLOSES ON</b> |  | [●] |

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., Monday to Friday (excluding any public holiday).





## 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 Draft 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 Draft 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 (ASBA ) | Blue                       |

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 BSE Limited i.e. [www.bseindia.com](http://www.bseindia.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

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines 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 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 an 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;

*The entire group of the investee company:* the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and

2. *The industry sector in which the investee company operates:* 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

## 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 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 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 Draft 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 Draft Prospectus/ Prospectus.

#### **INFORMATION FOR THE APPLICANTS**

1. Our Company and the Lead Managers 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 three 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. 15/- 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 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 Managers 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 the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Numbers of Equity Shares Applied for;
  - Bank account number.
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Application Collecting Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft





Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

12. The Application Collecting Intermediaries will be given time till 1.00 P.M on the next working day after the 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 96,000 Equity Shares shall be reserved for Market Maker. 8,64,000 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 Managers 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 June 3, 2016.
- 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 Managers 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 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 SME Platform of BSE 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

#### **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 **is in the process of signing** the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated [●] among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated [●] among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no [●].



## PART B

### GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/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 Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft 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 Issues. 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(s) of the **LM(s)** 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 73 of the Companies Act, 1956
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- (e) The Issuer shall have Net Tangible assets of at least Rs. 3 crore as per the latest audited financial results.
- (f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 3 crore as per the latest audited financial results.
- (g) The Issuer should have a track record of distributable profits in terms of section 123 of Companies Act, 2013 for two out of immediately preceding three financial years or it should have net worth of at least Rs. 5 Crores.
- (h) The Post-issue paid up capital of the Issuer shall be at least Rs. 3 Crore. The post –issue paid up capital of our company will be Rs. 6.73 Crore.
- (i) The Issuer shall mandatorily facilitate trading in demat securities.
- (j) The Issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (k) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (m) The Company should have a website.
- (n) There has been no change in the promoter of the Company in the one year preceding the date of filing application to BSE for listing on SME segment. 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 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 SME Platform of BSE for listing of our Equity Shares.

## **2.3 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the 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 Draft 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**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the Main board of BSE from the SME Exchange on a later date subject to the following

- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principle approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the





Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.



## 2.1 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price 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:

| Category                                                                                                                                                              | Colour of the Application |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Resident Indian, Eligible NRIs applying on a non-repatriation basis                                                                                                   | White                     |
| NRIs, FVCIs, FPIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis | Blue                      |
| Anchor Investors (where applicable) & Applicants applying in the reserved category                                                                                    | Not Applicable            |

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### **4.1 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 GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

