



SITARAM INDIA LIMITED
(Formerly known as Swagat Synthetics Private Limited)
Corporate Identity Number: - U24304RJ1987PLC004101

Our Company was originally incorporated on September 24, 1987 as Swagat Synthetics Private Limited under the provisions of Companies Act, 1956 with Registrar of Companies, Rajasthan, Jaipur vide registration no. (CIN: U24304RJ1987PTC004101). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on September 30, 2015 and a fresh Certificate of Incorporation dated October 16, 2015 issued by the Registrar of Companies, Rajasthan, Jaipur the name of our Company was changed to "SITARAM FASHION PRIVATE LIMITED". Later, vide Shareholders Resolution passed at the Extra Ordinary General Meeting held on November 20, 2015 and a fresh Certificate of Incorporation dated November 27, 2015, issued by the Registrar of Companies, Rajasthan, Jaipur the name of the Company was further changed from SITARAM FASHION PRIVATE LIMITED to SITARAM INDIA PRIVATE LIMITED. Further, our Company was converted into a public limited company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on December 07, 2015 and the name of our Company was changed to "SITARAM INDIA LIMITED" vide a fresh Certificate of Incorporation dated December 28, 2015 having CIN U24304RJ1987PLC004101, issued by the Registrar of Companies, Rajasthan, Jaipur. For details of the changes in our Name and Registered Office, please see section titled "*History and Certain Corporate Matters*" on page 134 of this Draft Prospectus.

Registered Office: F-226,227, G-228,229, IVTH Phase, RIICO Industrial Area, Bhilwara-311 001, Rajasthan, India
Tel No: +91-1482-260385, +91-1482-260386 **Fax No.:** +91-1482-260382, **E-mail:** cs@sitaramindia.com **Website:** www.sitaramindia.com
Contact Person: Mrs. Devika Maheshwari (Company Secretary & Compliance officer)

PROMOTERS OF OUR COMPANY: MR. ANIL KUMAR NUWAL, MR. JAGDISH PRASAD NUWAL AND MR. MADHU SUDAN NUWAL

THE ISSUE

PUBLIC ISSUE OF 27,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF SITARAM INDIA LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ 22.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 12.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ 594.00 LAKHS ("THE ISSUE"), OF WHICH 1,44,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR A CASH PRICE OF ₹ 22.00 PER EQUITY SHARE, AGGREGATING TO ₹ 31.68 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 25,56,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ 22.00 PER EQUITY SHARE AGGREGATING TO ₹ 562.32 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.47% AND 25.06%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 262 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS ₹ 22.00. THE ISSUE PRICE IS 2.20 TIMES OF THE FACE VALUE.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI ICDR REGULATIONS"), AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 270 OF THIS DRAFT PROSPECTUS.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "*Issue Procedure*" beginning on page 270 of this Draft Prospectus.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "*Issue Procedure*" beginning on page 270 of this Draft Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹10.00 per equity share and the Issue Price is 2.2 times of the face value. The Issue Price (has been determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph "*Basis for Issue Price*" on page 81 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the "Risk Factors" carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 14 of this Draft Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company 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.

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE") ("NSE EMERGE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, our Company has received an in-principle approval letter dated [●] from NSE for using its name in this offer document for listing of our shares on the SME Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



HEM SECURITIES LIMITED
14/15 Khatau Building, 1st Floor, 40 Bank Street,
Fort, Mumbai – 400001, Maharashtra
Tel. No.: +91- 22-22671543
Fax No.: +91- 22-22625991
Website: www.hemonline.com
Email: jb@hemonline.com
Investor Grievance Email: redressal@hemonline.com
Contact Person: Mr. Anil Bhargava
SEBI Regn. No. INM000010981

BIGSHARE SERVICES PRIVATE LIMITED
E-2, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072,
Maharashtra, India
Tel. No.: +91-22 – 40430200
Fax No.: +91-22 – 28475201
Website: www.bigshareonline.com
Email: ipo@bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Contact Person: Mr. Vipin Gupta
SEBI Regn. No. INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, enactment or regulation shall be to such legislation, enactment or regulation as amended from time to time. In the section “*Main Provision of Articles of Association*” on page 312 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

General Terms

Term	Description
“Sitaram India Limited”, “Sitaram”, “SIL”, “We” or “Our” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to “ Sitaram India Limited ”, (Formerly known Swagat Synthetics Private limited) a Company originally incorporated under the Companies Act, 1956 vide a Certificate of Incorporation issued by the Registrar of Companies, Rajasthan Jaipur.
“you”, “your” or “yours”	Prospective investors in this Issue.

Company Related Terms

Terms	Description
AOA / Articles / Articles of Association	Articles of Association of Sitaram India Limited (Formerly known as Swagat Synthetics Private limited), as amended from time to time.
Auditors/ Statutory Auditors	The Auditors of Sitaram India Limited being M/s S Dad & Co. Chartered Accountant.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015
Board of Directors / the Board / our Board	The Board of Directors of Sitaram India Limited, including all duly constituted Committees thereof.
CIN	Corporate Identification Number.
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of our Company being Mrs. Devika Maheshwari.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of Sitaram India Limited, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Directors	Executive Directors are the Whole Time Directors of our Company.
Factories	Unit I located at G – 13, 14, RIICO Industrial Area, Pur Road, Bhilwara – 311001, Rajasthan Unit II located at F-226,227, G-228,229, IVTH Phase RIICO Industrial Area, Bhilwara – 311001, Rajasthan
General Information Document (GID)	The General Information Document for investing in Public Issues prepared and issued in accordance with SEBI circular CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI read with SEBI Circular dated November 10, 2015 and bearing reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
GIR Number	General Index Registry Number.
Group Companies	The word “group companies”, wherever they occur, shall include such companies ascovered under the applicable accounting standards and also other companies as

Terms	Description
	considered material by the board of the issuer as disclosed in “Our Promoter Group and Group Companies / Entities” promoted by the Promoters on page 159 of this Draft Prospectus
HUF	Hindu Undivided Family.
ISIN	International Securities Identification Number. In this case being – [●]
IT Act	The Income Tax Act, 1961 as amended till date
Indian GAAP	Generally Accepted Accounting Principles in India.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Sitaram India Limited (Formerly known as Swagat Synthetics Private limited) as amended from time to time.
Non Residents	A person resident outside India, as defined under FEMA Regulations, 2000
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s. Birani & Associates, Chartered Accountant.
Person or 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.
Promoters	Shall mean promoters of our Company i.e. Mr. Jagdish Prasad Nuwal, Mr. Anil Kumar Nuwal and Mr. Madhu Sudan Nuwal.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(zb) of the SEBI (ICDR) Regulations as enlisted in the section titled “Our Promoter Group and Group Companies / Entities” beginning on page 159 of this Draft Prospectus.
Registered Office of our Company	F-226,227, G-228,229, IVTH Phase, RIICO Industrial Area, Bhilwara- 311001, Rajasthan
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
RoC	Registrar of Companies, Rajasthan, Jaipur
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited

ISSUE RELATED TERMS

Terms	Description
Allotment/Allot/Allotted	Issue of the Equity Shares pursuant to the Issue to the successful applicants.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. <i>Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA process only.</i>
ASBA Account	Account maintained by the ASBA Applicant/Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant/Investor.
ASBA Applicant	Any Applicant who intends to apply through ASBA Process.
Bankers to the Company	Bank of Baroda- S S I Branch, Bhilwara-311001,Rajasthan
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “ Issue Procedure – Basis of Allotment ” on page 302 of the Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker.
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996.
Designated 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.
Designated Intermediaries/Collecting	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock

Terms	Description
Agent	Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	Hem Finlease Private Limited
Designated Stock Exchange	National Stock Exchange of India Limited (NSE) (SME Platform of NSE i.e. NSE EMERGE)
DP ID	Depository Participant's Identity.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.nseindia.com
Draft Prospectus	Draft prospectus dated February 17, 2016 issued in accordance with Section 32 of the Companies Act, 2013.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this draft prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value ₹ 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
HSL	Hem Securities Limited.
IPO	Initial Public Offering.
Issue/Issue size	The Public Issue 27,00,000 Equity shares of ₹ 10/- each at issue price of ₹ 22/- per Equity share, including a premium of ₹ 12/- per equity share aggregating to ₹ 594.00 Lacs
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft

Terms	Description
	Prospectus being ₹ 22/- per equity share.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” page no. 75 of the Draft Prospectus
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).
Listing Agreement	The SME Equity Listing Agreement to be signed between our Company and National Stock Exchange of India Limited (NSE).
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE Emerge Platform. In our case, Hem Finlease Private Limited (HFPL) (Registration No. INB231110033) is the sole Market Maker
Market Making Agreement	The Market Making Agreement dated February 04, 2016 between our Company and Market Maker Hem Finlease Private Limited (HFPL).
Market Maker Reservation Portion	The reserved portion of 1,44,000 Equity Shares of ₹ 10 each at an Issue price of ₹ 22/- each aggregating to ₹ 31.68 Lacs to be subscribed by Market Maker in this issue.
MOU/ Issue Agreement	The Memorandum of Understanding dated February 04, 2016 between our Company and Lead Manager
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 25,56,000 equity Shares of ₹10 each at a price of ₹ 22 per Equity Share (the “ <i>Issue Price</i> ”), including a share premium of ₹ 10 per equity share aggregating to ₹ 562.32 Lacs.
Non-Institutional Investors / Applicant	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
NSEL/NSE	National Stock Exchange of India Limited
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter X-B of the SEBI ICDR Regulations.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus, filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue /Issue / Issue Size	Public Issue of 27,00,000 Equity Shares of face value ₹ 10/- each of Sitaram India Limited for cash at a price of ₹ 22/- per Equity Share (the “ <i>Issue Price</i> ”), including a share premium of ₹ 10/- per Equity Share aggregating up to ₹ 594.00 Lacs.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Foreign Investor/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accountants or SEBI registered FCVIs who meet know your client requirements prescribed by SEBI.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and

Terms	Description
	managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Bigshare Services Private Limited.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
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 http://www.nseindia.com/membership/content/cat_of_mem.htm
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no.CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Self Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available http://www.sebi.gov.in/pmd/scsb.pdf
SME Exchange	SME Platform of the NSE i.e. NSE EMERGE
SME Platform	The SME Platform of NSE i.e. NSE EMERGE for listing equity shares offered under Chapter X-B of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange on September 27, 2011
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Applicant as proof of registration of the Application.
Underwriters	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated February 04, 2016 entered between the Underwriters (HSL) and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue opening and Issue closing date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

COMPANY AND INDUSTRY RELATED TERMS

Technical and Industry Related Terms

Terms	Full Form
CARE	Credit Analysis & Research Ltd.
C&F	Cost and Freight
CSO	Central Statistical Organization
CSR	Corporate Social Responsibility
DIC	District Industries Centre
DG Set	Diesel Generator Set

DTA	Domestic Tariff Area
EPCG	Export Promotion Capital Goods
HP	Horse Power
IEC	Import & Export Code
IIP	Index of Industrial Production
IT	Information Technology
Ktpa	Kilo Tonnes per annum
KVA	Kilovolt Ampere
KW	Kilo Watt
MMF	Man Made Fibre
Mtrs	Meters
Pcs	Pieces
PV Yarn	Polysters Viscose Yarn
PLR	Prime Lending Rate
RIICO	Rajasthan State Industrial Development and Investment Corporation
SIA	Secretariat Fir Industrial Assistance
SME	Small and Medium Enterprise
Sq Mtrs	Square Meters
SSI	Small Scale Industries
TC	Thread Count
TUFS	Technology Upgradation Fund Scheme
TWRFS	Textile Workers Rehabilitation Fund Scheme
WPI	Wholesale Price Index

ABBREVIATIONS

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit

Abbreviation	Full Form
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR	Indian National Rupee
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time

Abbreviation	Full Form
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
₹/ INR	Indian Rupees, the official currency of the Republic of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time

Abbreviation	Full Form
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from

Notwithstanding the following:-

- (i) In the section titled “**Main Provisions of the Articles of Association**” beginning on page 312 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section.
- (ii) In the section titled “**Financial Information of the Company**” beginning on page 169 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
- (iii) In the Chapter titled “**Statement of Tax Benefits**” beginning on page 84 of the Draft Prospectus, defined terms shall have the same meaning given to such terms in that chapter.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**Certain Conventions**

All references in the Draft Prospectus to “India” are to the Republic of India. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Sitaram India Limited”, “SIL”, and “Sitaram”, unless the context otherwise indicates or implies, refers to Sitaram India Limited (Formerly known as Swagat Synthetics Private Limited). In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lacs. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated for the period ended September 30, 2015 and financial year ended 2015, 2014, 2013, 2012 and 2011 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “**Financial Information of the Company**” beginning on page 169 of this Draft Prospectus. Our Company does not have a subsidiary. Accordingly, financial information relating to us is presented on a Standalone basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“**U.S. GAAP**”). 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 Indian accounting practice and 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. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in this Draft Prospectus, see the section **Definitions and Abbreviations** on page 1 of this Draft Prospectus. In the section titled “**Main Provisions of Articles of Association**”, on page no 312 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the Draft prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. 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 market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “**Basis for Issue Price**” on page 81 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

Currency of Financial Presentation and Exchange Rates

All references to "Rupees" or "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled "**Industry Overview**" throughout the Draft Prospectus all figures have been expressed in thousands, Lakhs/Lacs, Million and Crores.

Any percentage amounts, as set forth in "**Risk Factors**", "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operation**" on page 14, 108 & 221 in the Draft Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The Draft Prospectus contains conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

FORWARD LOOKING STATEMENTS

We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which 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 to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Disruption in our fabric manufacturing facilities.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
5. Disruption in supply of Raw Materials.
6. Changes in laws and regulations relating to the industries in which we operate;
7. Effect of lack of infrastructure facilities on our business;
8. Increased in prices of Raw Material
9. Occurrence of Environmental Problems & Uninsured Losses;
10. Intensified competition in industries/sector in which we operate;
11. Our ability to successfully implement our growth strategy and expansion plans;
12. Our ability to meet our capital expenditure requirements;
13. Our ability to attract, retain and manage qualified personnel;
14. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
15. Changes in political and social conditions in India or in countries that we may enter, 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;
16. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. The performance of the financial markets in India and globally;
19. Any adverse outcome in the legal proceedings in which we are involved;
20. Our ability to expand our geographical area of operation;
21. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled ***"Risk Factors"***; ***"Our Business"*** & ***"Management’s Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on page 14, 108 & 221 respectively of the 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.

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as other information in this Draft Prospectus before making an investment in our Equity Shares. You should read this section in conjunction with the chapters “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 108 and 221, respectively, as well as the other financial and statistical information contained in this Draft Prospectus. The risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any or a combination of the following events occur, our business, financial condition, results of operations and prospects could materially suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication 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.

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus.

Materiality

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

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

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

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

Any percentage amounts, as set forth in “Risk Factors” on page 14 and “Management Discussion and Analysis of Financial Condition and Results of Operations” on page 221 of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Audited Financial Statements, as restated” prepared in accordance with the Indian Accounting Standard.

Risks Relating to our Business/ Internal Risk Factors

- 1. *There are outstanding legal proceedings involving our Company, Promoters and our Group Companies, which may have financial implication on the business of our Company.***

Our Company, Promoter and Group Companies are involved in certain tax proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. For details kindly refer chapter titled “**Outstanding Litigation and Material Developments**” at page no. 234 of this Draft Prospectus. A classification of the tax proceedings instituted against and by our Company, our Promoter, the monetary amount involved, wherever quantifiable, in these cases is mentioned in brief below:-

Litigation involving Our Company:-
A. Cases filed against our Company:-

Nature of Cases	No. of Outstanding Cases	Amount Involved (in Rs. Lacs)
Tax Proceedings	5	16.83

Litigation involving our Group Company/Entities:-
A. Cases filed against our Group Company/Entities:-

Nature of Cases	No. of Outstanding Cases	Amount Involved (in Rs. Lacs)
Tax Proceedings	8	0.30

We cannot provide any assurance that these matters will be decided in favour of the above mentioned entities or persons. Further, there is no assurance that similar proceedings will not be initiated against the above mentioned entities or persons in the future.

2. *If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.*

Our Company has received necessary approvals and licenses for running our manufacturing business but our Company has applied for renewal of factory License under Factories Act for both the factories. Further our Company has not obtained registration under Rajasthan Shop and Establishment Act and Rajasthan Tax on Profession, Trade, callings and Employment Act, 2000. Additionally we have to apply for change in name and address in all registration which are on previous name and address of our Company. We may be subjected to penal provisions by the relevant authorities for the same, which will adversely affect our business, financial conditions and results of operations.

Further, we believe that we will be able to renew or obtain such registrations and approvals or permissions, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues, profits and operations.

For further details see section on “Government and Other Approvals” beginning on page 242 of the Draft Prospectus.

3. *There are certain discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies.*

Our Company has not complied with certain statutory provisions under the Companies Act 1956 /2013, for instance Our Company has altered its Memorandum of Association and Articles of Association for change in authorized capital on various dates i.e. July 23, 1996, June 16, 1997, September 23, 2000, June 29, 2001, March 30, 2002, March 10, 2009, May 14, 2014, November 21, 2014, November 20, 2015 by taking shareholders approval for alteration of Memorandum of Association but approval of shareholders for alteration in Article of Association was not taken by our Company. Although no cognizance have been taken by the concerned authority in respect of the said offence, our company may be subjected to penalty in the event any action taken against us in the matter. Additionally our Company has made some clerical mistakes in documents and form filed in registrar of Companies for instances, in offer letter issued by our Company for private placement dated May 16, 2014 our Company has inadvertently made error in respect of the premium account and also in forms MGT-14 dated November 21, 2014, the business in respect of capital increase has been selected to have been passed under Section 62(1)(c) indicating increase in paid up capital, instead of increase in authorized capital. Also our Company has filed several documents under Sd/- without actually getting the documents signed by the concerned signatory and the same is under violation of the applicable provisions of Companies Act, 2013. Although no actions have been taken in respect of the above discrepancies, however in the event of any cognizance being taken, our company may be subjected to penalty in respect of them.