## R Application Form

| COMMON APPLICATION FORM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                         | TITANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - R                                                                                                                                                             |                                         | FOR RESIDENT INDIANS & QIBs, ELIGIBLE NRIs APPLYING ON NON REPATRIATION BASIS                                            |  |                                                           |                               |                                                             |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                                                         |  |                                                              |  |                               |  |                                                                                     |  |                                                                                                                                       |  |                                                                                                             |  |                          |  |                 |  |              |  |                                                                          |  |                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                           |  |                                        |                              |                                                                        |                              |                              |                              |                                           |                             |                                                         |                             |                                       |                             |                                                    |                              |                                          |                             |                                              |                             |                                                |                              |                                                       |                              |                                                  |                              |
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| <b>To,</b><br>The Board of Directors<br><b>TITANIUM TEN ENTERPRISE LIMITED</b><br>Address: Shop No. 901/914, Rajas Complex, 9th Floor, Ring Road,<br>Surat - 395002, Gujarat, India<br>Contact Details: Td. No. +91 261 2320240; Fax No. +91 261 2321615 CIN: U52100GJ2008PLC055075                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  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| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">BROKER'S / SCSP / DP / RTA STAMP &amp; CODE</td> <td style="width: 50%;">SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</td> </tr> <tr> <td style="height: 40px;"></td> <td style="height: 40px;"></td> </tr> <tr> <td>SCSP / BANK BRANCH STAMP &amp; CODE</td> <td>SCSP / BANK BRANCH SERIAL NO.</td> </tr> <tr> <td style="height: 40px;"></td> <td style="height: 40px;"></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                         | BROKER'S / SCSP / DP / RTA STAMP & CODE                                                                                                                                                                        | SUB-BROKER'S / SUB-AGENT'S STAMP & CODE |                                                                                                                          |  | SCSP / BANK BRANCH STAMP & CODE                           | SCSP / BANK BRANCH SERIAL NO. |                                                             |                                      | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="6"><b>1. 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CATEGORY</b></td> </tr> <tr> <td colspan="6">No. of Equity Shares of ₹10/- each applied at the Issue Price i.e. at ₹ 15/- per share <sup>1 &amp; 2</sup></td> </tr> <tr> <td colspan="2">(In Figures)</td> <td colspan="2">(In Words)</td> <td colspan="2"> <input type="checkbox"/> Retail Individual<br/> <input type="checkbox"/> Non-Institutional<br/> <input type="checkbox"/> QIB         </td> </tr> </table> <p><sup>1</sup> Please note that applications must be made in minimum of 8,000 shares and further multiples of 8,000 shares accordingly.<br/> <sup>2</sup> Please note that the trading of equity shares will be only in dematerialised mode on the SME Platform of BSE.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                         |                                                                                                                                                                                                                |                                         | <b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b>                                                                          |  |                                                           |                               | <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL |                                      | _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                                                                                                         |  |                                                              |  | <b>4. APPLICATION DETAILS</b> |  |                                                                                     |  | <b>5. CATEGORY</b>                                                                                                                    |  | No. of Equity Shares of ₹10/- each applied at the Issue Price i.e. at ₹ 15/- per share <sup>1 &amp; 2</sup> |  |                          |  |                 |  | (In Figures) |  | (In Words)                                                               |  | <input type="checkbox"/> Retail Individual<br><input type="checkbox"/> Non-Institutional<br><input type="checkbox"/> QIB                                                                                       |  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2"><b>6. 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| <b>4. APPLICATION DETAILS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                         |                                                                                                                                                                                                                |                                         | <b>5. CATEGORY</b>                                                                                                       |  |                                                           |                               |                                                             |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                                                         |  |                                                              |  |                               |  |                                                                                     |  |                                                                                                                                       |  |                                                                                                             |  |                          |  |                 |  |              |  |                                                                          |  |                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                           |  |                                        |                              |                                                                        |                              |                              |                              |                                           |                             |                                                         |                             |                                       |                             |                                                    |                              |                                          |                             |                                              |                             |                                                |                              |                                                       |                              |                                                  |                              |
| No. of Equity Shares of ₹10/- each applied at the Issue Price i.e. at ₹ 15/- per share <sup>1 &amp; 2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            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type="checkbox"/> Retail Individual<br><input type="checkbox"/> Non-Institutional<br><input type="checkbox"/> QIB |  |                                                           |                               |                                                             |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                                                         |  |                                         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| <b>6. INVESTOR STATUS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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| <input type="checkbox"/> Individual(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 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| <input type="checkbox"/> Non-Resident Indians (Non-Repatriation Basis)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 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| <input type="checkbox"/> HUF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           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| <input type="checkbox"/> Bodies Corporate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              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| <input type="checkbox"/> Banks & Financial Institutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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| <input type="checkbox"/> Mutual Funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  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| <input type="checkbox"/> National Investment Funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     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| <input type="checkbox"/> Insurance Funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| <input type="checkbox"/> Insurance Companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           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| <input type="checkbox"/> Venture Capital Funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         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| <input type="checkbox"/> Alternative Investment Funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  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| <input type="checkbox"/> Others (Please Specify)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       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| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="3"><b>7. PAYMENT DETAILS</b></td> <td colspan="3"><b>PAYMENT OPTION : Full Payment</b></td> </tr> <tr> <td colspan="3">Amount Paid (₹ in Figures) _____ (₹ in words) _____</td> <td colspan="3"></td> </tr> <tr> <td colspan="3">ASBA Bank A/c No. _____</td> <td colspan="3"></td> </tr> <tr> <td colspan="3">Bank Name &amp; Branch _____</td> <td colspan="3"></td> </tr> </table> <p>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 FORM 2A 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.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="vertical-align: top;"> <b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b><br/><br/>           Date: _____, 2016         </td> <td colspan="2" style="vertical-align: top;"> <b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b><br/>           I/We authorize the SCSP to do all acts as are necessary to make the Application in the issue<br/>           1) _____<br/>           2) _____<br/>           3) _____         </td> <td colspan="2" style="vertical-align: top;"> <b>BROKER / SCSP / DP / RTA STAMP</b><br/> <b>(Acknowledging upload of Application in Stock Exchange System)</b><br/>           _____         </td> </tr> </table> |                                         |                                                                                                                                                                                                                |                                         |                                                                                                                          |  | <b>7. PAYMENT DETAILS</b>                                 |                               |                                                             | <b>PAYMENT OPTION : Full Payment</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  | Amount Paid (₹ in Figures) _____ (₹ in words) _____                                                     |  |                                                              |  |                               |  | ASBA Bank A/c No. _____                                                             |  |                                                                                                                                       |  |                                                                                                             |  | Bank Name & Branch _____ |  |                 |  |              |  | <b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b><br><br>Date: _____, 2016 |  | <b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b><br>I/We authorize the SCSP to do all acts as are necessary to make the Application in the issue<br>1) _____<br>2) _____<br>3) _____ |  | <b>BROKER / SCSP / DP / RTA STAMP</b><br><b>(Acknowledging upload of Application in Stock Exchange System)</b><br>_____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |                           |  |                                        |                              |                                                                        |                              |                              |                              |                                           |                             |                                                         |                             |                                       |                             |                                                    |                              |                                          |                             |                                              |                             |                                                |                              |                                                       |                              |                                                  |                              |
| <b>7. PAYMENT DETAILS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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| <b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b><br><br>Date: _____, 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                         | <b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b><br>I/We authorize the SCSP to do all acts as are necessary to make the Application in the issue<br>1) _____<br>2) _____<br>3) _____ |                                         | <b>BROKER / SCSP / DP / RTA STAMP</b><br><b>(Acknowledging upload of Application in Stock Exchange System)</b><br>_____  |  |                                                           |                               |                                                             |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                                                         |  |                                                              |  |                               |  |                                                                                     |  |                                                                                                                                       |  |                                                                                                             |  |                          |  |                 |  |              |  |                                                                          |  |                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                           |  |                                        |                              |                                                                        |                              |                              |                              |                                           |                             |                                                         |                             |                                       |                             |                                                    |                              |                                          |                             |                                              |                             |                                                |                              |                                                       |                              |                                                  |                              |
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| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;"> <b>TITANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - R</b> </td> <td colspan="2" style="text-align: center;"> <b>Acknowledgement Slip for Broker' / SCSP / DP / RTA</b> </td> <td colspan="2" style="text-align: center;"> <b>Application Form No.</b> </td> </tr> <tr> <td colspan="2">DPID / CLID _____</td> <td colspan="2">PAN _____</td> <td colspan="2"></td> </tr> <tr> <td colspan="2" style="vertical-align: top;">           Received from Mr./Ms. _____<br/>           Address _____<br/>           Telephone/Mobile _____ E-mail _____         </td> <td colspan="2" style="vertical-align: top;">           No. of Equity Shares applied for<br/>           in Figures _____<br/>           in words _____<br/>           Amount Paid (₹ in figures) _____<br/>           ASBA Bank A/c No. _____         </td> <td colspan="2" style="vertical-align: top;">           SCSP Branch Stamp &amp; Signature<br/>           _____<br/>           Name of Bank &amp; Branch _____         </td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                         |                                                                                                                                                                                                                |                                         |                                                                                                                          |  | <b>TITANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - R</b> |                               | <b>Acknowledgement Slip for Broker' / SCSP / DP / RTA</b>   |                                      | <b>Application Form No.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | DPID / CLID _____                                                                                       |  | PAN _____                                                    |  |                               |  | Received from Mr./Ms. _____<br>Address _____<br>Telephone/Mobile _____ E-mail _____ |  | No. of Equity Shares applied for<br>in Figures _____<br>in words _____<br>Amount Paid (₹ in figures) _____<br>ASBA Bank A/c No. _____ |  | SCSP Branch Stamp & Signature<br>_____<br>Name of Bank & Branch _____                                       |  |                          |  |                 |  |              |  |                                                                          |  |                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                           |  |                                        |                              |                                                                        |                              |                              |                              |                                           |                             |                                                         |                             |                                       |                             |                                                    |                              |                                          |                             |                                              |                             |                                                |                              |                                                       |                              |                                                  |                              |
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| Received from Mr./Ms. _____<br>Address _____<br>Telephone/Mobile _____ E-mail _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    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Signature<br>_____<br>Name of Bank & Branch _____                                                    |  |                                                           |                               |                                                             |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                                                         |  |                                                      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| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;"> <b>TITANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - R</b> </td> <td colspan="2" style="text-align: center;"> <b>Stamp &amp; Signature of Broker' / SCSP / DP / RTA</b> </td> <td colspan="2" style="text-align: center;"> <b>Name of Sole / First Applicant</b> </td> </tr> <tr> <td colspan="2" style="vertical-align: top;">           No. of Equity Shares _____<br/>           Amount Paid (₹) _____<br/>           ASBA Bank A/c No.: _____<br/>           Bank &amp; Branch: _____         </td> <td colspan="2" style="vertical-align: top;">           _____<br/>           _____<br/>           _____         </td> <td colspan="2" style="vertical-align: top;">           _____<br/>           _____<br/>           _____         </td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                         |                                                                                                                                                                                                                |                                         |                                                                                                                          |  | <b>TITANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - R</b> |                               | <b>Stamp &amp; Signature of Broker' / SCSP / DP / RTA</b>   |                                      | <b>Name of Sole / First Applicant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  | No. of Equity Shares _____<br>Amount Paid (₹) _____<br>ASBA Bank A/c No.: _____<br>Bank & Branch: _____ |  | _____<br>_____<br>_____                                      |  | _____<br>_____<br>_____       |  |                                                                                     |  |                                                                                                                                       |  |                                                                                                             |  |                          |  |                 |  |              |  |                                                                          |  |                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                           |  |                                        |                              |                                                                        |                              |                              |                              |                                           |                             |                                                         |                             |                                       |                             |                                                    |                              |                                          |                             |                                              |                             |                                                |                              |                                                       |                              |                                                  |                              |
| <b>TITANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - R</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                         | <b>Stamp &amp; Signature of Broker' / SCSP / DP / RTA</b>                                                                                                                                                      |                                         | <b>Name of Sole / First Applicant</b>                                                                                    |  |                                                           |                               |                                                             |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                                                         |  |                                                              |  |                               |  |                                                                                     |  |                                                                                                                                       |  |                                                                                                             |  |                          |  |                 |  |              |  |                                                                          |  |                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                           |  |                                        |                              |                                                                        |                              |                              |                              |                                           |                             |                                                         |                             |                                       |                             |                                                    |                              |                                          |                             |                                              |                             |                                                |                              |                                                       |                              |                                                  |                              |
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| <b>Acknowledgement Slip for Applicant</b><br><br><b>Application Form No.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           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## NR Application Form

| COMMON APPLICATION FORM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  | TITANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - NR                                                                                                                                                                                                                                            |  | FOR NON RESIDENT INCLUDING ELIGIBLE NRIs, FPIs or FVCIs ETC. APPLYING ON A REPATRIATION BASIS                                                                                                                                                                                                                                                                                                                                                              |  |
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|  <p>To,<br/>The Board of Directors<br/><b>TITANIUM TEN ENTERPRISE LIMITED</b><br/>Address: Shop No. 901/914, Rajhans Complex, 9th Floor, Ring Road,<br/>Surat - 395002, Gujarat, India.<br/>Contact Details: Tel. No.: +91 261 2320240; Fax No.: +91 261 2321615 CIN: U52100GJ2008PLC055075</p>                                                                                                                                                                                                                                                                                          |  | <b>FIXED PRICE SME ISSUE</b><br><b>INE 0000000000</b>                                                                                                                                                                                                                                          |  | Date: _____<br><b>Application Form No.</b>                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| <b>BROKER'S / SCBS / DP / RTA STAMP &amp; CODE</b><br><br><b>SCSB / BANK BRANCH STAMP &amp; CODE</b><br><br><b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b><br><br><b>SCSB / BANK BRANCH SERIAL NO.</b><br>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | <b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b><br>Mr. / Ms. _____ Age _____<br>Address _____<br>E mail _____<br>Tel. No (with STD code) / Mobile _____<br><b>2. PAN OF SOLE/FIRST APPLICANT</b><br>                                                                              |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |
| <b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br>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><br><input type="checkbox"/> Non-Resident Indians (Repatriation basis) NRI<br><input type="checkbox"/> FII or Sub Account not a Corporate / Foreign Individual FII<br><input type="checkbox"/> FII Sub Account Corporate/ Individual FII SA<br><input type="checkbox"/> Foreign Venture Capital Investor FVCI<br><input type="checkbox"/> Foreign Portfolio Investors FPI<br><input type="checkbox"/> Others (Please Specify) OTH |  |
| <b>4. APPLICATION DETAILS</b><br>No. of Equity Shares of ₹10/- each applied at the Issue Price i.e. at ₹ 15/- per share <sup>1 &amp; 2</sup><br>(In Figures) _____ (In Words) _____<br><sup>1</sup> Please note that applications must be made in minimum of 8,000 shares and further multiples of 8,000 shares accordingly.<br><sup>2</sup> Please note that the trading of equity shares will be only in dematerialised mode on the SME Platform of BSE.                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                |  | <b>5. CATEGORY</b><br><input type="checkbox"/> Retail Individual<br><input type="checkbox"/> Non-Institutional<br><input type="checkbox"/> QIB                                                                                                                                                                                                                                                                                                             |  |
| <b>7. PAYMENT DETAILS</b> <b>PAYMENT OPTION : Full Payment</b><br>Amount Paid (₹ in Figures) _____ (₹ in words) _____<br>ASBA Bank A/c No. _____<br>Bank Name & Branch _____<br>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 FORM 2A 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><br><br>Date: _____, 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  | <b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b><br>I/We authorize the SCBS to do all acts as are necessary to make the Application in the issue<br>1) _____<br>2) _____<br>3) _____                                                                                 |  | <b>BROKER / SCBS / DP / RTA STAMP</b><br>(Acknowledging upload of Application in Stock Exchange System)                                                                                                                                                                                                                                                                                                                                                    |  |
| <b>TITANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - NR</b> <b>Acknowledgement Slip for Broker / SCBS / DP / RTA</b> <b>Application Form No.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                                                                                                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |
| DPID / CLID _____ PAN _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  | Received from Mr./Ms. _____<br>Address _____<br>Telephone/Mobile _____ E-mail _____<br>No. of Equity Shares applied for in Figures _____ in words _____<br>Amount Paid (₹ in figures) _____<br>ASBA Bank A/c No. _____ Name of Bank & Branch _____<br><b>SCSB Branch Stamp &amp; Signature</b> |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |
| <b>TITANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - NR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  | <b>Acknowledgement Slip for Applicant</b><br><b>Application Form No.</b>                                                                                                                                                                                                                       |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |
| No. of Equity Shares _____<br>Amount Paid (₹) _____<br>ASBA Bank A/c No.: _____<br>Bank & Branch: _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  | <b>Stamp &amp; Signature of Broker / SCBS / DP / RTA</b><br><b>Name of Sole / First Applicant</b><br>                                                                                                                                                                                          |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |





#### **4.1.1 FIELD NUMBER 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 109A of the Companies Act. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### **4.1.2 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 Draft Prospectus. However a prospectus registered with RoC contains one price.
- (b) Minimum And Maximum Application Size

##### **i. For Retail Individual Applicants**

The Application must be for a minimum of 8,000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 8,000 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 8,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in 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 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 REVISION FORM</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>TITAAANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - REVISION - R</b>                                                                                                                                          | <b>FOR RESIDENT INDIANS &amp; QIBs, ELIGIBLE NRIs APPLYING ON NON-REPATRIATION BASIS</b>                                                                                                                                                                                                                                                                                                                          |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| <br>To,<br>The Board of Directors<br>TITAAANIUM TEN ENTERPRISE LIMITED<br>Address: Shop No. 901/914, Raghu Complex, 9th Floor, Ring Road,<br>Sura - 395002, Gujarat, India.<br>Contact Details: Tel. No.: +91 261 2320240; Fax No.: +91 261 2321615 CIN : U52100GJ2008PLC055075                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>FIXED PRICE SME ISSUE</b><br><b>INE 0000000000</b>                                                                                                                                                           | Date: _____<br>Application Form No. _____                                                                                                                                                                                                                                                                                                                                                                         |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| BROKER'S / SCSEB / DP / RTA STAMP & CODE<br><br>SCSEB / BANK BRANCH STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | SUB-BROKER'S / SUB-AGENT'S STAMP & CODE<br><br>SCSEB / BANK BRANCH SERIAL NO.                                                                                                                                   | <b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b><br>Mr. / Ms. _____<br>_____<br>Age _____<br>Tel. No (with STD code) / Mobile _____<br><b>2. PAN OF SOLE/FIRST APPLICANT</b><br>_____<br><b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br>For NSDL enter 8 digit DPID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>4. FROM (as per last Application or Revision)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| PLEASE CHANGE MY APPLICATION <input type="checkbox"/> PHYSICAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="3">Options</th> <th colspan="8">No. of Equity Shares applied<br/>(Application must be in multiples of 8,000 equity shares)<br/>(In Figures)</th> <th colspan="12">Price per Equity Share (₹) 15/-<br/>(In Figures)</th> </tr> <tr> <th colspan="8"></th> <th colspan="4">Issue Price</th> <th colspan="4">Discount, if any</th> <th colspan="4">Net Price</th> </tr> <tr> <th>7</th><th>6</th><th>5</th><th>4</th><th>3</th><th>2</th><th>1</th><th>0</th> <th>4</th><th>3</th><th>2</th><th>1</th><th>0</th> <th>4</th><th>3</th><th>2</th><th>1</th><th>0</th> </tr> <tr> <td>Option 1</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>(OR) Option 2</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>(OR) Option 3</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> </tr> </table> |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   | Options                                                                    | No. of Equity Shares applied<br>(Application must be in multiples of 8,000 equity shares)<br>(In Figures)                                                                                                       |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      | Price per Equity Share (₹) 15/-<br>(In Figures) |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  | Issue Price |  |  |  | Discount, if any |  |  |  | Net Price |  |  |  | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | Option 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | (OR) Option 2 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | (OR) Option 3 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No. of Equity Shares applied<br>(Application must be in multiples of 8,000 equity shares)<br>(In Figures)                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   | Price per Equity Share (₹) 15/-<br>(In Figures) |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (OR) Option 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (OR) Option 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No. of Equity Shares applied<br>(Application must be in multiples of 8,000 equity shares)<br>(In Figures)                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   | Price per Equity Share (₹) 15/-<br>(In Figures) |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (OR) Option 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (OR) Option 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>5. TO (Revised Application)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="3">Options</th> <th colspan="8">No. of Equity Shares applied<br/>(Application must be in multiples of 8,000 equity shares)<br/>(In Figures)</th> <th colspan="12">Price per Equity Share (₹) 15/-<br/>(In Figures)</th> </tr> <tr> <th colspan="8"></th> <th colspan="4">Issue Price</th> <th colspan="4">Discount, if any</th> <th colspan="4">Net Price</th> </tr> <tr> <th>7</th><th>6</th><th>5</th><th>4</th><th>3</th><th>2</th><th>1</th><th>0</th> <th>4</th><th>3</th><th>2</th><th>1</th><th>0</th> <th>4</th><th>3</th><th>2</th><th>1</th><th>0</th> </tr> <tr> <td>Option 1</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>(OR) Option 2</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>(OR) Option 3</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td> </tr> </table> |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   | Options                                                                    | No. of Equity Shares applied<br>(Application must be in multiples of 8,000 equity shares)<br>(In Figures)                                                                                                       |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      | Price per Equity Share (₹) 15/-<br>(In Figures) |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  | Issue Price |  |  |  | Discount, if any |  |  |  | Net Price |  |  |  | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | Option 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | (OR) Option 2 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | (OR) Option 3 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No. of Equity Shares applied<br>(Application must be in multiples of 8,000 equity shares)<br>(In Figures)                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   | Price per Equity Share (₹) 15/-<br>(In Figures) |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   | Issue Price                                     |                     |                                      |                                                 | Discount, if any |   |                             |   | Net Price |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 7                                                                                                                                                                                                               | 6                                                                                                                                                                                                                                                                                                                                                                                                                 | 5                                                                          | 4                                                                                                                                                                                                               | 3                                                                                                        | 2                          | 1                                                  | 0 | 4                                               | 3                   | 2                                    | 1                                               | 0                | 4 | 3                           | 2 | 1         | 0                        |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (OR) Option 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (OR) Option 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>7. PAYMENT DETAILS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Amount Paid<br>(₹ in Figures) _____ (₹ in words) _____<br>ASBA Bank A/c No. _____<br>Bank Name & Branch _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>PAYMENT OPTION : Full Payment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 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 FORM 2A 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; vertical-align: top;"> <b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b><br/> <br/>         Date: _____, 2016       </td> <td style="width: 33%; vertical-align: top;"> <b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b><br/>         I/We authorize the SCSEB to do all acts as are necessary to make the Application in the issue<br/>         1) _____<br/>         2) _____<br/>         3) _____       </td> <td style="width: 33%; vertical-align: top;"> <b>BROKER / SCSEB / DP / RTA STAMP</b><br/>         (Acknowledging upload of Application in Stock Exchange System)       </td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b><br><br>Date: _____, 2016   | <b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b><br>I/We authorize the SCSEB to do all acts as are necessary to make the Application in the issue<br>1) _____<br>2) _____<br>3) _____ | <b>BROKER / SCSEB / DP / RTA STAMP</b><br>(Acknowledging upload of Application in Stock Exchange System) |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b><br><br>Date: _____, 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b><br>I/We authorize the SCSEB to do all acts as are necessary to make the Application in the issue<br>1) _____<br>2) _____<br>3) _____ | <b>BROKER / SCSEB / DP / RTA STAMP</b><br>(Acknowledging upload of Application in Stock Exchange System)                                                                                                                                                                                                                                                                                                          |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| TEAR HERE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;"> <br/> <b>TITAAANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - REVISION - R</b> </td> <td style="width: 33%; text-align: center;"> <b>Acknowledgement Slip for Broker/SCSEB/DP/RTA</b> </td> <td style="width: 33%; text-align: center;"> <b>Application Form No.</b> </td> </tr> <tr> <td>         DPID / CLID _____       </td> <td>         PAN _____       </td> <td></td> </tr> <tr> <td>         Additional Amount Paid (₹ in figures) _____       </td> <td>         Bank &amp; Branch _____       </td> <td>         SCSEB Branch Stamp &amp; Signature _____       </td> </tr> <tr> <td>         ASBA Bank A/c No. _____       </td> <td></td> <td></td> </tr> <tr> <td>         Received from Mr./Ms. _____       </td> <td></td> <td></td> </tr> <tr> <td>         Telephone / Mobile _____       </td> <td>         Email _____       </td> <td></td> </tr> </table>                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   | <br><b>TITAAANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - REVISION - R</b> | <b>Acknowledgement Slip for Broker/SCSEB/DP/RTA</b>                                                                                                                                                             | <b>Application Form No.</b>                                                                              | DPID / CLID _____          | PAN _____                                          |   | Additional Amount Paid (₹ in figures) _____     | Bank & Branch _____ | SCSEB Branch Stamp & Signature _____ | ASBA Bank A/c No. _____                         |                  |   | Received from Mr./Ms. _____ |   |           | Telephone / Mobile _____ | Email _____ |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <br><b>TITAAANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - REVISION - R</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Acknowledgement Slip for Broker/SCSEB/DP/RTA</b>                                                                                                                                                             | <b>Application Form No.</b>                                                                                                                                                                                                                                                                                                                                                                                       |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| DPID / CLID _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | PAN _____                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Additional Amount Paid (₹ in figures) _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Bank & Branch _____                                                                                                                                                                                             | SCSEB Branch Stamp & Signature _____                                                                                                                                                                                                                                                                                                                                                                              |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ASBA Bank A/c No. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Received from Mr./Ms. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Telephone / Mobile _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Email _____                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| TEAR HERE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;"> <b>TITAAANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - REVISION - R</b> </td> <td style="width: 33%; text-align: center;"> <b>Stamp &amp; Signature of Broker / SCSEB / DP / RTA</b> </td> <td style="width: 33%; text-align: center;"> <b>Name of Sole / First Applicant</b> </td> </tr> <tr> <td>         No. of Equity Shares _____       </td> <td>         Option 1 _____<br/>         Option 2 _____<br/>         Option 3 _____       </td> <td></td> </tr> <tr> <td>         Issue Price _____       </td> <td>         NOT APPLICABLE       </td> <td></td> </tr> <tr> <td>         Additional Amount Paid (₹) _____       </td> <td></td> <td></td> </tr> <tr> <td>         ASBA Bank A/c No.: _____       </td> <td></td> <td></td> </tr> <tr> <td>         Bank &amp; Branch: _____       </td> <td></td> <td></td> </tr> </table>                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>TITAAANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - REVISION - R</b>     | <b>Stamp &amp; Signature of Broker / SCSEB / DP / RTA</b>                                                                                                                                                       | <b>Name of Sole / First Applicant</b>                                                                    | No. of Equity Shares _____ | Option 1 _____<br>Option 2 _____<br>Option 3 _____ |   | Issue Price _____                               | NOT APPLICABLE      |                                      | Additional Amount Paid (₹) _____                |                  |   | ASBA Bank A/c No.: _____    |   |           | Bank & Branch: _____     |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>TITAAANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - REVISION - R</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Stamp &amp; Signature of Broker / SCSEB / DP / RTA</b>                                                                                                                                                       | <b>Name of Sole / First Applicant</b>                                                                                                                                                                                                                                                                                                                                                                             |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| No. of Equity Shares _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Option 1 _____<br>Option 2 _____<br>Option 3 _____                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Issue Price _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | NOT APPLICABLE                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Additional Amount Paid (₹) _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ASBA Bank A/c No.: _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bank & Branch: _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>Acknowledgment Slip for Applicant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>Application Form No.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                            |                                                                                                                                                                                                                 |                                                                                                          |                            |                                                    |   |                                                 |                     |                                      |                                                 |                  |   |                             |   |           |                          |             |  |  |  |  |  |  |  |  |  |  |  |  |             |  |  |  |                  |  |  |  |           |  |  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