Further our Company has accepted certain amounts which are classified as deposits under the purview of Section 58A of the Companies Act, 1956 in the past. Due to absence of professional guidance on the matter, we did not follow the prescribed procedures as laid down under the relevant sections of Companies Act. Also our Company has accepted loans from Companies in which our directors are interested. Also there are some cases where forms has been filed belately in Registrar of Companies for which requisite delayed fees was paid by the Company. Additionally our Company may have not complied with some Accounting Standard For instance, Accounting Standards 3, 13, 15 and 20. However, now the Company has made necessary

provision for gratuity and has made necessary compliance in accordance with the Accounting Standards in the re-stated financial statements of the Company.

Although no show cause notice have been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and its directors may be adversely affected.

For further details on the same please refer section ***“Financial Information of the Company”*** beginning on page no. 169 of this Draft Prospectus.

4. *We may not be able to fulfill our commitments towards our signed Memorandum of Understanding with Commissioner Industries & Secretary CSR, Government of Rajasthan for Composite textile unit for manufacturing of fabrics and yarn.*

Our Company has signed a Memorandum of Understanding dated August 06, 2015 with Commissioner Industries & Secretary CSR, Government of Rajasthan for Composite textile unit for manufacturing of suiting's/shirting with 100 Air jet/Rapier Looms, eco friendly process house to process capacity 40 lacs meters fabrics per month and also 26000 spindles of PV yarn manufacturing and our Company has further undertake to make an investment of Rs. 275 Crores for manufacturing of fabrics and yarn and to generate employment of 600 employees by end of September, 2017. Further the land and other infrastructure facilities will be provided by Government of Rajasthan. Our Company is in planning stage of above set-up of composite textile unit. Any uncertainty in future occur which enables us complete our commitments toward above Memorandum of Understanding & will affect our projection and financial position of our Company.

5. *Our Company had made an application for registration of trademarks under Trade Marks Act and the same was objected.*

Currently we are using various trademarks that include SITARAM PREMIUM SUITINGS, SITARAM SUITINGS and STARDOM PREMIUM SUITINGS, out of which “Stardom Premium Suitings” issued under class 24 under Trade Marks Act in the year 2013 was objected. Also “Sitaram Suiting” under class 24 under Trade Marks Act in the year 1999 was abandoned by the Company. Our name and trademarks are significant to our business and operations. We cannot assure that we will be able to register all of the trademarks applied and objected in our name, and such failure may materially and adversely affect our business prospects. Pending completion of registration proceedings, any third-party claim on any of our brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly, and a favorable outcome cannot be assured. Even if our trademarks are registered, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause material damage to our business prospects.

For further details of our pending approvals, please see section Intellectual Property under chapter ***“Government and Other Approvals”*** beginning on page 242 of this Draft Prospectus.

6. *We do not have any long-term agreement or contract to supply of yarn. We also do not have any long-term agreements or contracts for our processing outsourcing and consequently are exposed to price and supply fluctuations for our raw materials & Jobwork.*

We are, to a major extent, dependent on external suppliers for our raw materials requirements and we do not have any long-term supply agreements or commitments in relation to the same or for any other raw materials used in our manufacturing process. Consequently, we are exposed to price and supply fluctuations in yarn and other raw materials, and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition.

In case of non-availability of raw materials on favourable terms and job workers for processings we may have to procure the same at the terms and conditions prevalent at that point. This will result in reducing our revenues by a considerable amount due to shortage of raw material and job worker or due to inability to procure the same. Further, unfavorable terms of raw materials may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business. We may have to put on hold any expansion plans and our future growth will be severely stunted.

7. Our Company is engaged in construction of residential apartments for which our company has already purchased a property in Hyderabad on the name of our Promoter.

Our Company is also engaged in the business of real estate and we are involved in construction of residential apartments. Our Company purchased one of the property situated at Hyderabad in the name of our Promoter Mr. Anil Kumar Nuwal along with other parties for construction of apartment. However our Company has signed an Agreement dated Febrauy 20, 2007 with our Promoter Mr. Anil Kumar Nuwal for terms and conditions with regards to right of the property which remains with our Company. Although the payment for consideration was made by our company and presently our company is having some of apartments as stock-in-trade in the books of accounts. Any uncertainty arises for ownership of the said property which is on name of ou Promoter, our Company will not able to safeguard the interest which impacts the financial position and operation of our Company.

8. We have experienced negative cash flows in previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions

The details of Cash flows of our Company are as follows:

Particulars	For the Period Ended	For the year ended (in ₹)				
	30.09.2015	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Net Cash from Operating Activities	4,89,04,577	6,22,76,963	5,33,62,443	5,95,79,391	5,10,80,830	(59,74,769)
Net Cash used in Investing Activities	(2,75,16,987)	(35,21,42,918)	(3,24,22,355)	(1,41,62,204)	(87,15,674)	(7,53,445)
Net Cash from Financing Activities	(1,61,61,714)	29,53,36,055	(2,00,68,533)	(5,29,29,303)	(4,08,36,124)	1,30,38,404

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For more information, regarding Cash flows please refer “Annexure III” in chapter titled “Financial Information of the Company” beginning on page 169 of this Draft Prospectus.

9. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.

Our business requires significant amount of working capital and major Portion of our working capital is utilized towards debtors and inventories. We have been sanctioned working capital of ₹ 2000 lakhs from the existing bankers. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, 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 section “Objects of the Issue” on page 75 of this Draft Prospectus. Further, we have high outstanding amount from our debtors which may result in a high risk in case of non-payment by these debtors. In the event we are not able to recover our dues from our debtors, we may not be able to maintain our sales level and thus adversely affecting our financial operations.

10. Based on certain qualifications noted by our auditors, there are deficiencies in certain aspects of our internal controls and non compliances of Accounting Standards.

In connection with the audits of our financial statements, our auditor have reported a qualification in respect of our internal control for safeguarding the interest of company for purchase of property in Hyderabad for construction of apartments which was on the name of the our Promoter. Additionally our company has made non-compliances of Accounting Standard – 15 in financial statements relating to past years. Although the qualification are adjusted in restated financial Statement to the extent adjustable.

The existence of any deficiencies in our internal controls over safeguarding the interest of our Company in future may affect the investors to lose confidence in our reported financial information and the market price of our Equity Shares could decline significantly and also our business could be adversely affected.

11. Our success depends heavily on our Promoters and Senior management for the continued success of our business through their continuing services and strategic guidance and support

Our success heavily depends upon the continued services of our Key Management Personnel, along with support of our Promoters, Mr. Anil Kumar Nuwal, Mr. Jagdish Prasad Nuwal and Mr. Madhu Sudan Nuwal. Further, we believe that being a relatively large organization, we would depend significantly on our Key Managerial Persons for executing their day to day activities. The loss of any of our Promoters and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section “***Our Management***” on page 140 of this Draft Prospectus.

12. We may in the future face potential liabilities from lawsuits or claims by consumers including product liability claims.

Since we operate in the fabric and textiles manufacturing sector, we may face the risk of potential legal proceedings and claims being brought against us by our customers/wholesaler for any defective fabric sold or any dissatisfaction caused to them. In the event that we are found to be liable for any product liability claim, we could be required to pay substantial monetary damages. The compensation awarded to us by the insurance company may not be adequate to compensate the claimants. Further, even if we successfully defend ourselves against a claim, or successfully claim back compensation from others, we may need to spend a substantial amount of time and money in defending such a claim and in seeking compensation, and our reputation could suffer.

13. We are awaiting permission / consent from our lender i.e. Bank of Baroda for proposed Initial Public Issue.

Our major fund base and non fund base financial assistance are sanctioned from Bank of Baroda. Further our Company has applied for consent for the proposed Initial Public Offer with the said lender for inclusion for name in this Draft Prospectus and for alteration in capital Structure and other restrictive clauses of the sanctioned letter, for the issue of shares in Initial offer to Public. As on date of this Draft Prospectus, we are awaiting the reply from Bank of Baroda by way of their permission / consent for No Objection in regards to above permissions. Any consequence or non receipt of No objection letter may affect our financial assistance from Bank and may adversely affect our business operation and financial condition of the Company.

14. Our Company is having Export Obligation under the Scheme availed for Import of Capital Goods.

Our Company is engaged in manufacturing of fabrics and import of capital Goods such as looms. Further our Company have availed the subsidies of Custom duty on import of capital goods for which we have certain obligation to export under the Export Promotion capital goods Scheme. Export Obligation under EPCG Scheme is required to be fulfilled by export of goods manufacture by us which is equal to six times of the total duty saved on import of capital goods, to be fulfilled in 6 years reckoned from authorization issue date. Any failure to comply with export Obligation will affect the financial position of our Company. For detailed please refer section titled “***Our Business***” on page no. 108 of this Draft Prospectus.

15. Volatility in the prices of yarn and other raw materials, may adversely impact our total cost of goods sold.

Our Company mainly purchases yarn from various suppliers for our manufacturing operations. We are therefore, entirely dependent on external suppliers for the raw materials which constitutes a majority of the total cost of raw materials for our processing operations. The prices of Fabric depend largely on the market prices of the various yarns and cotton, which are the raw material for manufacture of fabric and any increase in prices of raw material is generally passed on to our customers. However, any adverse fluctuations in the price which we may not be able to pass on to our customers could have a material adverse effect on our total cost of production. Further, any material shortage or interruption in the supply or decrease in quality of these raw materials could also adversely impact our business operations.

- 16. Our Promoter and Promoter Group members has provided personal guarantees and personal properties for loans availed by our Company. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees and securities or enforcement of the collateral provided by our Promoter and Promoter Group members.**

Our Promoter and Promoter Group Members has provided personal guarantees, security, collateral and personal LIC policies to secure a significant portion of our existing borrowings, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter and Promoter Group Members may be invoked and/ or the collateral may also be enforced, which could negatively impact the reputation and networth of the Promoters. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter and Promoter Group Members may be required to liquidate his shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees satisfactory to the lenders and additional properties for mortgage, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “**Statement of Financial Indebtness**” on page no. 216 of this Draft Prospectus.

- 17. One of our Group Companies have incurred losses in past and any operating losses in the future could adversely affect the results of operations and financial conditions of our group companies.**

The details of profit and loss of our Group Company in past years are as follows:-

Name of the Group Company	Profit/ (Loss) for the year ended (Amount in ₹)		
	31 st March 2015	31 st March 2014	31 st March 2013
Sitaram Texpark Developers Private Limited	(15,741)	(12,530)	(11,219)

Any operating losses could adversely affect the overall operations of the group and financial conditions. For more information, regarding the Company, please refer chapter titled “**Our Promoter Group and Group Companies/ Entities**” beginning on page 159 of this Draft Prospectus.

- 18. We have not identified any alternate source of raising the working capital mentioned as our ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.**

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may result in us borrowing funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company.

- 19. Any Penalty or demand raise by statutory authorities in future will affect our financial position of the Company.**

Our Company is mainly engaged in business of manufacturing of fabric which attracts tax liability such as Excise Duty, Sales Tax, Service Tax and other applicable provision of the Acts. However the Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of the Company. For instance our company has liability of TDS demand from A.Y. 2008-09 to A.Y. 2015-16 due to short deduction of TDS, interest and penalties amounting ₹ 4,90,090/- for previous years. For detail, Please refer “**Outstanding Litigation and Material Development**” beginning on page 234 of Draft Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

20. Our insurance coverage may be inadequate, as a result of which the loss or destruction of our assets could have a material adverse effect on our financial condition and results of operations.

While we believe we maintain insurance coverage in the amount that is commercially appropriate, we may not have sufficient insurance coverage to cover all economic losses, including when the loss suffered is not easily quantifiable and when our reputation has been damaged. Our insurance coverage includes insurance against damage, loss of profit and business interruption, and third party liability. The list of insured accidents includes risk of damage caused as a result of assets, burglary, fire and product. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Any large uninsured loss or insured loss which significantly exceeds the insurance coverage could adversely affect our business, financial condition, results of operations and prospects. For further details of insurance, please refer section titled **“Our Business”** beginning on page no. 108 of this Draft Prospectus.

21. There may be potential conflicts of interest if our Promoters or Directors are involved in any business activities that compete with or are in the same line of activity as our business operations.

Our Group Companies such as Sita Software Pvt. Ltd., Seezoo Infotech Pvt. Ltd. and Exclusive .Com Pvt. Ltd. are involved in dealing of Fabrics. Also our Company has entered into various transaction such as sales, purchases, Loans and Interest in past with our Group Companies and will continue to do in future. For detailed information for our transaction with group Companies please refer to Annexure R of Restated financial Statement under chapter titled **“Financial Information of the Company”** beginning on page 169 of this Draft Prospectus. Further, we have not entered into any non-compete agreement with our said entities. We cannot assure you that our Promoter who has common interest in said entities will not favour the interest of the said entities As a result; conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Entities in circumstances where our respective interests diverge. There can be no assurance that our Promoters or our 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 which may adversely affect our profitability and results of operations. For further details, please refer to **“Common Pursuits”** on Page 156 of this Draft Prospectus.

22. We will continue to be controlled by our Promoters and Promoter Group after the listing of the Equity Shares in the Issue.

Upon successful completion of the Issue, our Promoters and Promoter Group will collectively control, directly or indirectly, approximately 73.56 % of our outstanding Equity Shares (assuming full subscription to the Issue). As a result, our Promoters and Promoter Group will continue to have the ability to exercise significant control over our Company and all matters requiring shareholder approval, including election of directors, our business strategy and policies, and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in our Company may also have the effect of delaying, preventing or deterring a change in control of our Company, even if such a transaction may be beneficial to the other shareholders. The interests of our Promoters and Promoter Group as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in favor of our Company or the other shareholders. For details of our shareholding please refer section titled **“Capital Structure”** beginning on page no. 50 of this Draft Prospectus.

23. Our Company's manufacturing activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of such labourers and / or inability to retain such personnel, our business operations could be affected.

Our Company has employed 285 employees as on November 30, 2015 on our payrolls. Out of the same, 68 employees are in the Administration office, while 86 employees are in Unit – I which is situated at G – 13, 14, RIICO Industrial Area, Pur Road, Bhilwara and 131 employees are at Unit – II which is situated at F-226,227, G-228,229, IVTH Phase RIICO Industrial Area, Bhilwara. Our operations and performance are labour intensive and depends on our ability to identify, attract and retain both skilled and unskilled labour. In case such labour is unavailable or we are unable to identify and retain such labourers our business could be adversely affected. We have not entered into any agreement for hiring additional labourers and thus availability of appropriately skilled labour cannot be guaranteed. Any failure to hire the appropriate labour may impact the operations and impair our client relations.

- 24. Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies. Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may adversely affect our competitive edge and better bargaining power had these transactions have been entered with non-related parties resulting into relatively more favourable terms and conditions and better margins.**

Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies. These transactions, inter-alia includes sale/purchase of goods, payment for services received/rendered, remuneration, loans and advances, rent etc. Our Company entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms had our Company not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure that in such an event there would be no adverse affect on results of our operations. For details please refer to **Annexure R on Related Party Transactions** of the Auditor's Report under Section titled "**Financial Information of the Company**" beginning on page no. 169 of this Draft Prospectus.

- 25. Our Company depends on timely identification of evolving fashion trends and creating new designs. Any lag on the part of our Company in this regard may adversely affect our business operations.**

The key success factor in the textiles business is in creating appealing designs and colour combinations to create buyer appeal. In order to be in line with this success factor, we maintain a team of designers who design and develop the products as per customer's needs. This team works on the development of designs by analyzing the needs of clients by parameters like latest yarn combinations, and most importantly the feedback gained from the sales of the similar products that were designed earlier. Our inability to tap the changing fashion can lead to rejection of our textiles thus damaging goodwill, business operations and financial conditions. Any failure to update ourselves or understand the trends in different regions of the world may result in reduction of our export sales, adversely affecting our financial condition.

- 26. The loss of or shutdown of operations at our production facilities may have a material adverse effect on our business, financial condition and results of operations.**

The breakdown or failure of our equipments and/ or civil structure can disrupt our production schedules, resulting in performance being below expected levels. In addition, the development or operation of our facilities may be disrupted for reasons that are beyond our control, including explosions, fires, earthquakes and other natural disasters, breakdown, failure or sub-standard performance of equipment, improper installation or operation of equipment, accidents, operational problems, transportation interruptions, other environmental risks, and labour disputes. Our production facilities are also subject to mechanical failure and equipment shutdowns. Our machineries may be susceptible to malfunction. If such events occur, the ability of our facilities to meet production targets may be adversely affected which may affect our business, financial condition and results of operations.

- 27. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.**

The market for our products is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as quality of products, distribution network, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

- 28. Our Company has not entered into any binding agreements with dealers for distributing its products in the market.**

Although, our Company believes that it maintains good relations with the existing dealers, there can be no assurance that the dealers would not fail to fulfill their obligations. In such an event, our Company may be unable to enforce such obligations or succeed in a claim against them for damages. This may have a material adverse effect on our business and financial condition as our Company may not be able to find replacements on time. Inherent ingredients of our business are trust, understanding and relationships with our associates including customers and vendors.

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

The Government of India has instituted several policies to promote the growth of the Indian textile sector. These include interest rate subsidies, duty / Incentive schemes like duty drawback / duty entitlement pass book scheme. Our Company avails certain benefits under such promotional policies, the brief of which is provided under chapter titled “**Key Industry Regulations and Policies**” on page 123 of this Draft Prospectus. Termination of or variation in the terms of such policy (ies) can adversely impact our profitability and/ or our business operations.

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

Modernization and technology up gradation is essential to reduce costs and increase the output. Our manufacturing technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed upgraded technology in form of high speed rapier sulzer looms suitable for fabrics manufacturing and that the chances of a technological innovation are not very high in our sector we shall continue to strive to keep our technology updated. In case of a new found technology in the fabric manufacturing business, we may be required to implement new technology employed by us. Further, the cost in upgrading our technology is significant which could substantially affect our finances and operations. For further details, kindly refer section titled “**Our Business**” beginning on page no. 108 of this Draft Prospectus.

31. Contingent liabilities could adversely affect our financial condition.

As of September 30, 2015, our contingent liabilities were ₹ 11.93 lacs for pending demand of Income Tax . As we believe these claims will be dismissed, no provision has been recorded in our books of account. Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

32. We are subject to risks arising from exchange rate fluctuations.

Exporting of our capital goods helps us gain a foreign exchange earnings and outgo in terms of FOB value of exports. 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 the Company to the extent of cost of capital goods rendered in foreign currency terms. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company’s profitability, since a part of its service is rendered in foreign currency.

33. Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “**Statement of Financial Indebtedness**” on page no. 216 of the Draft Prospectus

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

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

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

35. *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.

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

As on year ended September 30, 2015 our Company has unsecured loans amounting to Rs. 1.21 Crores from our Directors and other related parties, etc that are repayable on demand by the relevant lenders. Such loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lenders at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.

For further details of unsecured loans of our Company, please refer "Annexure B (b)" Details of Long Term Borrowings as Restated of chapter titled "**Financial Statements of the Company**" beginning on page 169 of the Draft Prospectus.

37. *Within the parameters as mentioned in the chapter titled "Objects of this Issue" beginning on page 75 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 entire fresh Issue Proceeds towards working capital needs 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 75 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 75 of this Draft Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the utilization of the proceeds of this Issue.

38. *Our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*

We have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. 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. 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. Shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations.

39. *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, loans 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, loans and dividend entitlement in our Company. For further information, see “*Capital Structure*” and “*Our Management*” on pages 50 and 140, respectively, of this Draft Prospectus.

Risks Relating to the Issue and Investments in Our Equity Shares

40. *We have in the last 12 months issued Equity Shares at a price that could be lower than the Issue Price.*

In the last 12 months we have issued fresh Equity Shares to the promoters and other shareholders of our Company which are as follows:-

- Bonus issue in the ratio of 1:2 dated January 04, 2016 issuing 24,99,500 Equity shares face value ₹10/- per Equity Share for consideration other than cash.

The Equity Shares allotted to investors pursuant to this Issue is being priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time.

For Further details of equity shares issued, please refer to the chapter titled “*Capital Structure*” beginning on page 50 of the Draft Prospectus.

41. *We may not declared dividends in the foreseeable future.*

In the past, we have not made dividend payments to the Shareholders of our Company. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deems relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

42. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.*

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be adversely affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence adversely affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT"), is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

44. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.*

Earlier to this Issue, there has been no public market for our Equity Shares. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are

initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the section titled ***“General Information – Details of the Market Making Arrangement for this Issue”*** on page no. 47 of this Draft Prospectus.

45. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of the Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares offered in this Issue have been allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval from NSE EMERGE would restrict your ability to dispose of your Equity Shares.

Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Trading in the Equity Shares is expected to commence within 6 Working Days from the Issue Closing Date.

However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose off your Equity Shares.

46. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

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

Subsequent to the Issue, we will be subject to a daily “circuit breaker” imposed by NSE, 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 our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The NSE may 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 will limit the upward and downward movements in the price of the Equity Shares. As a result of imposing circuit limit, no assurance can 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.

48. Fluctuations in currency exchange rates may have an adverse impact on the investment in our Equity Shares.

The exchange rate between the Indian Rupee and the U.S. Dollar has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the U.S. Dollar and the Indian Rupee may affect the value of the investment in our Equity Shares of a person resident outside India. Specifically for persons resident outside India, if there is a change in relative value of the Indian Rupee to the U.S. Dollar, each of the following values will also be affected: the U.S. Dollar equivalent of the Indian Rupee trading price of our Equity Shares in India; the U.S. Dollar equivalent of the proceeds that you would receive upon the sale in India of any of our Equity Shares; and the U.S. Dollar equivalent of cash dividends, if any, on our Equity Shares, which will be paid only in Indian Rupee. You may be unable to convert Indian Rupee proceeds into U.S. Dollars or any other currency or the rate at which any such conversion could occur could fluctuate.

Risks Relating to India /External Risk Factors
49. Our operations currently benefit from the Technology Up gradation Fund Scheme (“TUFs”). In the event we are unable to continue to benefit from TUFs, our financial condition and results of operations may be adversely affected.

The Ministry of Textiles, GoI, launched the TUFs for the textile, jute and cotton ginning and pressing industries for a five year period from April 1, 1999 to March 31, 2004, which was later extended for the duration of the twelfth five year plan (financial year 2012 to 2017). TUFs aims at providing capital for modernisation of Indian textile industry, by leveraging investments in technology upgradation in the textiles and jute industry. The TUFs provides for interest reimbursement of 5% on the interest charged by a lending agency for financing of a project of technology upgradation in conformity with the TUFs. However for spinning machinery the coverage provided is 4% for new stand alone/replacement/modernisation of spinning machinery; and 5% for spinning units with matching capacity in weaving/ knitting/processing/garmenting. TUFs also provides for 6% interest reimbursement and 15% capital subsidy for specified processing machinery, garmenting machinery and machinery required in manufacture of technical textiles.

Our profitability may be affected in the future if any of the above mentioned benefits are reduced or withdrawn or if we are subject to any disagreements from nodal agencies appointed under TUFs, with respect to our eligibility under TUFs. There is no assurance that the TUFs will be extended beyond the current period of availability or whether we will continue to enjoy such benefits in the future. In the event we are unable to continue to benefit from TUFs, our results of operations may be adversely affected. For further information relating to the TUFs, see “**Key Industry Regulations and Policies**” and for information relating to the loans availed under the TUFs, see “**Statement of Financial Indebtedness**” on pages 123 and 216, respectively of this Draft Prospectus.

50. Our market share and business position may be adversely affected by economic, political and market factors, some of which are beyond our control.

Many factors affect the level of consumer spending in the overall textile industry, including recession, inflation, deflation, political uncertainty, and availability of consumer credit, taxation, stock market performance, unemployment and other matters that influence consumer confidence. Our performance may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macroeconomic factors, negatively affect the level of consumer spending. Slow economic growth in India, the global credit crisis, declining consumer and business confidence and other challenges currently affecting the general economy, could lead to lower consumer spending on fabric generally.

51. Our performance is linked to the stability of policies and the political situation in India.

The Government of India has traditionally exercised, and continues to exercise, a significant 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. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India’s current economic and financial sector liberalization and deregulation policies. However there can be no assurance that such policies will be continued and a significant change in the government’s policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India’s economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

52. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

- The GoI has proposed a comprehensive national goods and services tax (—GSTI) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure which is proposed to be effective from April 1, 2016. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.
- Further, the General Anti Avoidance Rules (—GAARII) are proposed to be made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

We have not determined the impact of these proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, the GoI may introduce a waiver or incentive scheme in relation to specific population segments such as MSEs in public interest, pursuant to which we may be required to offer our products and services at discounted rates. This may affect our business and results of operations.

53. *The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.*

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

Catastrophic loss of life due to natural or man-made disasters could cause us to pay benefits at higher levels and/or materially earlier than anticipated and could lead to unexpected changes in persistency rates. A natural or man-made disaster, could result in losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

Pandemic disease, caused by a virus such as the “Ebola” virus, H5N1, the “avian flu” virus, or H1N1, the “swine flu” virus “zika virus”, could have a severe adverse effect on our business. The potential impact of a pandemic on our results of operations and financial position is highly speculative, and would depend on numerous factors, including: the probability of the virus mutating to a form that can be passed from human to human; the rate of contagion if and when that occurs; the regions of the world most affected; the effectiveness of treatment of the infected population; the rates of mortality and morbidity among various segments of the insured versus the uninsured population; our insurance coverage and related exclusions; and many other variables.

54. *If communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy and our business.*

Some parts of India have experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries. Since May 1999, military confrontations between countries have occurred in Kashmir. The hostilities between India and its neighboring countries are particularly threatening because India and certain of its neighbors possess nuclear weapons. Hostilities and tensions may occur in

the future and on a wider scale. Also, since 2003, there have been military hostilities and continuing civil unrest and instability in Afghanistan. There has also recently been hostility in the Korean Peninsula. In July 2006 and November 2008, terrorist attacks in Mumbai resulted in numerous casualties. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

55. Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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 is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

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

India's 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 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.

Prominent Notes:

1. Public Issue of 27,00,000 Equity Shares of Face Value of ₹ 10/- each of Sitaram India Limited ("SIL" or "Our Company" or "The Issuer") for Cash at a Price of ₹ 22/- Per Equity Share (Including a Share Premium of ₹ 12/- per Equity Share) ("Issue Price") aggregating to ₹594.00 Lacs, of which 1,44,000 Equity Shares of Face Value of ₹10/- each at a price of ₹22/- aggregating to ₹31.68 Lacs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion") and Net Issue to Public of 25,56,000 Equity Shares of Face Value of Rs. 10/- each at a price of ₹22/- aggregating to ₹562.32 Lacs (hereinafter referred to as the "Net Issue") The Issue and the Net Issue will constitute 26.47% and 25.06% respectively of the Post Issue paid up Equity Share Capital of Our Company.
2. This Issue is being made for at least 25 % of the post- issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows:
 - a) Minimum fifty percent to retail individual investors; and
 - b) Remaining to other than retail individual investors;
 - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.
3. The Net worth of our Company as on September 30, 2015 and March 31, 2015 was Rs. 2043.47 Lacs and Rs. 1968.86 Lacs respectively. For more information, see the section titled "**Financial Information of the Company**" beginning on page 169 of this Draft Prospectus.
4. The NAV / Book Value per Equity Share, based on Standalone Restated Financials of our Company as September 30, 2015 and March 31, 2015 was Rs. 40.88/- and Rs. 39.39/- per equity share respectively. For more information, see the section titled "**Financial Information of the Company**" beginning on page 169 of this Draft Prospectus.

5. The average cost of acquisition of Equity Shares by our Promoters is set out below:

Name of our Promoters	Number of Equity Shares Held	Average Cost of Acquisitions (Rs)
Mr. Anil Kumar Nuwal	17,21,550	9.90
Mr. Madhu Sudan Nuwal	8,29,800	8.22
Mr. Jagdish Prasad Nuwal	11,21,250	9.64

As certified by our Statutory Auditor vide their certificate dated February 08, 2016 For Further details, please refer to “**Capital Structure**” on page 50 of this Draft Prospectus.

6. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to section titled “**Financial Information of the Company- Annexure R- Statement of Related Parties Transactions**”, on page no. 209 of Draft Prospectus.
7. No Group companies have any business or other interest in our Company, except as stated in section titled “**Financial Information of the Company - Annexure R - Statement of Related Parties Transactions, as Restated**” on page 209 and “**Our Promoters Group and Group Companies/Entities**” on page 159 and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. Our Company was incorporated as Swagat Synthetics Private Limited on September 24, 1987 under the provisions of Companies Act, 1956 with Registrar of Companies, Rajasthan, Jaipur. Subsequently, name of our Company changed from Swagat Synthetics Private Limited to Sitaram fashion Private Limited vide Certificate of Incorporation dated October 16, 2015 and further our name of the Company changed from Sitaram fashion Private Limited to Sitaram India Private Limited vide Certificate of Incorporation dated November 27, 2015. Subsequently our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra-Ordinary General Meeting of Members of the Company held on December 07, 2015 and the name of our Company was changed to “Sitaram India Limited” vide a fresh Certificate of Incorporation dated December 28, 2015, issued by the Registrar of Companies, Rajasthan, Jaipur
- For details of change in our name, please refer to Section titled “**History and Certain Corporate Matters**” on page 134 of this Draft Prospectus.
9. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Draft Prospectus.
10. Our Company, Promoters, Directors, Promoter Group have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
11. Investors are advised to see the paragraph titled “**Basis for Issue Price**” beginning on page 81 of this Draft Prospectus.
12. The Lead Manager and our Company shall update this Draft Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Draft Prospectus and commencement of trading.
13. Investors are free to contact the Lead Manager i.e. Hem Securities Limited for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled “**Basis of Allotment**” beginning on page 302 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. NSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.

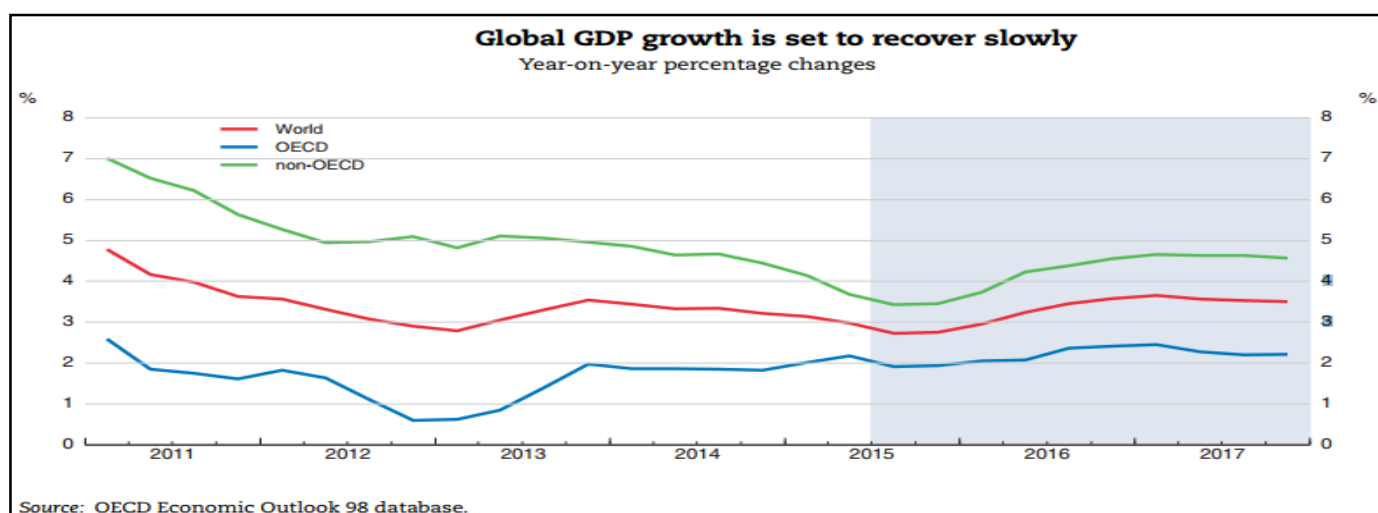
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled ***“Our Management”*** beginning at page 140 chapter titled ***“Our Promoter Group & Group Companies/ Entities”*** beginning at page 159, and chapter titled ***“Financial Information of the Company”*** beginning at page 169 of this Draft Prospectus.
16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see ***“Financial Information of the Company”*** beginning on page 169 of this Draft Prospectus.

SECTION III – INTRODUCTION

SUMMARY OF OUR INDUSTRY

Global Economy Outlook

Global growth has eased to around 3% this year, well below its long-run average. This largely reflects further weakness in EMEs. Deep recessions have emerged in Brazil and Russia, whilst the ongoing slowdown in China and the associated weakness of commodity prices has hit activity in key trading partners and commodity exporting economies, and increased financial market uncertainty. Global trade growth has slowed markedly, especially in the EMEs, and financial conditions have become less supportive in most economies. Growth in the OECD economies has held up this year, at around 2%, implying a modest reduction in economic slack, helped by an upturn in private consumption growth. However, business investment remains subdued, raising questions about future potential growth rates and about the extent to which stronger growth in the advanced economies can help to overcome cyclical weakness in the EMEs. Global growth is projected to strengthen slowly over the course of 2016-17, against a background of subdued inflationary pressures.



Growth in the United States is set to remain relatively solid, at around 2½ per cent per annum, with strong household consumption growth and a moderate upturn in private sector investment outweighing the impact of the US dollar appreciation over the past year and weaker energy sector activity. The so far muted recovery in the euro area is set to strengthen somewhat, with GDP growth at around 1¾-2% per annum over 2016-17, helped by the continued accommodative monetary policy stance and the stimulatory impact of lower oil prices. Fiscal support of up to ¼ per cent of GDP to assist asylum seekers should provide a small additional stimulus to demand. The outlook for Japan remains softer than in other advanced economies, despite an anticipated upturn in real wage growth. This reflects a larger drag exerted by weak external demand, especially in Asia, and strong fiscal headwinds, particularly from the further consumption tax increase planned for 2017. Given the modest upturn projected in domestic and global activity, a gentle strengthening of investment spending is projected in the OECD economies over 2016-17. Business investment growth is projected to rise by just under 4¼ per cent per annum in the next two years, after rising by an estimated 3¼ per cent per annum over 2014-2015.