## Revision Form – NR

|                             |                                                                        |                                                                                          |
|-----------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| <b>COMMON REVISION FORM</b> | <b>TITAANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - REVISION - NR</b> | <b>FOR RESIDENT INDIANS &amp; QIBs, ELIGIBLE NRIs APPLYING ON NON-REPATRIATION BASIS</b> |
|-----------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------|

**To,**  
The Board of Directors  
**TITAANIUM TEN ENTERPRISE LIMITED**  
Address: Shop No. 901/914, Raghans Complex, 9th Floor, Ring Road,  
Surat - 395002, Gujarat, India.  
Contact Details: Tel. No.: + 91 261 2320240, Fax No.: +91 261 2321615 CIN : U52100GJ2008PLC055075

**FIXED PRICE SME ISSUE**

**INE 0000000000**

Date: \_\_\_\_\_

**Application Form No.**

|                                         |                                         |                                                                                                                                                                                                                                                                               |
|-----------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BROKER'S / SCBS / DP / RTA STAMP & CODE | SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | <b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b><br>Mr. / Ms. _____ Age _____<br>Tel. No (with STD code) / Mobile _____                                                                                                                                           |
| SCBS / BANK BRANCH STAMP & CODE         | SCBS / BANK BRANCH SERIAL NO.           | <b>2. PAN OF SOLE/FIRST APPLICANT</b><br>_____<br><b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br><small>For NSDL enter 8 digit DPID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small> |

PLEASE CHANGE MY APPLICATION ☐ PHYSICAL

| 4. FROM (as per last Application or Revision) |                                                                                                           |   |   |                |   |   |   |   |                                                 |   |                  |                |           |   |   |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------|---|---|----------------|---|---|---|---|-------------------------------------------------|---|------------------|----------------|-----------|---|---|
| Options                                       | No. of Equity Shares applied<br>(Application must be in multiples of 8,000 equity shares)<br>(In Figures) |   |   |                |   |   |   |   | Price per Equity Share (₹) 15:-<br>(In Figures) |   |                  |                |           |   |   |
|                                               |                                                                                                           |   |   |                |   |   |   |   | Issue Price                                     |   | Discount, if any |                | Net Price |   |   |
|                                               | 7                                                                                                         | 6 | 5 | 4              | 3 | 2 | 1 | 4 | 3                                               | 2 | 1                | 4              | 3         | 2 | 1 |
| Option 1                                      |                                                                                                           |   |   |                |   |   |   |   |                                                 |   |                  |                |           |   |   |
| (OR) Option 2                                 |                                                                                                           |   |   | NOT APPLICABLE |   |   |   |   |                                                 |   |                  | NOT APPLICABLE |           |   |   |
| (OR) Option 3                                 |                                                                                                           |   |   | NOT APPLICABLE |   |   |   |   |                                                 |   |                  | NOT APPLICABLE |           |   |   |

| 5. TO (Revised Application) |                                                                                                           |   |   |                |   |   |   |   |                                                 |   |                  |                |           |   |   |
|-----------------------------|-----------------------------------------------------------------------------------------------------------|---|---|----------------|---|---|---|---|-------------------------------------------------|---|------------------|----------------|-----------|---|---|
| Options                     | No. of Equity Shares applied<br>(Application must be in multiples of 8,000 equity shares)<br>(In Figures) |   |   |                |   |   |   |   | Price per Equity Share (₹) 15:-<br>(In Figures) |   |                  |                |           |   |   |
|                             |                                                                                                           |   |   |                |   |   |   |   | Issue Price                                     |   | Discount, if any |                | Net Price |   |   |
|                             | 7                                                                                                         | 6 | 5 | 4              | 3 | 2 | 1 | 4 | 3                                               | 2 | 1                | 4              | 3         | 2 | 1 |
| Option 1                    |                                                                                                           |   |   |                |   |   |   |   |                                                 |   |                  |                |           |   |   |
| (OR) Option 2               |                                                                                                           |   |   | NOT APPLICABLE |   |   |   |   |                                                 |   |                  | NOT APPLICABLE |           |   |   |
| (OR) Option 3               |                                                                                                           |   |   | NOT APPLICABLE |   |   |   |   |                                                 |   |                  | NOT APPLICABLE |           |   |   |

| 7. PAYMENT DETAILS                                  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-----------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| <b>PAYMENT OPTION : Full Payment</b>                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Amount Paid (₹ 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 FORM 2A 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><br><br>Date: _____, 2016 | <b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b><br>I/We authorize the SCBS to do all acts as are necessary to make the Application in the issue<br>1) _____<br>2) _____<br>3) _____ | <b>BROKER / SCBS / DP / RTA STAMP</b><br>(Acknowledging upload of Application in Stock Exchange System) |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|

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|                                                                        |                                                    |                             |
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| <b>TITAANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - REVISION - NR</b> | <b>Acknowledgement Slip for Broker/SCBS/DP/RTA</b> | <b>Application Form No.</b> |
|------------------------------------------------------------------------|----------------------------------------------------|-----------------------------|

|                                       |       |                               |
|---------------------------------------|-------|-------------------------------|
| DPID / CLID                           | PAN   |                               |
| Additional Amount Paid (₹ in figures) |       | Bank & Branch                 |
| ASBA Bank A/c No.                     |       | SCBS Branch Stamp & Signature |
| Received from Mr./Ms.                 |       |                               |
| Telephone / Mobile                    | Email |                               |

TEAR HERE

|                                                                        |                                                          |                                       |
|------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------|
| <b>TITAANIUM TEN ENTERPRISE LIMITED - PUBLIC ISSUE - REVISION - NR</b> | <b>Stamp &amp; Signature of Broker / SCBS / DP / RTA</b> | <b>Name of Sole / First Applicant</b> |
|------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------|

|                                                                   |                                  |  |
|-------------------------------------------------------------------|----------------------------------|--|
| No. of Equity Shares<br>Issue Price<br>Additional Amount Paid (₹) | Option 1<br>Option 2<br>Option 3 |  |
| ASBA Bank A/c No.: _____<br>Bank & Branch: _____                  |                                  |  |

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|                                          |                             |
|------------------------------------------|-----------------------------|
| <b>Acknowledgment Slip for Applicant</b> | <b>Application Form No.</b> |
|------------------------------------------|-----------------------------|



#### **4.2.1 FIELDS 1, 2 AND 3: 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 FIELD 4 & 5: 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 FIELD 6: 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 FIELDS 7: 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 GROUND 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 8,000;
- 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 BSE.
- Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section the GID.

**APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE APPLICATION COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **SECTION 6: 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 SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For applications where the proportionate allotment works out to less than 8,000 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 8,000 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 8,000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 8,000 equity shares subject to a minimum allotment of 8,000 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 8,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft 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 retail individual investors and
  - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
- iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## 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 5 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 5 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 applications 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allotment/ Allot/ Allotted                          | The allotment of Equity Shares pursuant to the Issue to successful Applicants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Allottee                                            | An Applicant to whom the Equity Shares are Allotted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 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 Exchanges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Anchor Investor                                     | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Anchor Investor Portion                             | Up to 30% of the QIB Category which may be allocated by the Issuer in consultation with the Lead Manager, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors                                                                                                                                                                                                                                                                                                                                 |
| Application                                         | An indication to make an offer during the Issue Period by a prospective pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.                                                                                                                                                                                                                                                                                                                                                                                                   |
| Application Form                                    | The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Application Intermediaries Collecting               | <ul style="list-style-type: none"> <li><i>i)</i> an SCSB, with whom the bank account to be blocked, is maintained</li> <li><i>ii)</i> a syndicate member (or sub-syndicate member)</li> <li><i>iii)</i> 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><i>iv)</i> a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li><i>v)</i> 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> </ul> |
| Application Supported by Blocked Amount/(ASBA)/ASBA | An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| ASBA Account                                        | Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Applicant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| ASBA Application                                    | An Application made by an ASBA Applicant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Application Amount                                  | The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Banker(s) to the Issue/                             | The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account(s) may be opened, and as disclosed in the Prospectus and Bid cum Application Form of the Issuer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



| Term                                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basis of Allotment                          | The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue                                                                                                                                                                                                                                                                                                                                   |
| Issue Closing Date                          | The date after which the SCSBs may not accept any Application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation Applicants may refer to the Prospectus for the Issue Closing Date                                                                      |
| Issue Opening Date                          | The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the Prospectus for the Issue Opening Date                                                     |
| 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 application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period |
| Book Building Process/ Book Building Method | The book building process as provided under SEBI ICDR Regulations, 2009                                                                                                                                                                                                                                                                                                                                                         |
| Lead Manager(s)/Lead Manager/ LM            | The Lead Manager to the Issue as disclosed in the Draft Prospectus/ Prospectus and the Bid Application Form of the Issuer.                                                                                                                                                                                                                                                                                                      |
| Business Day                                | Monday to Friday (except public holidays)                                                                                                                                                                                                                                                                                                                                                                                       |
| CAN/Confirmation Allotment Note             | of The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may 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                                                                                                                                                                                                                                                                                                                               |
| Companies Act                               | The Companies Act, 1956 and The Companies Act, 2013 (to the extant notified)                                                                                                                                                                                                                                                                                                                                                    |
| DP                                          | Depository Participant                                                                                                                                                                                                                                                                                                                                                                                                          |
| DP ID                                       | Depository Participant's Identification Number                                                                                                                                                                                                                                                                                                                                                                                  |
| Depositories                                | National Securities Depository Limited and Central Depository Services (India) Limited                                                                                                                                                                                                                                                                                                                                          |
| Demographic Details                         | Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details                                                                                                                                                                                                                                                        |
| Designated Branches                         | Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on- <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>                                                                             |
| Designated Date                             | The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Applicants in the Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale               |
| Designated Stock Exchange                   | The designated stock exchange as disclosed in the Draft Prospectus/Prospectus of the Issuer                                                                                                                                                                                                                                                                                                                                     |



| Term                                                      | Description                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Discount                                                  | Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.                                                                                                                                                                                           |
| Draft Prospectus                                          | The draft prospectus filed with the Designated stock exchange in case of Fixed Price Issues and which may mention a price or a Price Band                                                                                                                                                                            |
| Employees                                                 | Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details /Applicant may refer to the Prospectus |
| Equity Shares                                             | Equity shares of the Issuer                                                                                                                                                                                                                                                                                          |
| FCNR Account                                              | Foreign Currency Non-Resident Account                                                                                                                                                                                                                                                                                |
| Applicant                                                 | The Applicant whose name appears first in the Application Form or Revision Form                                                                                                                                                                                                                                      |
| FPI(s)                                                    | Foreign Portfolio Investor                                                                                                                                                                                                                                                                                           |
| Fixed Price Issue/ Fixed Price Process/Fixed Price Method | The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made                                                                                                                                                                                                     |
| FPO                                                       | Further public offering                                                                                                                                                                                                                                                                                              |
| Foreign Venture Capital Investors or FVCIs                | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000                                                                                                                                                                           |
| IPO                                                       | Initial public offering                                                                                                                                                                                                                                                                                              |
| Issue                                                     | Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable                                                                                                                                                                                                                               |
| Issuer/ Company                                           | The Issuer proposing the initial public offering/further public offering as applicable                                                                                                                                                                                                                               |
| Issue Price                                               | The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)                                                                                                          |
| Maximum RII Allottees                                     | The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.                                                                                                           |
| MICR                                                      | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf                                                                                                                                                                                                                                   |
| Mutual Fund                                               | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996                                                                                                                                                                                                                                   |
| NECS                                                      | National Electronic Clearing Service                                                                                                                                                                                                                                                                                 |
| NEFT                                                      | National Electronic Fund Transfer                                                                                                                                                                                                                                                                                    |
| NRE Account                                               | Non-Resident External Account                                                                                                                                                                                                                                                                                        |
| NRI                                                       | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares                                                                                |
| NRO Account                                               | Non-Resident Ordinary Account                                                                                                                                                                                                                                                                                        |
| Net Issue                                                 | The Issue less Market Maker Reservation Portion                                                                                                                                                                                                                                                                      |
| Non-Institutional Investors or NIIs                       | All Applicants, including sub accounts of FPIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)                                       |
| Non-Institutional Category                                | The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form                                                                                                                                    |
| Non-Resident                                              | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with                                                                                                                                                                               |