(Source: <http://www.oecd.org/economy/outlook/General-assessment-11-2015.pdf>)

Indian Economy Overview

With 1.2 billion people and the world's fourth-largest economy, India's recent growth and development has been one of the most significant achievements of our times. Over the six and half decades since independence, the country has brought about a landmark agricultural revolution that has transformed the nation from chronic dependence on grain imports into a global agricultural powerhouse that is now a net exporter of food. Life expectancy has more than doubled, literacy rates have quadrupled, health conditions have improved, and a sizeable middle class has emerged. India is now home to globally recognized companies in pharmaceuticals and steel and information and space technologies, and a growing voice on the international stage that is more in keeping with its enormous size and potential.

Historic changes are unfolding, unleashing a host of new opportunities to forge a 21st-century nation. India will soon have the largest and youngest workforce the world has ever seen. At the same time, the country is in the midst of a massive wave of urbanization as some 10 million people move to towns and cities each year in search of jobs and opportunity. It is the largest rural-urban migration of this century.

(Source: <http://www.worldbank.org/en/country/india/overview#1>)

Textile Industry

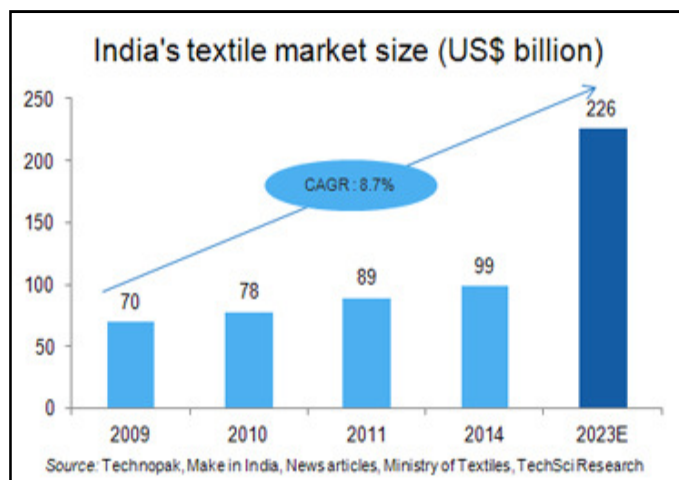
India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the 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 organized 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 handwoven 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.



(Source - <http://www.ibef.org/industry/textiles.aspx>)

Real Estate Industry

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

(Sources: <http://www.ibef.org/industry/real-estate-india.aspx>)

Road Ahead**Textile Industry**

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 organized apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

(Source: <http://www.ibef.org/industry/textiles.aspx>)

Real Estate Industry

Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

(Source - <http://www.ibef.org/industry/real-estate-india.aspx>)

SUMMARY OF OUR BUSINESS

The following information should be read together with the information contained in the section titled “Risk factors”, “Industry Overview”, “Management’s discussion and analysis of financial condition and results of operations” and “Financial Information of the Company” on page 14, 98, 221 and 169 respectively of this Draft Prospectus.

Our Company is a vertically integrated textile company having its operations mainly in Bhilwara, Rajasthan and is promoted by Mr. Jagdish Prasad Nuwal, Mr. Anil Kumar Nuwal and Mr. Madhu Sudan Nuwal. Our Company is in the entire value chain right from manufacturing of fabrics, begins from yarn twisting upto weaving and packing of the finished product which basically involves cotton, polyester, viscose, denim, linen and other allied fabrics specifically for men’s wear under the brand name of “Sitaram”, “Stardom” and “Swiss Arrow”.

Our Company commenced its operations in the year 1987 and was incorporated on September 24, 1987 as a private limited company under the provisions of Companies Act, 1956 with Registrar of Companies, Rajasthan, Jaipur. Our Company is engaged in the business of manufacturing of all types of fabrics which involve the weaving of yarn to production of fabrics. Further the processing of the fabric is outsourced by our Company. Additionally, our Company purchase shirting fabrics from suppliers available in market which is in form of finish fabric and are marketable together with Suitings.

Further, our on-going manufacturing units are equipped with all equipment and facilities for manufacturing of fabrics from power looms along with all the other allied equipments. Our Company is also engaged in trading of fabrics and performs job work of weaving for many clients. Our Company based on its experience and its standards, conforms to major specifications and customer requirements. We firmly believe in benchmark product quality, customer centric approach, people focus, ethical business practices and good corporate citizenship. We draw our strength from an age old tradition of quality products in men’s segment

Our Company’s manufacturing activities are undertaken at two different units with total installation of 108 looms in both the units:

- i. Unit I is located at G – 13, 14, RIICO Industrial Area, Pur Road, Bhilwara – 311001, Rajasthan; and
- ii. Unit II is located at F-226,227, G-228,229, IVTH Phase RIICO Industrial Area, Bhilwara – 311001, Rajasthan

Other Segments:-

Our Company is also engaged in construction of building and purchase of assets held for the purpose of stock in trade apart from textiles manufacturing. Our Company has successfully completed its projects for building construction of flats in Hyderabad, Andhra Pradesh. Along with construction business, Our Company is also engaged in toll business in which we have received a tender for toll collection from National Authority of India (NHAI) for National Highway-76 at toll Plaza located Narayanpura, Rajasthan which covers the distance from 113.83 km to 213 km from Rithola to Udaipur. NH-76 links Mirzapur in Uttar Pradesh to Pindwara in Rajasthan. The toll road of the Company has location advantage being satiated between Udaipur to Chittorgarh. Our Company has signed a Contract agreement with National Highway Authority of India dated November 07, 2014 for the period of one year which was successfully completed on November, 2015. Apart from above tender our Company has not filed any tender for toll collection as on the date of this Draft Prospectus. Both the businesses are part of the main Object of our Company along with textile business and which may carry by our Company in future.

SALIENT FEATURES OF OUR PRODUCTS:-

- Blended fabrics i.e. Cotton, Polyester and Viscose
- Excellent comfort
- Eco-friendly Products
- Wide range of Fabric Varieties
- Color Balance for Suiting’s
- Latest technology for weaving
- Non-allergenic natural Fibre
- Structured/ Knit look Denim

OUR BUSINESS STRENGTH:-**1. Integrated Manufacturing Facility:-**

We believe that our manufacturing unit is integrated and self sufficient in manufacturing of fabrics. The raw materials and consumables are readily available in the area from where we operate. All the equipments which are required for manufacturing the fabrics from yarn are placed in our factory except from processing which are outsourced from local market. Our manufacturing unit undertakes the entire process of manufacturing the fabrics, which begins from yarn twisting upto weaving and packing of the finished product. For further details on the list of equipments owned by our Company, please refer the section ***“Plant and Machinery”*** under chapter titled ***“Our Business”*** beginning on page 108 of this Draft Prospectus.

2. Existing relationship with suppliers:-

We manufacture fabrics for our customers. We have acquired raw materials basically yarn from several suppliers and have maintained relationship with them for a long time. Although we do not have any contract for supply of yarn but we believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of raw materials. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn have enabled us to generate repeat business.

3. Management Expertise:-

Our Promoters are engaged in textiles business, which also form part of Board of Directors of our Company, have a proven background and rich experience of more than 25 years in the Textile industry. Also, our Company is managed by a team of experienced personnel. The team comprises of personnel having operational and business development experience. We believe that our management team's experience and their understanding of the textile industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business, including significant competition, the global economic crisis and fluctuations in fuel prices.

4. Established Marketing Setup:-

Our Company was incorporated in the year 1987 and we are engaged in the manufacturing of fabrics since our incorporation in Bhilwara, Rajasthan. Over the years we have established a strong customer base and an unyielding marketing setup. We have separate divisions for marketing different types of products including combos of suiting and shirting for different geographical locations. We have dealers all over India covering major states which provide a platform to sell our Product and increase marketability of our Products.

5. Strategic Location of Manufacturing Unit / Locational Advantage:-

Our Company is situated at Bhilwara, Rajasthan where we have set up our registered office and manufacturing units, which is strategically located and is well connected by rail, roads and air with the rest of the country. Also Bhilwara is well known for textile industry which gives an advantage for easy availability of raw material. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Additionally the processing which is outsourced by our Company is easily available due to availability of many processing mills in Bhilwara. Further it also provides easy marketing to our Products. Hence the location of the site is advantageous to the company in transportation of Raw materials as well as the finished products.

6. Cost effective production and timely fulfillment of orders:-

Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve greater cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality yarn, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers of yarns which is the primary raw material for our products and as a consequence have benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfillment of orders of our customers. Our Company

constantly endeavors to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

OUR BUSINESS STRATEGIES:-

1. Leveraging our Market skills and Relationships:-

This 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. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

2. To build-up a professional organization:-

As an organization, we believe in transparency and commitment in our work and with our customers and dealers. We have an experienced team for taking care of our manufacturing process and our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

3. Optimal Utilization of Resources:-

Our Company constantly endeavors to improve our service process, and will increase manufacturing process to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

4. Backward Integration:-

Presently, we are purchasing yarn from outside parties for weaving of fabric. In future we intend to enter into spinning of yarns which will enable us to have a meet our raw material requirement internally thereby reducing our dependence on outsiders and thereby becoming fully integrated ranging from fibre to fabric.

5. Enhance customer base by entering new geographies to establish long-term relationships:-

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. Our Company operates from Bhilwara Rajasthan with having dealers all over India. We propose to increase our marketing and sales team which can focus in different regions and also maintain cordial relationship with our customer. Enhancing our presence in additional region will enable us to reach out to a larger population. Further our Company believes in maintain long term relationship with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovations, quality assurance and timely delivery of our products.

6. Creativity:-

Our Company has always been driven by the quest to develop something new and constantly strives to develop better products which appeal to our constantly growing customer base. Also our company provides mix and match combos to attract our customers and dealers. This spirit has helped us to evolve as a trendsetter in our field of operations. Our Company's forte lies in its ability to translate its vision into realities using, technology and personnel who successfully supervise each new venture undertaken.

SUMMARY OF OUR FINANCIAL
ANNEXURE – I
RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amt in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
I. EQUITY AND LIABILITIES						
Shareholder's Funds						
Share Capital	49,990,000	49,990,000	41,340,000	41,340,000	41,340,000	41,340,000
Reserves and Surplus (excluding Revaluation Reserves, if any)	154,356,698	146,895,982	96,104,581	88,696,868	83,875,187	82,131,209
Non Current Liabilities						
Long-term Borrowings	420,350,115	460,309,017	120,782,983	108,508,508	128,299,130	145,099,193
Deferred tax liabilities (Net)	7,381,740	4,403,170	16,352,541	15,175,838	15,176,104	14,420,862
Other Long Term Liabilities	1,272,956	1,321,500	1,321,500	1,321,500	1,321,500	1,211,691
Long-term Provisions	3,470,337	2,920,375	2,802,920	1,872,301	1,412,201	826,000
Current Liabilities						
Short-term Borrowings	225,645,324	186,481,455	121,719,781	121,357,100	123,152,570	118,373,203
Trade Payables	94,005,640	81,945,176	35,185,500	23,240,523	6,954,428	4,634,087
Other Current Liabilities	47,147,792	27,218,751	20,164,607	23,550,782	16,263,922	18,324,725
Short-term Provisions	2,169,143	3,758,641	2,941,896	1,815,931	2,086,786	721,771
Total	1,005,789,745	965,244,067	458,716,308	426,879,350	419,881,827	427,082,741
II. Assets						
Non Current Assets						
Fixed assets						
(i) Tangible Assets	473,417,417	499,248,269	166,091,688	178,999,901	172,686,855	194,269,159
(iii) Capital Work-In-Progress	-	-	5,028,114	-	16,448,275	5,902,623
Non Current Investments	-	-	-	-	-	-
Long-term Loans and Advances	10,721,734	7,352,522	3,075,535	3,123,810	3,166,335	2,933,283
Other Non Current Assets	78,172,921	95,253,535	650,246	562,455	2,595,610	2,957,610
Current assets						
Inventories	246,220,117	234,704,775	169,319,181	173,998,434	135,909,777	142,901,434
Trade Receivables	134,275,795	90,605,682	73,112,338	58,610,265	75,570,935	64,263,886
Cash and Cash Equivalents	12,984,626	7,758,751	2,288,651	1,417,096	8,929,212	7,400,180
Short-term Loans and Advances	49,820,969	30,045,153	38,981,155	9,982,356	4,430,152	6,322,496
Other Current Assets	176,166	275,380	169,400	185,033	144,676	132,070
Total	1,005,789,745	965,244,067	458,716,308	426,879,350	419,881,827	427,082,741

Note:- The above statement should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexures IV, II and III.

ANNEXURE – II
RESTATED STATEMENT OF PROFIT AND LOSS

(Amt in Rs.)

Particulars		For the Period/Year ended					
		30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Revenue from Operations (Gross)		857,013,078	1,123,193,252	607,147,962	548,281,417	542,307,243	575,399,657
Less: Excise Duty		-	-	-	-	-	-
Net Revenue From Operation		857,013,078	1,123,193,252	607,147,962	548,281,417	542,307,243	575,399,657
Other income		1,335,324	12,360,103	3,278,469	213,083	88,768	210,224
Total Revenue	A	858,348,402	1,135,553,355	610,426,431	548,494,500	542,396,011	575,609,881
Expenses:							
Cost of Material Consumed		133,024,837	268,617,137	227,290,179	184,022,719	154,415,130	191,193,536
Purchases of Stock in Trade		560,270,063	631,966,509	172,032,790	188,311,106	192,787,671	214,706,450
Changes in inventories of finished goods, WIP and Stock-in-Trade		(16,172,289)	(35,804,000)	12,653,252	(18,728,851)	8,883,355	(9,871,191)
Employee benefits expense		29,904,806	42,614,744	37,257,322	32,155,152	28,097,450	22,733,558
Finance costs		29,029,539	39,258,077	32,666,174	33,418,891	29,054,185	26,506,727
Depreciation and amortization expense		33,590,598	44,806,459	14,582,125	17,415,733	21,733,438	21,844,088
Other expenses		78,061,980	125,308,502	102,370,002	104,873,079	102,125,689	104,603,664
Total Expenses	B	847,709,533	1,116,767,428	598,851,844	541,467,828	537,096,918	571,716,831
Profit before exceptional and extraordinary items and tax (A-B)	C	10,638,869	18,785,927	11,574,587	7,026,672	5,299,093	3,893,050
Exceptional/Prior Period item		-	-	-	-	-	-
Profit before extraordinary items and tax		10,638,869	18,785,927	11,574,587	7,026,672	5,299,093	3,893,050
Extraordinary item		-	-	-	-	-	-
Profit Before Tax		10,638,869	18,785,927	11,574,587	7,026,672	5,299,093	3,893,050
Provision for Tax							
- Current Tax		2,169,143	3,758,641	2,941,896	1,815,931	2,086,786	721,771
-Mat Credit Entitlement		(1,969,561)	(3,782,141)	48,275	389,326	6,856	(1,328,448)
- Deferred Tax Liability / (Asset)		2,978,570	(11,949,371)	1,176,703	(266)	755,242	1,788,014
Short/(Excess) Tax adjustment of prior years		-	-	-	-	-	-
Restated profit after tax for the period from continuing operations		7,460,716	30,758,797	7,407,713	4,821,681	2,450,209	2,711,712
Profit/ (Loss) from Discontinuing operation		-	-	-	-	-	-
Tax expenses of discontinuing operations		-	-	-	-	-	-
Restated profit for the period		7,460,716	30,758,797	7,407,713	4,821,681	2,450,209	2,711,712
Note: The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, and cash flows appearing in Annexures IV, I and III.							

ANNEXURE – III
RESTATED CASH FLOW STATEMENT

(Amt in Rs.)

Particulars	For the Period/Year ended					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before tax	10,638,869	18,785,927	11,574,587	7,026,672	5,299,093	3,893,050
Adjustment for (Non Cash & Non operating items)						
Less: Interest income/Other Income	(18,576)	(3,449,483)	(2,464,485)	(213,083)	(88,768)	(210,224)
Less: Transfer from Reserve	-	-	-	-	(706,231)	-
Add: Depreciation	33,590,598	44,806,459	14,582,125	17,415,733	21,733,438	21,844,088
Add: Provision of Gratuity	523,562	92,255	930,619	441,360	466,641	525,810
Profit on Sale of Fixed Assets	-	(8,910,620)	(813,984)	-	-	-
Loss on Sale of Fixed Assets	-	-	-	1,542,580	-	-
Add: Finance Cost	29,029,539	39,258,077	32,666,174	33,418,891	29,054,185	26,506,727
Add: Provision for TDS Demand	26,400	25,200	-	18,740	119,560	300,190
Operating profit before working capital changes	73,790,392	90,607,815	56,475,036	59,650,893	55,877,918	52,859,640
Adjustment for :						
(Increase)/Decrease in Inventories	(11,515,342)	(65,385,594)	4,679,253	(38,088,657)	6,991,657	(14,320,657)
(Increase)/Decrease in Trade Receivables	(43,670,113)	(17,493,344)	(14,502,074)	16,960,670	(11,307,049)	9,314,398
(Increase)/Decrease in Other Current Assets	99,214	(105,980)	15,633	(40,357)	(12,606)	-
Increase/(Decrease) in trade payables	12,060,464	46,759,676	11,944,976	16,286,095	2,320,341	239,650
Increase/(Decrease) in provisions	(1,589,497)	816,746	1,125,964	(270,856)	1,365,015	(55,656)
Increase/(Decrease) in other current liabilities	19,929,041	7,054,144	(3,386,175)	7,286,860	(2,060,803)	(53,290,374)
	(24,686,233)	(28,354,352)	(122,422)	2,133,755	(2,703,445)	(58,112,638)
Cash generated from / (used in) operations	49,104,159	62,253,463	56,352,614	61,784,648	53,174,472	(5,252,998)
Income Tax paid	199,582	(23,500)	2,990,171	2,205,257	2,093,642	721,771
Net cash generated from/(used in) operating activities - (A)	48,904,577	62,276,963	53,362,443	59,579,391	51,080,830	(5,974,769)
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of tangible fixed assets/Capital work in progress	(7,759,747)	(402,183,402)	(8,138,041)	(12,831,083)	(10,696,786)	(5,624,176)
Sale of tangible fixed assets	-	37,655,000	2,250,000	4,008,000	-	-

Increase/(Decrease) in Short term loans and advances	(19,775,816)	8,936,002	(28,998,799)	(5,552,204)	1,892,344	4,660,507
Interest Income	18,576	3,449,483	2,464,485	213,083	88,768	210,224
Net cash (used in) Investing Activities - (B)	(27,516,987)	(352,142,918)	(32,422,355)	(14,162,204)	(8,715,674)	(753,445)
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of Share Capital	-	29,186,700	-	-	-	-
Increase/(Decrease) in Long term Borrowing	(39,958,902)	339,526,034	12,274,476	(19,790,622)	(16,800,063)	20,871,040
Increase/(Decrease) in Short term Borrowing	39,163,869	64,761,674	362,681	(1,795,470)	4,779,367	18,674,091
Less: Finance Cost	(29,029,539)	(39,258,077)	(32,666,174)	(33,418,891)	(29,054,185)	(26,506,727)
(Increase)/Decrease in Long Term Loans & Advances	(3,369,212)	(4,276,987)	48,275	42,525	(233,052)	-
(Increase)/Decrease in Other Long Term Liabilities	(48,544)	-	-	-	109,809	-
(Increase)/Decrease in Non Current Assets	17,080,614	(94,603,289)	(87,791)	2,033,155	362,000	-
Net cash(used in) / from financing activities - (C)	(16,161,714)	295,336,055	(20,068,533)	(52,929,303)	(40,836,124)	13,038,404
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	5,225,876	5,470,100	871,555	(7,512,116)	1,529,032	6,310,189
Cash and cash equivalents at the beginning of the year	7,758,751	2,288,651	1,417,096	8,929,212	7,400,180	1,089,991
Cash and cash equivalents at the end of the year	12,984,626	7,758,751	2,288,651	1,417,096	8,929,212	7,400,180

Cash and cash equivalents at the end of year comprise:

1. Components of cash and cash equivalents:

Particulars	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Cash on hand	2896548	1121961	1120712	247800	971723	1338782
Balances with scheduled banks:						
In current accounts	10088078	6636790	1167939	1169296	7957489	6061398
Total Cash and cash equivalents	12984626	7758751	2288651	1417096	8929212	7400180

2. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

3. Figures in Brackets represents outflow.

4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures IV, I and II.

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS	
Equity Shares Offered: Public Issue of Equity Shares by our Company	27,00,000 Equity Shares of ₹ 10/- each for cash at a price of ₹22 /- per share aggregating ₹ 594.00 Lacs
Issue Reserved for the Market Makers	1,44,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 22/- per share aggregating ₹ 31.68 Lacs
Net Issue to the Public*	25,56,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 22 /- per share aggregating ₹ 562.32 Lacs
	of which
	12,78,000 Equity Shares of ₹ 10/- each at a premium of ₹ 12/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs
	12,78,000 Equity Shares of ₹ 10/- each at a premium of ₹ 12/- per Equity Share will be available for allocation for allotment to other Investors of above ₹ 2.00 Lacs
Equity Shares outstanding prior to the Issue	74,98,500 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Issue	1,01,98,500 Equity Shares of face value of ₹10 each
Objects of the Issue	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 75 of this Draft Prospectus

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 268 of this Draft Prospectus.

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

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to other than Retail Individual Investors.

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

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

GENERAL INFORMATION

Our Company was originally incorporated on September 24, 1987 as “SWAGAT SYNTHETICS PRIVATE LIMITED” vide Registration no. 004101-1987-88 (CIN U24304RJ1987PTC004101) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Rajasthan, Jaipur. Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on September 30, 2015 and a fresh Certificate of Incorporation dated October 16, 2015 issued by the Registrar of Companies, Rajasthan, Jaipur the name of our Company was changed to “SITARAM FASHION PRIVATE LIMITED”. Later, vide Shareholders Resolution passed at the Extra Ordinary General Meeting held on November 20, 2015 and a fresh Certificate of Incorporation dated November 27, 2015, issued by the Registrar of Companies, Rajasthan, Jaipur the name of the Company was further changed from SITARAM FASHION PRIVATE LIMITED to SITARAM INDIA PRIVATE LIMITED. Subsequently, our Company was converted into a public limited company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on December 07, 2015 and the name of our Company was changed to “SITARAM INDIA LIMITED” vide a fresh Certificate of Incorporation dated December 28, 2015 having CIN U24304RJ1987PLC004101, issued by the Registrar of Companies, Rajasthan, Jaipur.

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 134 of this Draft Prospectus.

Brief Company and Issue Information

Registered Office	F-226,227, G-228,229, IVTH Phase, RIICO Industrial Area, Bhilwara-311001, Rajasthan, India Tel. No. +91- 1482-260385-86, Fax No. - +91-1482-260387 E-mail: info@sitaramindia.com Website: www.sitaramindia.com
Factory Address	Unit –I: G-13, 14, RIICO Industrial Area, Pur Road, Bhilwara -311001, Rajasthan Unit –II: F-226,227, G-228,229, IVTH Phase, RIICO Industrial Area, Bhilwara, Rajasthan
Date of Incorporation	September 24, 1987
Corporate Registration No.	004101
Corporate Identification No.	U24304RJ1987PLC004101
Company Category	Company Limited by Shares
Company Sub-category	Indian Non Government Company
Address of Registrar of Companies	Registrar of Companies, Rajasthan, Jaipur Corporate Bhawan, G/6-7, Second Floor, Residency Area, Civil Lines, Jaipur- 302001, Rajasthan Phone: 0141-2222465/466; Fax: 0141-2222464 Email: roc.jaipur@mca.gov.in Website: http://www.mca.gov.in
Designated Stock Exchange	NSE EMERGE (SME Platform of NSE), Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai-400051, Maharashtra
Issue Programme	Issue Opens on : [●] Issue Closes on : [●]
Company Secretary & Compliance Officer	Mrs. Devika Maheshwari Sitaram India Limited F-226,227, G-228,229, IVTH Phase, RIICO Industrial Area, Bhilwara-311001, Rajasthan, India Tel. No. +91- 01482-260385-86, Fax No. - +91-01482-260387 E-mail: cs@sitaramindia.com Website: www.sitaramindia.com
Chief Financial Officer	Mr. Pradeep Kumar Pareek Sitaram India Limited

	F-226,227, G-228,229, IVTH Phase, RIICO Industrial Area, Bhilwara-311001, Rajasthan, India Tel. No. +91- 01482-260385-86, Fax No. - +91-01482-260387 E-mail: info@sitaramindia.com Website: www.sitaramindia.com
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Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post- Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account.

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

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

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

Board of Directors of our Company

Our Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Jagdish Prasad Nuwal	Chairman & Whole-time Director	8, Main Sector, Shastri Nagar, Bhilwara - 311001, Rajasthan	00172049
Mr. Anil Kumar Nuwal	Managing Director	8, Main Sector, Shastri Nagar, Bhilwara - 311001, Rajasthan	00096471
Mr. Madhu Sudan Nuwal	Whole-time Director	8, Main Sector, Shastri Nagar, Bhilwara - 311001, Rajasthan	00212341
Mr. Archit Laddha	Non Executive Independent Director	227, Azad Mohalla, Bhopal Ganj, Bhilwara - 311001, Rajasthan	07412896
Mrs. Surabhi Choudhary	Non Executive Independent Director	05, Panchwati, Gaushala Ground Lane, Near K. N. College, Raika Bagh, Jodhpur -342001, Rajasthan	07412921
Mr. Gaurav Bharti	Non Executive Independent Director	Vishwanath Nagar, Ward No. 6 PS-Nagar, Begusarai – 851101, Bihar	07412912

For further details of the Directors of our Company, please refer to the chapter titled “**Our Management**” on page 140 of this Draft Prospectus.

Details of Key Intermediaries pertaining to this Issue and our Company:

Lead Manager of the Issue	Legal Advisor to the Issue
HEM SECURITIES LIMITED 14/15 Khatau Building, 1st Floor, 40 Bank Street, Fort, Mumbai – 400001, Maharashtra Tel No.: +91-22-22671543 Fax No.: +91-22-22625991 Email: ib@hemonline.com Investor Grievance Email: redressal@hemonline.com Website: www.hemonline.com	M/s. S. N. ADVISORS F-I-A Forth Floor, Jagdamba tower, near Amrapali Circle, Vaishali Nagar, Jaipur. 302021 Tel. No.: 91-141- 2357809 Email: sn.advisors16@gmail.com Contact Person: Ms. Nisha Agarwal

Contact Person: Mr. Anil Bhargava SEBI Regn. No.: INM000010981	
Registrar to the Issue BIGSHARE SERVICES PRIVATE LIMITED E-2, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai-400 072, Maharashtra, India Tel No.:+91-22-40430200 Fax No.:+91-22-28475201 Email: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vipin Gupta SEBI Regn. No.: INR000001385	Bankers to the Company BANK OF BARODA [•]
Statutory Auditors of the Company M/S. S DAD & CO. CHARTERED ACCOUNTANTS 44, 1 st Floor, Heera Panna Market, Pur Road, Bhilwara-311001, Rajasthan, India Tel. No: +91-01482-247880 Email: sdcbhl@gmail.com Firm Registration No.: 007534C Contact Person: Mr. Sanjay Dad	Peer Review Auditors M/S. BIRANI & ASSOCIATES CHARTERED ACCOUNTANTS 90, New Cloth Market, Pur Road, Bhilwara-311001 Rajasthan, India Tel. No: +91-1482-247889 Email: rameshkalyansomani@gmail.com Firm Registration No.: 003616C Contact Person: - Mr. R.C.Somani
Bankers to the Issue	
[•]	

* M/s Birani & Associates, Chartered Accountants are appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) and holds a valid peer reviewed certificate dated March 12, 2014 issued by the Institute of Chartered Accountants of India.

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Hem Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not required.

SELF CERTIFIED SYNDICATE BANKS (“SCSBS”)

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on www.sebi.gov.in/pmd/scsb.pdf For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

REGISTERED BROKERS

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE at www.nseindia.com, as updated from time to time.

REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS

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

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at www.nseindia.com, as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time

BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

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.

DEBENTURE TRUSTEES

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

TRUSTEES

As the Issue is of equity Shares, the appointment of Trustees is not mandatory.

MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50000.00 Lacs. Since the Issue size is only of Rs. 594.00 Lakhs, our Company has not appointed any monitoring agency for this Issue.

However, as per the Regulation 18 (3) read with part C of schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue.

EXPERTS OPINION

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on page 169 and page 84 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors and Statutory Auditor for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraw the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Draft Prospectus.

UNDERWRITING

The Company and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by the Lead Manager – Hem Securities Limited in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated February 04, 2016, entered into by us with Underwriter – Hem Securities Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (in Lakhs)	% of Total Issue Size Underwritten
Hem Securities Limited 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan Tel: 0141- 4051000; Fax: 0141 – 5101 757 Web: www.hemonline.com Email: underwriter@hemonline.com Contact Person: Mr. Anil Bhargava SEBI Regn. No. INM000010981	27,00,000* Equity Shares of ₹ 10/- being issued at ₹ 22/- each	594.00	100%

**Includes 1,44,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker (Hem Finlease Private Limited) in its OWN account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

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

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the lead Manager has entered into Market Making Agreement dated February 04, 2016 with the following Market Maker, to fulfill the obligations of Market Making for this issue:

Name	Hem Finlease Private Limited
Correspondence Address:	203, Jaipur Tower, M.I. Road, Jaipur – 302 001, Rajasthan, India
Tel No.:	+ 91 - 141 – 4051000, 5108133
Fax No.	+ 91 - 141 – 5101757
E-mail:	hem@hemonline.com
Website:	www.hemonline.com
Contact Person:	Mr. Anil Bhargava
SEBI Registration No.:	INB231110033
BSE Market Maker Registration No.	11100

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding 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 ₹ 1,00,000/- . However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size 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 reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- 4) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 7) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 8) The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 9) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- 10) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

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 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 106 V of the SEBI (ICDR) Regulations, 2009, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers 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 five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

- 11) **Risk containment measures and monitoring for Market Makers:** SME portal of NSE “NSE Emerge” will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme

Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

- 12) **Punitive Action in case of default by Market Makers:** NSE's 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.
- 13) **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 Crores, the applicable price bands for the first day shall be:
- 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.
 - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time

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

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

- 15) *All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.*

CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Prospectus.

(₹ in Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	Authorized Share Capital 1,50,00,000 Equity Shares having Face Value of ₹ 10/- each	1500.00	-
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue 74,98,500 Equity Shares having Face Value of ₹ 10/- each	749.85	-
C	Present Issue in terms of this Draft Prospectus* 27,00,000 Equity Shares having Face Value of ₹ 10/- each at a Premium of ₹12/- per share	270.00	594.00
	Which Comprises		
I.	Reservation for Market Maker portion 1,44,000 Equity Shares of ₹10/- each at a premium of ₹12/- per Equity Share	14.40	31.68
II.	Net Issue to the Public 25,56,000 Equity Shares of ₹ 10/- each at a premium of ₹ 12 /- per Equity Share	255.60	562.32
	of which		
	12,78,000 Equity Shares of ₹ 10/- each at a premium of ₹ 12/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs	127.80	281.16
	12,78,000 Equity Shares of ₹ 10/- each at a premium of ₹ 12/- per Equity Share will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs	127.80	281.16
D	Paid up Equity capital after the Issue 1,01,98,500 Equity Shares having Face Value of ₹10/- each	1019.85	-
E	Securities Premium Account Before the Issue After the Issue	301.02 625.02	

*The present Issue of 27,00,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated December 29, 2015 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on January 04, 2016.

Our 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 Capital Structure

1. Details of Increase/Changes in Authorized Share Capital of our Company:

Date of Meeting	AGM/ EGM	Changes in Authorized Share Capital
On Incorporation	---	Authorized share capital of the Company ₹ 10.00 Lakh divided into 1,00,000 Equity Shares of ₹10/- each.
23.07.1996	EGM	Increase in the authorized share capital of the Company from ₹ 10.00 Lakh divided into 1,00,000 Equity Shares of ₹10/- each to ₹ 70.00 Lakhs divided into 7,00,000 Equity Shares of ₹ 10/- each.
16.06.1997	EGM	Increase in the authorized share capital of the Company from ₹ 70.00 Lakh divided into 7,00,000 Equity Shares of ₹10/- each to ₹ 75.00 Lakhs divided into 7,50,000 Equity Shares of ₹ 10/- each.

Date of Meeting	AGM/ EGM	Changes in Authorized Share Capital
01.05.1999	EGM	Increase in the authorized share capital of the Company from ₹ 75.00 Lakh divided into 7,50,000 Equity Shares of ₹10/- each to ₹ 110.00 Lakhs divided into 11,00,000 Equity Shares of ₹ 10/- each.
23.09.2000	EGM	Increase in the authorized share capital of the Company from ₹ 110.00 Lakh divided into 11,00,000 Equity Shares of ₹10/- each to ₹ 250.00 Lakhs divided into 25,00,000 Equity Shares of ₹10/- each.
29.07.2001	EGM	Increase in the authorized share capital of the Company from ₹ 250.00 Lakh divided into 25,00,000 Equity Shares of ₹10/- each to ₹ 350.00 Lakhs divided into 35,00,000 Equity Shares of ₹ 10/- each.
30.03.2002	EGM	Increase in the authorized share capital of the Company from ₹ 350.00 Lakh divided into 35,00,000 Equity Shares of ₹10/- each to ₹ 400.00 Lakhs divided into 40,00,000 Equity Shares of ₹ 10/- each.
10.03.2009	EGM	Increase in the authorized share capital of the Company from ₹ 400.00 Lakh divided into 40,00,000 Equity Shares of ₹10/- each to ₹ 425.00 Lakhs divided into 42,50,000 Equity Shares of ₹ 10/- each.
14.05.2014	EGM	Increase in the authorized share capital of the Company from ₹ 425.00 Lakh divided into 42,50,000 Equity Shares of ₹10/- each to ₹ 495.00 Lakhs divided into 49,50,000 Equity Shares of ₹ 10/- each.
21.11.2014	EGM	Increase in the authorized share capital of the Company from ₹ 495.00 Lakh divided into 49,50,000 Equity Shares of ₹10/- each to ₹ 499.90 Lakhs divided into 49,99,000 Equity Shares of ₹ 10/- each.
20.11.2015	EGM	Increase in the authorized share capital of the Company from ₹ 499.90 Lakh divided into 49,99,000 Equity Shares of ₹10/- each to ₹ 1500.00 Lakhs divided into 1,50,00,000 Equity Shares of ₹ 10/- each.