| Term                                                | Description                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                     | SEBI                                                                                                                                                                                                                                                                                                                                                                                                                 |
| OCB/Overseas Corporate Body                         | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Offer for Sale                                      | Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder                                                                                                                                                                                                                                                                                 |
| Other Investors                                     | Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.                                                                                                                                   |
| PAN                                                 | Permanent Account Number allotted under the Income Tax Act, 1961                                                                                                                                                                                                                                                                                                                                                     |
| Prospectus                                          | The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act 1956 read with section 26 of Companies Act 2013, containing the Issue Price, the size of the Issue and certain other information                                                                                                                                                                                          |
| Public Issue Account                                | An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date                                                                                                                                                                                                                                                                                                       |
| QIB Category Qualified Institutional Buyers or QIBs | The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis As defined under SEBI ICDR Regulations, 2009                                                                                                                                                                                                                                                             |
| RTGS                                                | Real Time Gross Settlement                                                                                                                                                                                                                                                                                                                                                                                           |
| Refunds through electronic transfer of funds        | Refunds through ASBA                                                                                                                                                                                                                                                                                                                                                                                                 |
| Registrar to the Issue/RTI                          | The Registrar to the Issue as disclosed in the Draft Prospectus / Prospectus and Bid cum Application Form                                                                                                                                                                                                                                                                                                            |
| Reserved Categories                                 | Categories of persons eligible for making application under reservation portion                                                                                                                                                                                                                                                                                                                                      |
| Reservation Portion                                 | The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009                                                                                                                                                                                                                                                                                              |
| Retail Individual Investors / RIIs                  | Investors who applies or for a value of not more than Rs. 2,00,000.                                                                                                                                                                                                                                                                                                                                                  |
| Retail Individual Shareholders                      | Shareholders of a listed Issuer who applies for a value of not more than Rs. 2,00,000.                                                                                                                                                                                                                                                                                                                               |
| Retail Category                                     | The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.                                                                                                                                                               |
| Revision Form                                       | The form used by the Applicant in an issue to modify the quantity of Equity Shares in an Application Forms or any previous Revision Form(s)                                                                                                                                                                                                                                                                          |
| RoC                                                 | The Registrar of Companies                                                                                                                                                                                                                                                                                                                                                                                           |
| SEBI                                                | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992                                                                                                                                                                                                                                                                                                    |
| SEBI ICDR Regulations, 2009                         | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009                                                                                                                                                                                                                                                                                                          |
| Self Certified Syndicate Bank(s) or SCSB(s)         | A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>                                                                                                                                                               |
| SME IPO                                             | Initial public offering as chapter XB of SEBI (ICDR) Regulation                                                                                                                                                                                                                                                                                                                                                      |



| Term                                        | Description                                                                                                                                                                                                                                                                                          |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SME Issuer                                  | The Company making the Issue under chapter XB of SEBI (ICDR) Regulation                                                                                                                                                                                                                              |
| Stock Exchanges/SE                          | The stock exchanges as disclosed in the Draft Prospectus/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed                                                                                                                                  |
| Self Certified Syndicate Bank(s) or SCSB(s) | A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>                                               |
| Specified Locations                         | Refer to definition of Broker Centers                                                                                                                                                                                                                                                                |
| Underwriters                                | The Lead Manager(s)                                                                                                                                                                                                                                                                                  |
| Underwriting Agreement                      | The agreement dated June 3, 2016 entered into between the Underwriter and our Company                                                                                                                                                                                                                |
| Working Day                                 | All days other than Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India |





## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government 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 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 2015 (“**FDI Policy 2015**”), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force and effect as on May 11, 2015. However, press note 4 of (2015 Series), dated April 24, 2015, regarding policy on foreign investment in pension sector, will remain effective. Further, DIPP has issued a press note No. 12 (2015 Series) dated November 24, 2015 which introduces a few changes in the consolidated FDI Policy issued on May 12, 2015, and as amended from time to time. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, the consolidated FDI Policy 2015 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 are 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 consolidated FDI Policy of 2015, 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.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include (i) the activities of the investee Company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI. 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

**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 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 “U.S. 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 U.S. 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 compliance with Regulation S under the U.S. 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 or otherwise in respect of the Bonds, 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 or otherwise in respect of the Bonds.**

**Any forwarding, distribution or reproduction of this document in whole or in part is 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 of the Bonds and the information contained in this Draft Prospectus.**

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.



## SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles

| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                      |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1.     | No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto. | <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 Titanium Ten Enterprise Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <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<br/>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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Gender</b>                        |



| Sr. No | Particulars                                                                                                                                                                      |                                        |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
|        | the feminine gender.                                                                                                                                                             |                                        |
| (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>                  |
| (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>         |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                    |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
|        | 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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                    |
| 3.     | a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <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 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 64 of 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Voting rights of preference shares</b>                          |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                     |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
|        | attached to his Preference Shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                     |
| 9.     | <p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(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;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(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;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</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> | <b>Provisions to apply on issue of Redeemable Preference Shares</b> |
| 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.    | 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,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Debentures</b>                                                   |





| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                     |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
|        | 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.                                                                                                                                                                                                                                                                                                                                                                  |                                                     |
| 12.    | The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Issue of Sweat Equity Shares</b>                 |
| 13.    | The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.                                                                                                                                                                                                                                             | <b>ESOP</b>                                         |
| 14.    | Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.                                                                                                                                                                                                                                                                                                                                                                                | <b>Buy Back of shares</b>                           |
| 15.    | Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. | <b>Consolidation, Sub-Division And Cancellation</b> |
| 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                                                                                                                                                                                                 | <b>Modification of rights</b>                       |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                            |
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|        | 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.                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                            |
| 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>                                            |
| 21.    | The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Power to issue shares on preferential basis.</b>                                        |
| 22.    | The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Shares should be Numbered progressively and no share to be subdivided.</b>              |
| 23.    | An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Acceptance of Shares.</b>                                                               |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                               |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
|        | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                               |
| 24.    | Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.                                                                                                                                         | <b>Directors may allot shares as full paid-up</b>             |
| 25.    | The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Deposit and call etc.to be a debt payable immediately.</b> |
| 26.    | Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.                                                                                                                                                                                                                                                                                                                                  | <b>Liability of Members.</b>                                  |
| 27.    | Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Registration of Shares.</b>                                |
|        | <b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                               |
| 28.    | The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                               |
|        | <b>CERTIFICATES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                               |
| 29.    | (a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of | <b>Share Certificates.</b>                                    |



| Sr. No     | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                |
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|            | <p>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> |                                                                                |
| <b>30.</b> | If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Issue of new certificates in place of those defaced, lost or destroyed.</b> |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                    |
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|        | <p>destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p> |                                                                                                    |
| 31.    | (a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <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>                                                            |
| 32.    | 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> |
| 33.    | If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Installment on shares to be duly paid.</b>                                                      |
|        | <b>UNDERWRITING AND BROKERAGE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                    |
| 34.    | Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Commission</b>                                                                                  |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |
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|        | subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.                                                                                                                           |                                       |
| 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.<br>(2) A call may be revoked or postponed at the discretion of the Board.<br>(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                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Calls to carry interest.</b>       |





| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                        |
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|        | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                        |
| 42.    | If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Sums deemed to be calls.</b>                                        |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Payments in Anticipation of calls may carry interest</b>            |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                        |
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|        | <p>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.</p> <p>(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.</p>                                                                                                                                                                                                                                                                    |                                        |
|        | <b>LIEN</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                        |
| 46.    | <p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p>                                                                                             | <b>Company to have Lien on shares.</b> |
| 47.    | <p>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.</p> | <b>As to enforcing lien by sale.</b>   |



| Sr. No                                    | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                              |
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| 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 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.<br>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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Terms of notice.</b>                                      |
| 51.                                       | If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>On default of payment, shares to be forfeited.</b>        |
| 52.                                       | When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Notice of forfeiture to a Member</b>                      |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                    |
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|        | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                    |
| 53.    | Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.                                                                                                                                                                                                                                                                                        | <b>Forfeited shares to be property of the Company and may be sold etc.</b>         |
| 54.    | Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so. | <b>Members still liable to pay money owing at time of forfeiture and interest.</b> |
| 55.    | The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.                                                                                                                                                                                                                                                                                          | <b>Effect of forfeiture.</b>                                                       |
| 56.    | A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.                                                                                                                                                                                                                                           | <b>Evidence of Forfeiture.</b>                                                     |
| 57.    | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.                                                               | <b>Title of purchaser and allottee of Forfeited shares.</b>                        |
| 58.    | Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.                                                      | <b>Cancellation of share certificate in respect of forfeited shares.</b>           |
| 59.    | In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Forfeiture may be remitted.</b>                                                 |



| Sr. No                                     | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                      |
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|                                            | 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.                                                                                                                                                                                                                                                                                                                                                                   |                                                                                      |
| 60.                                        | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.     | <b>Validity of sale</b>                                                              |
| 61.                                        | The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Surrender of shares.</b>                                                          |
| <b>TRANSFER AND TRANSMISSION OF SHARES</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                      |
| 62.                                        | (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.<br>(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>                                        |
| 63.                                        | The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.<br>The instrument of transfer shall be in a common form approved by the Exchange;                                                                                                                                                                                                                                                                                                                                | <b>Transfer Form.</b>                                                                |
| 64.                                        | The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, | <b>Transfer not to be registered except on production of instrument of transfer.</b> |



| Sr. No     | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                     |
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|            | 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. |                                                                                     |
| <b>65.</b> | 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—<br>(a) any transfer of shares on which the company has a lien.<br>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;                                                                                                          | <b>Directors may refuse to register transfer.</b>                                   |
| <b>66.</b> | 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.                           | <b>Notice of refusal to be given to transferor and transferee.</b>                  |
| <b>67.</b> | 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.                                                                                                                                                                                                                                                                                                                      | <b>No fee on transfer.</b>                                                          |
| <b>68.</b> | The Board of Directors shall have power on giving not less than seven days previous 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.                               | <b>Closure of Register of Members or debentureholder or other security holders.</b> |
| <b>69.</b> | 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.                                                                                                                                                                       | <b>Custody of transfer Deeds.</b>                                                   |
| <b>70.</b> | 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                                                                                                                                                                                                                                                                                                                                                                              | <b>Application for transfer of partly paid shares.</b>                              |





| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                             |
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|        | and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                             |
| 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 | <b>Titles of Shares of deceased Member</b>  |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                     |
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|        | Companies Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                     |
| 74.    | Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <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, 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>Registration of persons entitled to share otherwise than by transfer. (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                                                                                                                                                                                     | <b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>           |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                              |
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|        | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                              |
| 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, 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.<br>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<br>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.<br>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. | <b>Nomination</b>                            |
| 82.    | A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-<br>(i) to be registered himself as holder of the security, as the case may be; or<br>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;<br>(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;<br>(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                                                         | <b>Transmission of Securities by nominee</b> |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                              |
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|        | <p>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> |                                                                              |
|        | <b>DEMATERIALISATION 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.                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Dematerialisation of Securities</b>                                       |
|        | <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.                                                                                                                                                                                                                                                                                                                               | <b>Joint Holders</b>                                                         |
| 85.    | (a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.                                                                                                                                                                                                                                                                                                                                                                                     | <b>Joint and several 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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                              |
| 86.    | The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the                                                                                                                        | <b>Power to issue share warrants</b>                                         |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                    |
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|        | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                    |
| 87.    | <p>(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.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p> | <b>Deposit of share warrants</b>                                   |
| 88.    | <p>(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.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>                                                                                                                                                                   | <b>Privileges and disabilities of the holders of share warrant</b> |
| 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.    | <p>The Company may, by ordinary resolution in General Meeting.</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) re-convert any stock into fully paid-up shares of any denomination.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Rights of stock holders.</b>                                    |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                           |
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|        | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                           |
| 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 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Issue of discount etc. or with special privileges.</b> |
| 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                                                                                                                                                                                                                                                              | <b>Securing payment or repayment of Moneys borrowed.</b>  |





| Sr. No                     | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                      |
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|                            | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                      |
| 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 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. | <b>When a Director or any two Members may call an Extra Ordinary General Meeting</b> |
| 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>                     |



| Sr. No                  | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                          |
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| <b>103.</b>             | 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>                                       |
| <b>104.</b>             | 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> |
| <b>105.</b>             | 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.<br>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.<br>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.<br>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. | <b>Chairman with consent may adjourn meeting.</b>                        |
| <b>106.</b>             | 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>                                          |
| <b>107.</b>             | 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>                      |
| <b>108.</b>             | 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> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                          |
| <b>109.</b>             | 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>                                   |
| <b>110.</b>             | 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Number of votes each member entitled.</b>                             |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                     |
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|        | 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.             |                                                                     |
| 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.   | 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.<br>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. | <b>Votes of joint members.</b>                                      |
| 116.   | Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Votes may be given by proxy or by representative</b>             |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                           |
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| 117.   | A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company. | <b>Representation of a body corporate.</b>                                |
| 118.   | (a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.                                                                                                                                                                                                                                                                                                                                                                                                               | <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> |
| 119.   | Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.                                                                                                         | <b>Votes in respect of shares of deceased or insolvent members.</b>       |
| 120.   | No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.                                                    | <b>No votes by proxy on show of hands.</b>                                |
| 121.   | The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person                                                                                                                                                                                                                                                                                                                                                                              | <b>Appointment of a Proxy.</b>                                            |



| Sr. No           | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                            |
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|                  | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                            |
| 122.             | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Form of proxy.</b>                                                      |
| 123.             | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been 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> |
| 124.             | No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Time for objections to votes.</b>                                       |
| 125.             | Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Chairperson of the Meeting to be the judge of validity of any vote.</b> |
| <b>DIRECTORS</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                            |
| 126.             | Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Number of Directors</b>                                                 |
| 127.             | A Director of the Company shall not be bound to hold any Qualification Shares in the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Qualification shares.</b>                                               |
| 128.             | <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</p> | <b>Nominee Directors.</b>                                                  |





| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                        |
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|        | <p>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>                                                                                                                                                                                                                                                                         |                                                                        |
| 129.   | <p>The Board may appoint an Alternate Director to act for a Director (hereinafter called “The Original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.</p> | <b>Appointment of alternate Director.</b>                              |
| 130.   | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Additional Director</b>                                             |
| 131.   | <p>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.</p>                                                                                                                                                                                                                                                                                                                              | <b>Directors power to fill casual vacancies.</b>                       |
| 132.   | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Sitting Fees.</b>                                                   |
| 133.   | <p>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.</p>                                                                                                                                                                                                                                                                                                                            | <b>Travelling expenses Incurred by Director on Company's business.</b> |
|        | <b>PROCEEDING OF THE BOARD OF DIRECTORS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                        |





| Sr. No      | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                              |
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| <b>134.</b> | (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.<br>(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>                                                |
| <b>135.</b> | 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.<br>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>                                                           |
| <b>136.</b> | Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Questions at Board meeting how decided.</b>                               |
| <b>137.</b> | 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> |
| <b>138.</b> | 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>                                      |
| <b>139.</b> | 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>                                |
| <b>140.</b> | a) A committee may elect a Chairperson of its meetings.<br>b) If no such Chairperson is elected, or if at any                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Chairperson of Committee Meetings</b>                                     |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                         |
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|        | 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.                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                         |
| 141.   | a) A committee may meet and adjourn as it thinks fit.<br>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 whose place he is appointed would have held office if had not been vacated as aforesaid.                                                  | <b>Power to fill casual vacancy</b>                                                     |
|        | <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                                                                                                                                                                                                                                                                                                                                                   | <b>To acquire any property , rights etc.</b>                                            |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                |
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|        | Company is authorised to carry on, in any part of India.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                |
|        | (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 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>To insure 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                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>To secure contracts by way of mortgage.</b> |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                      |
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|        | 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.                                                                                                                                                                                                                                                                                                              |                                                      |
| (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 powers, provisions, covenants and agreements as shall be agreed upon;                                 | <b>To give Security by way of indemnity.</b>         |
| (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                                                                                                                                                                                                                                                                            | <b>To determine signing powers.</b>                  |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                        |
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|        | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                        |
|        | (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 | <b>Transfer to Reserve Funds.</b>      |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                            |
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|        | proper.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                            |
|        | (19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>To appoint and remove officers and other employees.</b> |
|        | (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. | <b>To appoint Attorneys.</b>                               |
|        | (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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>To enter into contracts.</b>                            |
|        | (22) From time to time to make, vary and repeal rules                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>To make rules.</b>                                      |





| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                         |
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|        | for the regulations of the business of the Company its Officers and employees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                         |
|        | (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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>To effect contracts etc.</b>                         |
|        | (24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.                                                                                                                                                                          | <b>To apply &amp; obtain concessions licenses etc.</b>  |
|        | (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.<br>(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, |                                                         |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
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|        | to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|        | <p>(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.</p> <p>(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.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</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</p> |  |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                       |
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|        | which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                       |
|        | <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 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>Remuneration of Managing or Wholetime 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</p>                                                                                                                                                                              | <b>Powers and duties of Managing Director or Whole-time Director.</b> |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                      |
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|        | <p>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>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> <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>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b> |
|        | <b>THE SEAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                      |
| 150.   | (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>The seal, its custody and use.</b>                                                                |