2. Equity Share Capital History of our Company:

(a) The history of the equity share capital and the securities premium account of our company are set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Securities Premium Account (₹)	Cumulative Paid-up Capital (₹)
Upon Incorporation	200	10/-	10/-	Cash	Subscription to MOA ⁽ⁱ⁾	200	NIL	2000
17.08.1992	79,800	10/-	10/-	Cash	Further Allotment ⁽ⁱⁱ⁾	80000	NIL	8,00,000
21.04.1997	6,00,000	10/-	10/-	Cash	Further Allotment ⁽ⁱⁱⁱ⁾	6,80,000	NIL	68,00,000
11.10.1998	70,000	10/-	10/-	Cash	Further Allotment ^(iv)	7,50,000	NIL	75,00,000
03.06.1999	1,50,000	10/-	10/-	Cash	Further Allotment ^(v)	9,00,000	NIL	90,00,000
15.11.1999	90,000	10/-	10/-	Cash	Further Allotment ^(vi)	9,90,000	NIL	99,00,000
26.09.2000	5,60,000	10/-	10/-	Cash	Further Allotment ^(vii)	15,50,000	NIL	1,55,00,000
05.10.2000	5,40,000	10/-	10/-	Cash	Further Allotment ^(viii)	20,90,000	NIL	2,09,00,000
26.07.2001	9,00,000	10/-	10/-	Cash	Further	29,90,000	NIL	2,99,00,000

					Allotment ^(ix)			
12.11.2001	50,000	10/-	10/-	Cash	Further Allotment ^(x)	30,40,000	NIL	3,04,00,000
09.01.2002	1,60,000	10/-	10/-	Cash	Further Allotment ^(xi)	32,00,000	NIL	3,20,00,000
30.09.2002	5,50,000	10/-	10/-	Cash	Further Allotment ^(xii)	37,50,000	NIL	3,75,00,000
05.08.2004	50,000	10/-	100/-	Cash	Further Allotment ^(xiii)	38,00,000	45,00,000	3,80,00,000
22.11.2004	35,000	10/-	100/-	Cash	Further Allotment ^(xiv)	38,35,000	76,50,000	3,83,50,000
30.12.2004	30,000	10/-	100/-	Cash	Further Allotment ^(xv)	38,65,000	1,03,50,000	3,86,50,000
28.07.2005	20,000	10/-	100/-	Cash	Further Allotment ^(xvi)	38,85,000	1,21,50,000	3,88,50,000
23.03.2009	1,10,000	10/-	100/-	Cash	Further Allotment ^(xvii)	39,95,000	2,20,50,000	3,99,50,000
20.08.2009	1,39,000	10/-	100/-	Cash	Further Allotment ^(xviii)	41,34,000	3,45,60,000	4,13,40,000
17.05.2014	6,06,100	10/-	33/-	Cash	Further Allotment ^(xix)	47,40,100	4,85,00,300	4,74,01,000
01.07.2014	45,000	10/-	33/-	Cash	Further Allotment ^(xx)	47,85,100	4,95,35,300	4,78,51,000
29.12.2014	2,13,900	10/-	36/-	Cash	Further Allotment ^(xxi)	49,99,000	5,50,96,700	4,99,90,000
04.01.2016	24,99,500	10/-	--	Bonus in the ratio of 1:2*	Bonus Issue ^(xxii)	74,98,500	3,01,01,700	7,49,85,000

* Bonus issue of 24,99,500 shares in ratio of (1:2) i.e. one equity share for every two shares held dated January 04, 2016 has been issued by Capitalization of Reserve & Surplus of the Company.

Notes:
(i) The Subscribers to the Memorandum of Association of Our Company were

Name	No. of Equity Shares
Jagdish Prasad Nuwal	100
Subhash Nuwal	100
Total	200

(ii) Further allotment of 79800 Equity Shares were made to:

Name	No. of Equity Shares
Jugal Kishore Nuwal	7,550
Jagdish Prasad Nuwal	13,000
Anil Kumar Nuwal	5,300
Madhu Sudan Nuwal	600
Kanta Devi Nuwal	8,050
Lad Devi Nuwal	1,600
Geeta Devi Nuwal	1,900
Ratan Bai Nuwal	1,800
Sita Devi Nuwal	6,800

Ugam Bai Nuwal	1,900
Hukmi Chand Kabra	1,500
Shyam Sunder	2,500
Ram Richpal Nuwal	2,000
Rajiv Agarwal	4,000
Kana Ji Kumawat	1,600
Nanda Ji Jat	2,000
Ugam Ji Jat	1,300
Feju Ji Kumawat	1,000
Kana Ji Chamar	1,000
Heera Dad	600
Ram Chandra Gari	1,600
Chhitar Balai	1,500
Hamira Chamar	1,800
Nathu Balai	600
Mangu Bhil	500
Bheru Lal Kajlodia	1,300
Naseer Mehrat	1,700
Babu Khan	1,600
Sohan Mehrat	1,500
Shiv Prakash Jhanwar	1,700
Total	79,800

(iii) Further allotment of 6,00,000 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal	2,45,600
Jagdish Prasad Nuwal	45,500
Madhu Sudan Nuwal	67,000
Shriya Fabrics Private Limited	80,000
Arvind Rathore	2,500
Subhash Kochita	10,000
Sailendra Sharma	5,000
Dhirendra Sharma	5,000
Kailash Chandra Dad	10,000
Bal Mukund Somani	10,000
K G. Jhanwar	10,000
Parmeshwar Bhandari	10,000
Raghuveer Prasad Bhandari	5,000
S.P. Mathur	7,500
Ashok Kumar Agarwal	6,400
Ramesh C. Jain	4,000
Himanshu Choudhary	5,000
Ajit Joshi	5,000
Arvind Vashist	2,500
Asha Mathur	5,000
Devi Kishan Acharya	5,000
Giraraj Yadav	4,000
Jugal kishore Nuwal	5,000
Kanta Devi Nuwal	5,000
Mamta Nuwal	5,000

Sitaram India Limited

Madhu Nuwal	5,000
Sangeeta Nuwal	10,000
Sunita Nuwal	20,000
Total	6,00,000

(iv) Further allotment of 70,000 Equity Shares were made to:

Name	No. of Equity Shares
Neo Fin Cap. Private Limited	50,000
Jagdish Prasad Nuwal	20,000
Total	70,000

(v) Further allotment of 1,50,000 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal	50,000
Madhu Sudan Nuwal	50,000
Jagdish Prasad Nuwal	50,000
Total	1,50,000

(vi) Further allotment of 90,000 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal	30,000
Madhu Sudan Nuwal	30,000
Jagdish Prasad Nuwal	30,000
Total	90,000

(vii) Further allotment of 5,60,000 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal	2,95,000
Madhu Sudan Nuwal	75,000
Jagdish Prasad Nuwal	95,000
Kanta Devi Nuwal	25,000
Sangeeta Nuwal	10,000
Madhu Nuwal	6,000
Mamta Nuwal	6,000
Jugal kishore Nuwal	25,000
Sunita Nuwal	23,000
Total	5,60,000

(viii) Further allotment 5,40,000 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal	1,75,000
Madhu Sudan Nuwal	1,58,700
Jagdish Prasad Nuwal	95,000
Jugal kishore Nuwal	77,000
Sangeeta Nuwal	15,000
Mamta Nuwal	19,300
Total	5,40,000

Sitaram India Limited

(ix) Further allotment 9,00,000 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal	2,26,300
Jagdish Prasad Nuwal	2,00,000
Madhu Sudan Nuwal	1,98,700
Jugal kishore Nuwal	1,40,000
Kanta Devi Nuwal	1,00,000
Sangeeta Nuwal	35,000
Total	9,00,000

(x) Further allotment on 50,000 Equity Shares were made to:

Name	No. of Equity Shares
Madhu Sudan Nuwal	50,000
Total	50,000

(xi) Further allotment on 1,60,000 Equity Shares were made to:

Name	No. of Equity Shares
Sita Software Private Limited	30,000
Seezo Infotech Private Limited	30,000
Suresh Chandra Ranikhera	4,000
Shakuntala Chaparwal	5,000
Ganga Chaparwal	7,000
Exclusive. Com Private Limited	50,000
Shri Construction	5,000
Sandeep Enterprises	9,000
Sandeep Chaparwal	7,000
Mukesh Chaparwal	7,000
Ambika Boring Co.	6,000
Total	1,60,000

(xii) Further allotment of 5,50,000 Equity Shares were made to:

Name	No. of Equity Shares
Sita Software Private Limited	2,11,500
Seezo Infotech Private Limited	1,31,000
Shiv Kumar Rathi	1,00,000
Exclusive. Com Private Limited	1,05,000
Anil Kumar Nuwal	2,500
Total	5,50,000

(xiii) Further allotment of 50,000 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal	15,000
Madhu Sudan Nuwal	10,000
Jugal kishore Nuwal	8,000
Jagdish Prasad Nuwal	12,000
Exclusive.Com Private Limited	5,000
Total	50,000

Sitaram India Limited

(xiv) Further allotment of 35,000 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal	16,000
Madhu Sudan Nuwal	10,000
Jugal kishore Nuwal	9,000
Total	35,000

(xv) Further allotment of 30,000 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal	2,000
Madhu Sudan Nuwal	2,000
Jugal kishore Nuwal	2,000
Sita Software Private Limited	8,000
Seezo Infotech Private Limited	4,000
Exclusive. Com Private Limited	12,000
Total	30,000

(xvi) Further allotment of 20,000 Equity Shares were made to:

Name	No. of Equity Shares
Grnitech International	20,000
Total	20,000

(xvii) Further allotment of 1,10,000 Equity Shares were made to:

Name	No. of Equity Shares
Nirjhar TieUp Private Limited	15,000
Siddhi Marketing Private Limited	13,000
Sankat Mochan Properties Private Limited	10,000
Bhagirathi Tieup Private Limited	17,000
Mukesh Lifestyle Private Limited	25,000
Hamsafar Investment Private Limited	15,000
Samrat Fincon Private Limited	10,000
Nirjhar Financial Advisory Private Limited	5,000
Total	1,10,000

(xviii) Further allotment of 1,39,000 Equity Shares were made to:

Name	No. of Equity Shares
Galaxy vincom Private Limited	10,000
Sankat Mochan Properties Private Limited	20,000
Vighanharan Vyappar Private Limited	20,000
Nirankari Tradecom Private Limited	5,000
Sigma Vinimay Private Limited	5,000
Navkar barter Private Limited	24,000
Mukesh Lifestyle Private Limited	10,000
Marutinandan Commodities Private Limited	25,000
Damodar sales Private Limited	10,000
Divyansh Enclare Private Limited	10,000
Total	1,39,000

Sitaram India Limited

(xix) Further allotment of 6,06,100 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal HUF	2,00,000
Madhu Sudan Nuwal HUF	2,00,000
Jagdish Prasad Nuwal	1,00,000
Madhu Sudan Nuwal	56,100
Jugal Kishore Nuwal	50,000
Total	6,06,100

(xx) Further allotment of 35,000 Equity Shares were made to:

Name	No. of Equity Shares
Jagdish Prasad Nuwal	45,000
Total	45,000

(xxi) Further allotment of 2,13,900 Equity Shares were made to:

Name	No. of Equity Shares
Anil Kumar Nuwal	2,13,900
Total	2,13,900

(xxii) Bonus allotment of 24,99,500 Equity Shares in ratio of 1:2 i.e. 1 equity share for every 2 shares held, were made to:

Name	No. of Equity Shares
Jagdish Prasad Nuwal	3,73,750
Anil Kumar Nuwal	5,73,850
Jugal Kishore Nuwal	1,75,250
Madhu Sudan Nuwal	2,76,600
Kanta Devi Nuwal	55,000
Mamta Nuwal	17,650
Madhu Nuwal	8,000
Sangeeta Nuwal	22,500
Sunita Mahesh Laddha	16,500
Sita Software Private Limited	1,92,975
Seezo Infotech Private Limited	3,09,925
Exclusive. Com Private Limited	2,77,500
Anil Kumar Nuwal HUF	1,00,000
Madhu Sudan Nuwal HUF	1,00,000
Total	24,99,500

(b) As on the date of this Draft Prospectus, our Company does not have any preference share capital.

3. Issue of Equity Shares for consideration other than cash

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company	Allottees	No. of Shares Allotted
04.01.2016	24,99,500	10/-	--	Bonus in the ratio of 1:2 i.e. 1 share for every 2 shares held	Capitalisation of Reserves	Jagdish Prasad Nuwal	3,73,750
						Anil Kumar Nuwal	5,73,850
						Jugal Kishore Nuwal	1,75,250
						Madhu Sudan Nuwal	2,76,600
						Kanta Devi Nuwal	55,000
						Mamta Nuwal	17,650
						Madhu Nuwal	8,000
						Sangeeta Nuwal	22,500
						Sunita Mahesh Laddha	16,500
						Sita Software Pvt. Ltd.	1,92,975
						Seezo Infotech Pvt. Ltd.	3,09,925
						Exclusive. Com Pvt. Ltd.	2,77,500
						Anil Nuwal HUF	1,00,000
						Madhu Sudan Nuwal HUF	1,00,000

- No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.
- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Except as mentioned below, no Equity shares have been issued at price below Issue price within last one year from the date of the Draft Prospectus.

Date of Allotment	Allottees	No. of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Reason for Allotment	Category of Allottees
04.01.2016	Jagdish Prasad Nuwal	3,73,750	10	--	Bonus issue in the ratio of 1 (One) Equity Shares for every 2 (two) Equity shares held.	Promoter
	Anil Kumar Nuwal	5,73,850				Promoter
	Jugal Kishore Nuwal	1,75,250				Promoter Group
	Madhu Sudan Nuwal	2,76,600				Promoter
	Kanta Devi Nuwal	55,000				Promoter Group
	Mamta Nuwal	17,650				Promoter Group
	Madhu Nuwal	8,000				Promoter Group
	Sangeeta Nuwal	22,500				Promoter Group
	Sunita Mahesh Laddha	16,500				Promoter Group
	Sita Software Pvt. Ltd.	1,92,975				Promoter Group
	Seezo Infotech Pvt. Ltd.	3,09,925				Promoter Group
	Exclusive. Com Pvt. Ltd.	2,77,500				Promoter Group
	Anil Nuwal HUF	1,00,000				Promoter Group
	Madhu Sudan Nuwal HUF	1,00,000				Promoter Group
	Total	24,99,500				

7. Details of Shareholding of Promoters

As on the date of this Draft Prospectus, our Promoters Mr. Jagdish Prasad Nuwal, Mr. Anil Kumar Nuwal & Mr. Madhu Sudan Nuwal hold 36,72,600 Equity Shares of our company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares*	Face Value Per Share (₹)	Issue/ Acquisition/Transfer Price (₹)**	Nature Of Transactions	Pre-Issue Share holding %	Post-Issue Share holding %	Lock-in Period	Source of Funds
Mr. Jagdish Prasad Nuwal								
24.09.1987	100	10/-	10/-	Subscription of MOA	0.00	0.00	1 Years	Own Fund
17.08.1992	13,000	10/-	10/-	Further Allotment	0.17	0.13	1 Years	Own Fund
21.04.1997	45,500	10/-	10/-	Further Allotment	0.78	0.57	1 Years	Own Fund
01.10.1998	67500	10/-	10/-	Acquisition	1.68	1.24	1 Years	Own Fund
24.09.1999	5000	10/-	10/-	Acquisition	1.75	1.29	1 Years	Own Fund
11.10.1998	20,000	10/-	10/-	Further Allotment	2.02	1.48	1 Years	Own Fund
03.06.1999	50,000	10/-	10/-	Further Allotment	2.68	1.97	1 Years	Own Fund
15.11.1999	30,000	10/-	10/-	Further Allotment	3.08	2.27	1 Years	Own Fund
26.09.2000	95,000	10/-	10/-	Further Allotment	4.35	3.20	1 Years	Own Fund
05.10.2000	95,000	10/-	10/-	Further Allotment	5.62	4.13	1 Years	Own Fund
30.06.2001	(58,600)	10/-	10/-	Transfer	4.83	3.55	1 Years	Own Fund
26.07.2001	2,00,000	10/-	10/-	Further Allotment	7.50	5.52	1 Years	Own Fund
30.03.2002	(1,85,000)	10/-	10/-	Transfer	5.03	3.70	1 Years	-
13.05.2002	14,000	10/-	10/-	Acquisition	5.22	3.84	1 Years	Own Fund
31.01.2004	2,11,000	10/-	10/-	Acquisition	8.03	5.91	1 Years	Own Fund
05.08.2004	12,000	10/-	100/-	Further Allotment	8.19	6.03	1 Years	Own Fund
01.04.2009	(12,000)	10/-	100/-	Transfer	8.03	5.91	1 Years	-
17.05.2014	1,00,000	10/-	33/-	Further Allotment	9.37	6.89	3 Years	Own Fund
01.07.2014	45,000	10/-	33/-	Further Allotment	9.97	7.33	3 Years	Own Fund
04.01.2016	3,73,750	10/-	--	Bonus	14.95	10.99	3 Years	Own Fund
Mr. Anil Kumar Nuwal								
17.08.1992	5,300	10/-	10/-	Further Allotment	0.07	0.05	1 Years	Own Fund
21.04.1997	2,45,600	10/-	10/-	Further Allotment	3.35	2.46	1 Years	Own Fund
01.10.1998	21,400	10/-	10/-	Acquisition	3.63	2.67	1 Years	Own Fund
03.06.1999	50,000	10/-	10/-	Further Allotment	4.30	3.16	1 Years	Own Fund
29.09.1999	9900	10/-	10/-	Acquisition	4.43	3.26	1 Years	Own Fund
15.11.1999	30,000	10/-	10/-	Further Allotment	4.83	3.55	1 Years	Own Fund
26.09.2000	2,95,000	10/-	10/-	Further Allotment	8.76	6.44	1 Years	Own Fund
05.10.2000	1,75,000	10/-	10/-	Further Allotment	11.10	8.16	1 Years	Own Fund
30.06.2001	(2,50,900)	10/-	10/-	Transfer	7.75	5.70	1 Years	-
26.07.2001	2,26,300	10/-	10/-	Further Allotment	10.77	7.92	1 Years	Own Fund
30.03.2002	(1,76,400)	10/-	10/-	Transfer	8.42	6.19	1 Years	-
30.09.2002	2,500	10/-	10/-	Further Allotment	8.45	6.21	1 Years	Own Fund
31.01.2004	3,00,000	10/-	10/-	Acquisition	12.45	9.16	3 Years	Own Fund
05.08.2004	15,000	10/-	100/-	Further Allotment	12.65	9.30	1 Years	Own Fund
22.11.2004	16,000	10/-	100/-	Further Allotment	12.87	9.46	1 Years	Own Fund
30.12.2004	2,000	10/-	100/-	Further Allotment	12.89	9.48	1 Years	Own Fund
01.04.2009	(33,000)	10/-	100/-	Transfer	12.45	9.16	1 Years	-
01.08.2012	100	10/-	100/-	Acquisition	12.45	9.16	1 Years	Own Fund