| Sr. No      | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                              |
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|             | <p>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>151.</b> | The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Deeds how executed.</b>                                   |
|             | <b>Dividend and Reserves</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                              |
| <b>152.</b> | <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>                                  |
| <b>153.</b> | 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> |
| <b>154.</b> | 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Transfer to reserves</b>                                  |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |
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|        | <p>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>                                                                                                                                                                             |                                                                                                                       |
| 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 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                                                                              | <b>Dividends how remitted.</b>                                                                                        |





| Sr. No                | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                  |
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|                       | <p>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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Fractional Certificates.</b>  |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                         |
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|        | <p>thinks fit, in case of 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> |                                                         |
| 168.   | <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> |
| 169.   | <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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                         |
| 170.   | The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Foreign Register.</b>                                |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                  |
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|        | fit in regard to the keeping of any such Registers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                  |
|        | <b>DOCUMENTS AND SERVICE OF NOTICES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                  |
| 171.   | Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Signing of documents &amp; notices to be served or given.</b> |
| 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.   | <p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>                                                                                                                                 |                                                                  |
|        | <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 | <b>Directors' and others right to indemnity.</b>                 |



| Sr. No | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                            |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
|        | which relief is granted to him by the Court.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                            |
| 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 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>Not responsible for acts of others</b>  |
|        | <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 this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Shop No. 901/914, Rajhans Complex, 9th Floor, Ring Road, Surat- 395002, Gujarat, India from date of filing the Prospectus with Registrar of Companies to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts**

1. Issue Agreement dated June 3, 2016 between our Company and the Lead Manager.
2. Agreement dated June 3, 2016 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated June 3, 2016 between our Company and Underwriter viz. Lead Manager.
4. Market Making Agreement dated June 3, 2016 between our Company, Market Maker and the Lead Manager.
5. Public Issue Banker/Banker to the Issue and Refund Banker to the Issue Agreement dated June 3, 2016 amongst our Company, the Lead Manager, Public Issue Bank/ Banker to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated [•]
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated [•]

#### **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 May 7, 2016 authorizing the Issue
3. Special Resolution of the shareholders passed at the EGM dated May 30, 2016 authorizing the Issue.
4. Statement of Tax Benefits dated June 3, 2016 issued by our Peer Reviewed Auditor M/s. Bipinchandra Modi, Chartered Accountants.
5. Report of the Peer Reviewed Auditor, M/s. Bipinchandra Modi, Chartered Accountants, dated June 3, 2016 on the Restated Financial Statements for the period ended December 31, 2015 and for the financial year ended as on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 & March 31, 2011 of our Company.
6. Consents of Promoters, Directors, Company Secretary & Compliance Officer Chief Executive Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Legal Advisor to the Issue, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Public Issue Bank/Banker to the Issue and Refund Banker to the Issue, to act in their respective capacities.
7. Copy of approval from BSE Limited *vide* letter dated [•], to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE Limited.
8. Due Diligence Certificate dated [•] from Lead Manager to BSE Limited.

None of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

Signed by all the Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary and Compliance Officer of our Company

| Name and designation                                            | Signature |
|-----------------------------------------------------------------|-----------|
| Rohitkumar Kapadia<br><i>Chairman &amp; Whole-time Director</i> | Sd/-      |
| Ilaben Kapadia<br><i>Non- Executive Director</i>                | Sd/-      |
| Nidhi Joshi<br><i>Independent Director</i>                      | Sd/-      |
| Dhiren Shah<br><i>Independent Director</i>                      | Sd/-      |
| Tejus Kapadia<br><i>Chief Executive Officer</i>                 | Sd/-      |

Signed by Chief Financial Officer and Company Secretary and Compliance Officer of the Company

Sd/-

\_\_\_\_\_  
Minesh Shah  
*Chief Financial Officer*

Sd/-

\_\_\_\_\_  
Pashmina Chevli  
*Company Secretary & Compliance Officer*

Place: Surat  
Date: June 9, 2016





# 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.     | Jiya Eco-Products Limited                        | 4.58            | 19.00             | July 16, 2015     | 21.75                         | 46.84% (-2.00%)                                                                                     | 30.00% (-5.86%)                                                                                     | 26.58% (-13.23%)                                                                                     |
| 2.     | M.D. Inducto Cast Limited                        | 17.23           | 27.00             | July 16, 2015     | 28.10                         | 48.33% (-2.00%)                                                                                     | 85.19% (-5.86%)                                                                                     | 68.15% (-13.23%)                                                                                     |
| 3.     | Majestic Research Services and Solutions Limited | 1.428           | 12.75             | July 16, 2015     | 14.00                         | 225.10% (-2.00%)                                                                                    | 274.90% (-5.86%)                                                                                    | 622.75% (-13.23%)                                                                                    |
| 4.     | Mangalam Seeds Limited                           | 5.70            | 50.00             | August 12, 2015   | 55.00                         | 15.20% (-6.87%)                                                                                     | 71.25% (42.50%)                                                                                     | 44.50% (-11.72%)                                                                                     |
| 5.     | Sri Krishna Constructions (India) Limited        | 11.34           | 45.00             | October 01, 2015  | 39.90                         | -2.22% (1.66%)                                                                                      | -0.89% (-1.00%)                                                                                     | -26.00% (-5.04%)                                                                                     |
| 6.     | Patdiam Jewellery Limited                        | 5.0046          | 38.00             | October 16, 2015  | 43.00                         | 61.84% (-5.34%)                                                                                     | 63.03% (-8.97%)                                                                                     | 163.16%(-5.83%)                                                                                      |
| 7.     | Vidli Restaurants Limited                        | 1.31            | 10.00             | February 15, 2016 | 12.00                         | 149.50 % (4.23%)                                                                                    | 174.50%(8.91%)                                                                                      | Not Applicable                                                                                       |
| 8.     | Ruby Cables Limited                              | 10.50           | 50.00             | April 13, 2016    | 50.90                         | 0.00%(-0.54%)                                                                                       | Not Applicable                                                                                      | Not Applicable                                                                                       |
| 9.     | Sysco Industries Limited                         | 2.17            | 10.00             | April 13, 2016    | 12.00                         | 117.50%(-0.54%)                                                                                     | Not Applicable                                                                                      | Not Applicable                                                                                       |
| 10.    | Lancer Container Lines Limited                   | 1.848           | 12.00             | April 13, 2016    | 12.60                         | 32.08%(-0.54%)                                                                                      | Not Applicable                                                                                      | Not Applicable                                                                                       |

\*Prospectus of Yash Chemex Limited has been filed with Registrar of Companies on June 01, 2016.



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.
5. 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 30 <sup>th</sup> Calendar day from listing date |                |               | Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date |                |               | Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date |                |               | Nos of IPOs trading at premium on 180 <sup>th</sup> 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% |
| 13-14          | *1               | 6.855                       | -                                                                                  | -              | -             | -                                                                                 | 1              | -             | -                                                                                   | -              | -             | -                                                                                  | 1              | -             |
| 14-15          | **5              | 56.844                      | -                                                                                  | -              | -             | -                                                                                 | -              | 5             | -                                                                                   | -              | -             | -                                                                                  | 2              | 3             |
| 15-16          | ***9             | 54.01                       | -                                                                                  | -              | 1             | 2                                                                                 | 2              | 4             | -                                                                                   | -              | 2#            | 3                                                                                  | 3              | -             |
| 16-17          | ****3##          | 14.518                      | -                                                                                  | -              | -             | 1                                                                                 | 1              | 1             | -                                                                                   | -              |               | -                                                                                  | -              | -             |

\*The scripts of Si. Vi. Shipping Corporation Limited was listed on March 6, 2014.

\*\*The scripts of Women's Next Loungeries Limited, Ultracab (India) Limited, Momai Apparels Limited, Jet Infraventure Limited and Supreme(India) Impex Limited were listed on April 21, 2014, October 10, 2014, October 16, 2014, November 25, 2014, and March 31, 2015.

\*\*\*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 of Ruby Cables Limited, Sysco Industries Limited and Lancer Containers Lines Limited were listed on April 13, 2016

#The Scripts of Vidli Restaurants Limited have not completed 180 Days from the date of listing.

## The Scripts of Ruby Cables Limited, Sysco Industries Limited and Lancer Containers Lines Limited have not completed 180 Days from the date of listing.