29.12.2014	2,13,900	10/-	36/-	Further Allotment	15.31	11.25	3 Years	Own Fund
04.01.2016	5,73,850	10/-	NIL	Bonus	22.96	16.88	3 Years	Own Fund
Mr. Madhu Sudan Nuwal								
17.08.1992	600	10/-	10/-	Further Allotment	0.01	0.01	1 Years	Own Fund
21.04.1997	67,000	10/-	10/-	Further Allotment	0.90	0.66	1 Years	Own Fund
01.10.1998	9,000	10/-	10/-	Acquisition	1.02	0.75	1 Years	Own Fund
30.06.1999	50,000	10/-	10/-	Further Allotment	1.69	1.24	1 Years	Own Fund
29.09.1999	11,400	10/-	10/-	Acquisition	1.84	1.35	1 Years	Own Fund
15.11.1999	30,000	10/-	10/-	Further Allotment	2.24	1.65	1 Years	Own Fund
26.09.2000	75,000	10/-	10/-	Further Allotment	3.24	2.38	1 Years	Own Fund
05.10.2000	1,58,700	10/-	10/-	Further Allotment	5.36	3.94	1 Years	Own Fund
30.06.2001	(67,600)	10/-	10/-	Transfer	4.46	3.28	1 Years	Own Fund
26.07.2001	1,98,700	10/-	10/-	Further Allotment	7.11	5.22	3 Years	Own Fund
12.11.2001	50,000	10/-	10/-	Further Allotment	7.77	5.71	1 Years	Own Fund
30.03.2002	(1,87,700)	10/-	10/-	Transfer	5.27	3.87	1 Years	Own Fund
30.03.2002	2,000	10/-	10/-	Acquisition	5.30	3.89	1 Years	Own Fund
31.01.2004	1,00,000	10/-	10/-	Acquisition	6.63	4.87	3 Years	Own Fund
05.08.2004	10,000	10/-	100/-	Further Allotment	6.76	4.97	1 Years	Own Fund
22.11.2004	10,000	10/-	100/-	Further Allotment	6.90	5.07	1 Years	Own Fund
30.12.2004	2000	10/-	100/-	Further Allotment	6.92	5.09	1 Years	Own Fund
01.04.2009	(22,000)	10/-	100/-	Transfer	6.63	4.87	1 Years	Own Fund
17.05.2014	56,100	10/-	33/-	Further Allotment	7.38	5.42	1 Years	Own Fund
04.01.2016	2,76,600	10/-	NIL	Bonus	11.07	8.14	3 Years	Own Fund

*None of the Shares has been pledged by our Promoters

** Acquisition price excludes stamp duty

8. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Jagdish Prasad Nuwal	11,21,250	9.64
2.	Anil Kumar Nuwal	17,21,550	9.90
3.	Madhu Sudan Nuwal	8,29,800	8.22

9. Shares Purchased/ Sold by the Promoter and Promoter Group, Directors and their immediate relative within six months immediately preceding the date of filing of this Draft Prospectus except:

Date of Allotment	Name of Shareholder	Party Category	Nature of Transactions	Price	Number of Shares Transacted
30.09.2015	Sita Software Pvt. Ltd.	Promoter Group	Acquired through transfer*	10/-	45,500
04.01.2016	Jagdish Prasad Nuwal	Promoter & Whole-time Director	Bonus Allotment	--	3,73,750
04.01.2016	Madhu Sudan Nuwal	Promoter & Whole-time Director	Bonus Allotment	--	2,76,600
04.01.2016	Anil Kumar Nuwal	Promoter & Managing Director	Bonus Allotment	--	5,73,850
04.01.2016	Sita Software Pvt. Ltd.	Promoter Group	Bonus Allotment	--	1,92,975
04.01.2016	Jugal Kishore Nuwal	Promoter Group	Bonus Allotment	--	1,75,250
04.01.2016	Mamta Nuwal	Promoter Group	Bonus Allotment	--	17,650
04.01.2016	Kanta Devi Nuwal	Promoter Group	Bonus Allotment	--	55,000
04.01.2016	Sangeeta Nuwal	Promoter Group	Bonus Allotment	--	22,500
04.01.2016	Madhu Nuwal	Promoter Group	Bonus Allotment	--	8,000
04.01.2016	Sunita Nuwal	Promoter Group	Bonus Allotment	--	16,500
04.01.2016	Madhu Sudan Nuwal HUF	Promoter Group	Bonus Allotment	--	1,00,000

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04.01.2016	Anil Kumar Nuwal HUF	Promoter Group	Bonus Allotment	--	1,00,000
04.01.2016	Seezo Infotech Pvt. Ltd.	Promoter Group	Bonus Allotment	--	3,09,925
04.01.2016	Exclusive. Com Pvt. Ltd.	Promoter Group	Bonus Allotment	--	2,77,500

* The maximum and minimum price at which the aforesaid transaction was made is Rs. 10/- per Equity Shares.

10. Shareholding of Promoters and Promoters Group

Following are the details of the holding of securities pre and post Issue shareholding of persons belonging to the category "Promoter and Promoter Group":

S.No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Promoters				
1	Jagdish Prasad Nuwal	11,21,250	14.95	11,21,250	10.99
2	Madhu Sudan Nuwal	8,29,800	11.07	8,29,800	8.14
3	Anil Kumar Nuwal	17,21,550	22.96	17,21,550	16.88
	Sub Total (A)	36,72,600	48.98	36,72,600	36.01
	Promoters Group				
4	Sita Software Private Limited	5,78,925	7.72	5,78,925	5.68
5	Jugal Kishore Nuwal	5,25,750	7.01	5,25,750	5.16
6	Mamta Nuwal	52,950	0.71	52,950	0.52
7	Kanta Devi Nuwal	1,65,000	2.20	1,65,000	1.62
8	Sangeeta Nuwal	67,500	0.90	67,500	0.66
9	Madhu Nuwal	24,000	0.32	24,000	0.24
10	Sunita Mahesh Laddha	49,500	0.66	49,500	0.49
11	Madhu Sudan Nuwal HUF	3,00,000	4.00	3,00,000	2.94
12	Anil Kumar Nuwal HUF	3,00,000	4.00	3,00,000	2.94
13	Seezo Infotech Private Limited	9,29,775	12.40	9,29,775	9.12
14	Exclusive. Com Private Limited	8,32,500	11.10	8,32,500	8.16
	Sub Total (B)	38,25,900	51.02	38,25,900	37.51
	GRAND TOTAL (A+B)	74,98,500	100.00	74,98,500	73.53

11. Details of Promoters' Contribution Locked-in for Three Years

Date of Allotment	Date when made Fully paid up	No. of shares Allotted	Face Value	Issue Price / Acquisition Price	Nature of Allotment	% Pre-Issue paid up capital	% Post issue paid up capital	Date up to which the specified securities are Lock-In
Jagdish Prasad Nuwal								
17.05.2014	17.05.2014	1,00,000	10	33	Further Allotment	1.33	0.98	3 years
01.07.2014	01.07.2014	45,000	10	33	Further Allotment	0.60	0.44	3 years
04.01.2016	-	3,73,750	10	-	Bonus Issue	4.98	3.66	3 years
SUB TOTAL		5,18,750				6.92	5.09	
Anil Kumar Nuwal								
31.01.2004	31.01.2004	3,00,000	10	10	Acquired	4.00	2.94	3 years
29.12.2014	29.12.2014	2,13,900	10	36	Further	2.85	2.10	3 years

					Allotment			
04.01.2016	-	5,73,850	10	-	Bonus Issue	7.65	5.63	3 years
SUB TOTAL		10,87,750				14.51	10.67	
Madhu Sudan Nuwal								
26.07.2001	26.07.2001	1,98,700	10	10	Further Allotment	2.65	1.95	3 years
31.01.2004	31.01.2004	1,00,000	10	10	Acquired	1.33	0.98	3 years
04.01.2016	-	2,76,600	10	-	Bonus Issue	3.69	2.71	3 years
SUB TOTAL		5,75,300				7.67	5.64	
GRAND TOTAL		21,81,800				29.10	21.39	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoters, **Mr. Jagdish Prasad Nuwal, Mr. Anil Kumar Nuwal and Mr. Madhu Sudan Nuwal** have, by a written undertaking, consented to have 5,18,750, 10,87,750 and 5,75,300 Equity Shares held by them respectively to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Draft Prospectus with NSE EMERGE till the date of commencement of lock-in period as stated in the Draft Prospectus. The Equity Shares under the Promoters contribution will constitute 21.39 % of our post-issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company.

Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
33(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. Hence Eligible
33 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible
33 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible.

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
33 (1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>
33 (1) (d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>

Details of Promoters' Contribution Locked-in for One Years

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 53,16,700 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

- In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- In terms of 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 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

12. Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus:

I - Our Shareholding Pattern:-

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs.10/- each^	Class seg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoter & Promoter Grp.	14	74,98,500	-	-	74,98,500	100.00	74,98,500	-	74,98,500	100.00	-	100.00	-	-	[●]		
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total	14	74,98,500,	-	-	74,98,500	100.00	74,98,500	-	74,98,500	100.00	-	100.00	-	-	[●]		

*As on date of this draft prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

II - Shareholding pattern of the Promoter and Promoter Group

	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity share s held	Partl y paid-up equit y share s held	Nos. of shares underlying Deposito ry Receipts	Total nos. shares held	Sharehol ding (calculate d as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Under lying Outsta nding conver tible securit ies (inclu ding Warra nts)	Sharehold ing , as a % assuming full conversio n of convertibl e securities (as a percentag e of diluted share capital) as a % of	Number of Locked in shares		Number of Shares pledged or otherwise		Numbe of equity shares held in Shares dematali ze d form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shar e s held (b)	No. (a)	As a % of total share s held (b)	
									Class Equity Shares of Rs.10/- each	Clas s Y	Total								
	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																		
	Mr. Jagdish Prasad Nuwal	AAVPN4372P	1	11,21,250	-	-	11,21,250	14.95	11,21,250	-	11,21,250	14.95	-	14.95	-	-	[●]		
	Mr. Anil Kumar Nuwal	AAVPN4375L	1	17,21,550	-	-	17,21,550	22.96	17,21,550	-	17,21,550	22.96	-	22.96	-	-	[●]		
	Mr. Madhu Sudan Nuwal	ABNPN8591K	1	8,29,800	-	-	8,29,800	11.07	8,29,800	-	8,29,800	11.07	-	11.07	-	-	[●]		

	Mr. Jugal Kishore Nuwal	ABBPN0386N	1	5,25,750	-	-	5,25,750	7.01	5,25,750	-	5,25,750	7.01	-	7.01	-	-	[●]
	Mrs. Kanta Devi Nuwal	ACAPN2638R	1	1,65,000	-	-	1,65,000	2.20	1,65,000	-	1,65,000	2.20	-	2.20	-	-	[●]
	Ms. Sangeeta Nuwal	AAJPN4616J	1	67,500	-	-	67,500	0.90	67,500	-	67,500	0.90	-	0.90	-	-	[●]
	Ms. Mamta Nuwal	ABNPN8590J	1	52,950	-	-	52,950	0.71	52,950	-	52,950	0.71	-	0.71	-	-	[●]
	Ms. Sunita Mahesh Laddha	ABFPL3651E	1	49,500	-	-	49,500	0.66	49,500	-	49,500	0.66	-	0.66	-	-	[●]
	Ms. Madhu Nuwal	ADNPN7390N	1	24,000	-	-	24,000	0.32	24,000	-	24,000	0.32	-	0.32	-	-	[●]
	Anil Kumar Nuwal HUF	AAGHA4386P	1	3,00,000	-	-	3,00,000	4.00	3,00,000	-	3,00,000	4.00	-	4.00	-	-	[●]
	Madhu Sudan Nuwal HUF	AAHHM2193K	1	3,00,000	-	-	3,00,000	4.00	3,00,000	-	3,00,000	4.00	-	4.00	-	-	[●]
(b)	Central Government/ State Government(s)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Body Corporate									-							
	Seezo Infotech Private Limited	AAFCS5495K	1	9,29,775	-	-	9,29,775	12.40	9,29,775	-	9,29,775	12.40	-	12.40	-	-	[●]
	Exclusive.Com Private Limited	AAACE8898H	1	8,32,500	-	-	8,32,500	11.10	8,32,500	-	8,32,500	11.10	-	11.10	-	-	[●]
	Sita Software Private Limited	AAGCS3238P	1	5,78,925	-	-	5,78,925	7.72	5,78,925	-	5,78,925	7.72	-	7.72	-	-	[●]
	Sub-Total (A)(1)		14	74,98,500	-	-	74,98,500	100.00	74,98,500	-	74,98,500	100.00	-	100.00	-	-	[●]
(2)	Foreign																

(a)	Individuals (Non- Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		14	74,98,500	-	-	74,98,500	100.00	74,98,500	-	74,98,500	100.00	-	100.00	-	-	[•]

*As on date of this draft prospectus 1 Equity share holds 1 vote.

III - Shareholding pattern of the Public shareholder

	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity share s held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (not applicable) (a)	As a % of total shares held (not applicable)(b)	
									Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI= VII+ X	XII	XIII		XIV	
(1)	Institutions																		
(a)	Mutual Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Venture Capital Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Alternate Investment Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Venture Capital Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Foreign Portfolio Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(g)	Insurance Companies	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(h)	Provident Funds/ Pension Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

(i)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/ State Government(s)/ President of India	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-institutions																
(a)	Individuals	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.																
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(3)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-

IV - Shareholding pattern of the Non Promoter- Non Public shareholder

	Category & Name of the Shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warra	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in Share dematerialized form (Not applicable)
									No of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held	No. (not applicable)	As a % of total shares held (not applicable)	
									Class Equity Shares of Rs.10/-	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI= VII+ X	XII	XIII		XIV	
(1)	Custodian/DR Holder																		
(a)	Name of DR Holder (if available)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (c) (1)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (C) (2)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Non- Promoter Non-Public shareholding (C)= (C)(1)+(C) (2)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the NSE before commencement of trading of such Equity Shares. We are in process to register with CDSL and NSDL. As on date the entire equity shares of our Company are held in physical form.

13. The Top Ten Shareholders of our Company and their Shareholding is set forth below:-

As on the date of the Draft Prospectus, our Company has 14 (fourteen) shareholders.

a) Particulars of the ten shareholders as on the date of filing of this Draft Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital
1.	Anil Kumar Nuwal	17,21,250	22.96
2.	Jagdish Prasad Nuwal	11,21,250	14.95
3.	Seezo Infotech Private Limited	9,29,775	12.40
4.	Exclusive.Com Private Limited	8,32,500	11.10
5.	Madhu Sudan Nuwal	8,29,800	11.07
6.	Sita Software Private Limited	5,78,925	7.72
7.	Jugal Kishore Nuwal	5,25,750	7.01
8.	Anil Kumar Nuwal HUF	3,00,000	4.00
9.	Madhu Sudan Nuwal HUF	3,00,000	4.00
10.	Kanta Devi Nuwal	1,65,000	2.20
	Total	73,04,550	97.41

b) Particulars of the ten shareholders ten days prior to the date of filing of this Draft Prospectus are as follows:

S. No.	Names	Shares Held (Face Value of Rs. 10/- each)	% Pre Issue paid up Capital
1.	Anil Kumar Nuwal	17,21,250	22.96
2.	Jagdish Prasad Nuwal	11,21,250	14.95
3.	Seezo Infotech Private Limited	9,29,775	12.40
4.	Exclusive.Com Private Limited	8,32,500	11.10
5.	Madhu Sudan Nuwal	8,29,800	11.07
6.	Sita Software Private Limited	5,78,925	7.72
7.	Jugal Kishore Nuwal	5,25,750	7.01
8.	Anil Kumar Nuwal HUF	3,00,000	4.00
9.	Madhu Sudan Nuwal HUF	3,00,000	4.00
10.	Kanta Devi Nuwal	1,65,000	2.20
	Total	73,04,550	97.41

c) Particulars of the top ten shareholders two years prior to the date of filing of this Draft Prospectus are as follows:

S. No.	Names	Shares Held (Face Value of Rs. 10/- each)	*% of Paid Up Equity Shares as on date 2 years prior to the date of filing of the Draft Prospectus
1.	Anil Kumar Nuwal	9,33,800	22.59
2.	Seezo Infotech Private Limited	6,19,850	14.99
3.	Jagdish Prasad Nuwal	6,02,500	14.57
4.	Exclusive.Com Private Limited	5,55,000	13.43
5.	Madhu Sudan Nuwal	4,97,100	12.02
6.	Sita Software Private Limited	3,40,450	8.24
7.	Jugal Kishore Nuwal	3,00,500	7.27
8.	Kanta Devi Nuwal	1,10,000	2.66
9.	Sangeeta Nuwal	45,000	1.09

10	Mamta Nuwal	35,300	0.85
	Total	40,39,500	97.71

*Details of shares held on February 10, 2014 and Percentage held has been calculated based on the paid up capital of our Company as on February 10, 2014.

14. As on the date of Draft Prospectus, there are no public shareholders holding more than 1% of the pre-Issue share capital of our Company.
15. Except as provided below, there has been no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of this Draft Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company.

S. No.	Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares sold	Subscribed/ Acquired/ Transferred
1.	Jagdish Prasad Nuwal	17.05.2014	Promoter & Whole-time Director	1,00,000	-	Allotment
		01.07.2014		45,000	-	Allotment
		04.01.2016		3,73,750	-	Bonus Allotment
2.	Madhu Sudan Nuwal	17.05.2014	Promoter & Whole-time Director	56,100	-	Allotment
		04.01.2016		2,76,600	-	Bonus Allotment
3.	Anil Kumar Nuwal	29.12.2014	Promoter & Managing Director	2,13,900	-	Allotment
		04.01.2016		5,73,850	-	Bonus Allotment
4.	Sita Software Pvt. Ltd.	04.01.2016	Promoter Group	1,92,975	-	Bonus Allotment
5.	Jugal Kishore Nuwal	04.01.2016	Promoter Group	1,75,250	-	Bonus Allotment
6.	Madhu Sudan Nuwal HUF	17.05.2014	Promoter Group	2,00,000	-	Allotment
		04.01.2016		1,00,000	-	Bonus Allotment
7.	Anil Kumar Nuwal HUF	17.05.2014	Promoter Group	2,00,000	-	Allotment
		04.01.2016		1,00,000	-	Bonus Allotment
8.	Seezo Infotech Pvt. Ltd.	04.01.2016	Promoter Group	3,09,925	-	Bonus Allotment
9.	Exclusive. Com Pvt. Ltd.	04.01.2016	Promoter Group	2,77,500	-	Bonus Allotment

16. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.
17. Neither, we nor our Promoters, Directors and the LM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
18. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
19. As on the date of this Draft Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up.
20. Our Company has not raised any bridge loan against the proceeds of the Issue.

21. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up equity shares
22. As on the date of this Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
23. The Lead Manager i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of Draft Prospectus.
24. We here by confirm that 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 offered have been listed or application moneys unblocked on account of failure of Issue.
25. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
26. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
27. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
28. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
29. 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, 2009 and its amendments from time to time.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. 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.
32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
34. As on the date of this Draft Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme 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.
35. There are no Equity Shares against which depository receipts have been issued.

- 36. Other than the Equity Shares, there is no other class of securities issued by our Company.
- 37. We have 14 (fourteen) shareholders as on the date of filing of the Draft Prospectus.
- 38. There are no safety net arrangements for this public issue.
- 39. As per RBI regulations, OCBs are not allowed to participate in this issue.
- 40. Our Promoters and Promoter Group will not participate in this Issue.
- 41. This Issue is being made through Fixed Price method.
- 42. Except as stated in this Draft Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
- 43. No person connected with the Offer shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
- 44. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering this Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 27,00,000 Equity Shares of our Company at an Issue Price of ₹22/- per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:

1. To Meet Working Capital Requirement
2. To Meet the Issue Expenses

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (“NSE EMERGE”). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our Company is primarily in the business of manufacture of fabrics. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

Requirement of Funds:-

The following table summarizes the requirement of funds:

S.No	Particulars	Amt (₹ in Lacs)
1.	To Meet Working Capital Requirement	558.25
2.	Public Issue Expenses	35.75
	Gross Issue Proceeds	594.00
	Less: Issue Expenses	35.75
	Net Issue Proceeds	558.25

Utilisation of Net Issue Proceeds: The Net Issue Proceeds will be utilised for following purpose:

S.No	Particulars	Amt (₹ in Lacs)
1.	To Meet Working Capital Requirement	558.25
	Total	558.25

Means of Finance: - We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt (₹ in Lacs)
Net Issue Proceeds	558.25
Total	558.25

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Prospectus

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 14 of the Draft Prospectus.

Details of Use of Issue Proceeds:

1. To Meet Working Capital Requirement

Our business is working capital intensive. We are required to provide sufficient credit period to our customers. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹ 3401.66 for FY 2016-17 The Company has sanctioned the working capital Limit from Bank of Baroda amounting ₹ 2000.00 Lacs and will be meet the requirement to the extent of ₹ 558.25 Lacs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(₹ in Lacs)

S. No.	Particulars	Actual (Restated)	Provisional (Restated)	Estimated
		31-March-15	31-March-16	31-March-17
I	Current Assets			
	Inventories	2246.86	2692.93	3016.75
	Trade receivables	842.00	1262.99	1389.29
	Cash and cash equivalents	77.59	80.00	85.00
	Short Term Loans and Advances	--	--	--
	Other Current Assets	269.47	59.42	141.93
	Total(A)	3435.92	4095.35	4632.98
II	Current Liabilities			
	Short term Borrowing (Other than Banks)	180.23	180.23	460.23
	Trade payables	678.03	419.04	452.56
	Short Term Provisions	37.59	37.55	58.36
	Other Current Liabilities	233.38	248.97	260.16
	Total (B)	1129.23	885.79	1231.32
III	Total Working Capital Gap (A-B)	2306.69	3209.56	3401.66
IV	Funding Pattern			
	Short term borrowing from Bank	1864.81	2000.00	2000.00

S. No.	Particulars	Actual (Restated)	Provisional (Restated)	Estimated
		31-March-15	31-March-16	31-March-17
	Internal Accruals	441.88	1209.56	843.41
	IPO Proceeds			558.25

Justification:

S. No.	Particulars
Debtors	We expect Debtors Holding days to be at 52 days for FY 2016-17 based on increased sales and better credit Management policies ensuring timely recovery of dues.
Creditors	We expect Creditors payments days to be 24 days due to increase in purchase of raw matreila and reduction of credit period.
Inventories	We expect Inventory level of Finished Goods to maintain at 51 Days for FY 2016-17 due to our Production cycle and maintaining required level of inventory

2. Public Issue Expenses:-

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹ 35.75 Lacs (inclusive of all applicable taxes) which is 6.02% of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	(Rs .in Lacs)
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, etc*	29.50
Printing and Stationery and postage expenses	2.25
Advertising and Marketing expenses	2.00
Statutory expenses	2.00
Total Estimated Issue Expenses	35.75

* Included commission/Processing fees for SCSB's, Brokerage and Selling Commision for Registrar Broker, RTA's and CDP's

Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:
(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 16-17
1.	To Meet Working Capital Requirement	558.25
	Total	558.25

Funds Deployed and Source of Funds Deployed:

Our Statutory Auditors M/s. S Dad & Co., Chartered Accountants vide their certificate dated Febrauy 08, 2016 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lacs)
Issue Expenses	1.00
Total	1.00

Sources of Financing for the Funds Deployed:

Our Statutory Auditors M/s. S Dad & Co, Chartered Accountants vide their certificate dated Febraury 08, 2016 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lacs)
Internal Accruals	1.00
Total	1.00

Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

Bridge Financing Facilities

As on the date of this Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, 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. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the

Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would 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

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Entities, in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our Directors or key managerial personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.

BASIC TERMS OF ISSUE

Authority for the Present Issue

This Issue in terms of the Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated December 29, 2015 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on January 04, 2016 under section 62 (1) (c) of the Companies Act, 2013.

Terms of the Issue

The Equity Shares, now being offered, are subject to the terms and conditions of the Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009, notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

Face Value	Each Equity Share shall have the face value of ₹ 10.00 each.
Issue Price	Each Equity Share is being offered at a price of ₹ 22/- each and is 2.2 times of Face Value.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 6000 (Six Thousand) and the multiple of 6000; subject to a minimum allotment of 6000 Equity Shares to the successful applicants.
Terms of Payment	100% of the issue price of ₹ 22/- each shall be payable on Application. For more details please refer “ Terms of the Issue ” beginning to page.no. 262 of the Draft Prospectus.
Ranking of the Equity Shares	The Equity Shares being offered pursuant to this Issue shall be subject to the provisions of Companies Act, Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. 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 the Company after the date of Allotment. For further details, please see “ Main Provisions of Articles of Association ” on page 312 of the Draft Prospectus.

MINIMUM SUBSCRIPTION

In accordance with Regulation [106P] (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P] (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive the subscription of 100% of the Issue including devolvement of Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith unblocking the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed in the Companies Act.

Further, In accordance with Regulation [106R] of SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

For further details, please refer to section titled “**Terms of the Issue**” beginning on page 262 of the Draft Prospectus.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 14, page 108 and page 169 respectively of the Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ 22.00 which is 2.2 times of the face value.

QUALITATIVE FACTORS

- Integrated Manufacturing Facility
- Existing relationship with suppliers
- Management Expertise
- Established Marketing Setup
- Strategic Location of Manufacturing Unit / Locational Advantage
- Cost effective production and timely fulfillment of orders

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 108 of the Draft Prospectus.

QUANTITATIVE FACTORS

Information presented in this section is derived from our Company’s restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings per share (EPS), as adjusted:

S. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2012-13	0.78	1
2.	FY 2013-14	1.19	2
3.	FY 2014-15	4.32	3
	Weighted Average	2.69	6
	For 6 Months period ended September 30, 2015*	0.99	

* Not annualized

Notes:

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

2. Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 22.00 :

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2014-15	5.10
2	P/E ratio based on the Weighted Average EPS, as restated for FY 2014-15	8.19

Peer Group P/ E*

S. No	Particulars	P/E
1	Highest (Banswara Syntex Limited)	23.4
2	Lowest (Supreme (India) Impex Ltd.)	3.60
	Industry Composite	10.2

*Source: Capital Market Vol. XXX/25 dated Feb 01 – 14, 2016 / Textile - Spinning

Return on Net worth (RoNW)*

S. No	Period	RONW (%)	Weights
1.	FY 2012-13	3.71%	1
2.	FY 2013-14	5.39%	2
3.	FY 2014-15	15.62%	3
	Weighted Average	10.23%	6
	For 6 months ended September 30, 2015[#]	3.65%	

*Restated Profit after tax/Net Worth

Not annualized

4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS

(a) Based on Basic and Diluted EPS, as restated of FY 2014-15 of ₹ 4.32 at the Issue Price of ₹ 22.00 :

- 16.69% on the restated financial statements.

(b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 2.29 at the Issue Price of ₹ 22.00 :

- 10.38% on the restated financial statements.

5. Net Asset Value (NAV) per Equity Share :

Sr. No.	As at	NAV Standalone (₹)
1.	March 31, 2013	31.46
2.	March 31, 2014	33.25
3.	March 31, 2015	39.39
4.	September 30, 2015*	40.88
5.	NAV after Issue	25.86
	Issue Price	22.00

* Net Asset Value per Share for 6 months period ended September 30, 2015 has been computed considering the outstanding number of shares as on September 30, 2015.

6. Comparison of Accounting Ratios with Industry Peers¹

S. No.	Name of Company	Results Type	Face Value (₹)	EPS (₹)	PE	RoNW (%)	NAV per Share (₹)
1.	Sangam (India) Limited	Standalone	10.00	12.70	18.00	14.70	94.30
2.	RSWM Limited	Standalone	10.00	34.50	7.10	20.50	186.80
3.	Sitaram India Limited	Standalone	10.00	4.32	5.10	15.62	39.39

¹ *Source: Capital Market Vol. XXX/25 dated Feb 01 – 14, 2016 / Textile - Spinning

² Based on March 31, 2015 restated financial statements

³ Basic & Diluted Earnings per share (EPS), as adjusted

⁴ Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 22.00

The peer group identified is broadly based on the different service lines that we are into but our scale of operations is not comparable to them.

7. The face value of our shares is ₹ 10.00 per share and the Issue Price is of ₹ 22.00 per share is 2.2 times of the face value.
8. Our Company in consultation with the Lead Manager believes that the Issue Price of ₹ 22.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

Investors should read the above mentioned information along with section titled **"Our Business"**, **"Risk Factors"** and **"Financial Information of the Company"** beginning on page 108, 14 and 169 respectively including important profitability and return ratios, as set out in **"Annexure Q"** to the Financial Information of the Company on page 208 of the Draft Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO SITARAM INDIA LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors,
Sitaram India Limited,
F- 226,227, G-228,229
IVTH Phase RIICO Industrial Area
Bhilwara – 311001, Rajasthan

Dear Sirs,

Subject: Statement of possible tax benefits (“the Statement”) available to Sitaram India Limited (“the Company”) and its shareholders prepared in accordance with the requirement in SCHEDULE VIII – CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (“the Regulations”)

We S Dad & Co, the statutory auditors of the Company have been requested by the management of the Company having its registered office at the above mentioned address to certify the statement of tax benefits to the Company and its Shareholders under the provisions of the Income Tax Act, 1961, presently in force in India, subject to the fact that several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on the business imperative, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Further, we have also incorporated the amendments brought out by the Finance Act, 2015 where applicable. We do not express any opinion or provide any assurance as to whether:

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

The contents of this Annexure are based on the 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 interpretations of the current tax laws. Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed Initial Public Offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S Dad & Co
Chartered Accountants
Firm Registration No. 007534C

Sanjay Dad
Partner
Membership No. 076334

Date: 08.02.2016
Place: Bhilwara

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India (*i.e.* applicable for the Financial Year 2015-16 relevant to the Assessment Year 2016-17). These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

I. Benefits available to the Company under the Income Tax Act, 1961

(i) Special Tax Benefits

There are no special tax benefits available to the Company

(ii) General Tax Benefits

The Income Tax Act, 1961 presently in force in India, make available the following general tax benefits to companies and to their shareholders. Several of these benefits are dependent on the companies or their shareholders fulfilling the conditions prescribed under the relevant provisions of the statute.

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

(a) Business Income

1. The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Income Tax Act, 1961.
2. Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.
3. As per the provisions of section 32(1)(ia) of the Act, The company is entitled to claim additional depreciation of 20% of the actual cost of any new machinery or plant which has been acquired and installed after 31st March, 2005 subject to fulfilment of conditions prescribed therein.
4. As per provisions of Section 35 (1) (ii) and (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and one fourth times the sum so paid. Under Section 35 (1) (ia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the scientific research and development, and being approved by the prescribed authority and such other conditions as may be prescribed, shall also qualify for a deduction of one and three fourth times the amount so paid.
5. As per provisions of Section 35(2AA) of the Act, any contribution made Notified Institutions *i.e.* National Laboratory, University, Indian Institute of Technology, specified persons as approved by the prescribed authority, is available to the extent of two times of such payment made.
6. As per the provisions of Section 35D of the Act, any specified preliminary expenditure incurred, after 31 March 1998 by an Indian company before the commencement of its business or after commencement of its business, in connection with the extension of an undertaking or setting up a new unit, shall be allowed a deduction of an amount equivalent to one-fifth of such expenditure for each of the five successive financial years beginning with the financial year in which the extension of the undertaking is completed or the new unit commences production or operation. However, any expenditure in excess of

5% of the cost of the project or the capital employed in the business of the Company, shall be ignored for the purpose of computing the deduction allowable under section 35D of the Act.

7. As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian Company, on or after 1 April 1999, wholly and exclusively for the purpose of amalgamation or demerger of an undertaking, shall be allowed a deduction of an amount equal to one-fifth of such expenditure for each of five successive financial years beginning with the financial year in which the amalgamation or demerger takes place.
8. As per the provisions of Section 35DDA of the Act, if a Company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the Company would be eligible to claim a deduction for one-fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal installments for each of the four immediately succeeding financial years.
9. As per the provisions of Section 35CCD of the Act, if a Company incurs any expenditure (not being in the nature of cost of any land or building) on any skill development project notified by the Central Board of Direct Taxes in this behalf in accordance with the guidelines as may be prescribed, then, the Company shall be allowed a deduction of sum equal to one and one-half times of such expenditure.
10. As per the newly inserted explanation to Section 37 of the Act, any expenditure incurred by the Company on the activities relating to corporate social responsibility ('CSR') referred to in section 135 of the Companies Act, 2013 shall not be deemed to be an expenditure incurred by the Company for the purpose of the business or profession. However, CSR expenditure which is of the nature described in provisions of section 30 to section 36 of the Act shall be allowed as deduction under respective sections, subject to fulfilment of conditions, if any, specified therein.
11. As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.
12. As per the provisions of Section 72A of the Act, pursuant to business re-organizations, such as amalgamation, demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/ unabsorbed depreciation of the predecessor company subject to fulfilment of prescribed conditions.

(b) MAT Credit

1. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after 1st April, 2006 will be available as credit to the extent specified in section 115JAA against normal income-tax payable in subsequent assessment years.

Minimum Alternative Tax as follows:-

Book Profit	A.Y. 2016-17		
	Tax	Surcharge	Cess
If Book Profits are less than or equal to 1 Cr	18.5%	--	3%
If Book Profits are Greater than 1 Crore but do not exceed 10 Crore	18.5%	7%	3%
If Book Profits are Greater than to 10 Crore	18.5%	12%	3%

2. In accordance with the provisions of Section 115JAA, from Assessment Year 2010-11 the MAT credit is available for ten years succeeding the Assessment Year in which MAT credit becomes allowable.
3. MAT credit shall be allowed for any Assessment Year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year.

(c) Capital Gains**(i) Computation of Capital Gains**

1. Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
2. Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
3. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
4. Capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short-term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets.
5. Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.
6. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
7. Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
8. As per the provisions of Section 48 of the Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
9. As per the provisions of section 111A, short term capital gains arising from the transfer of equity shares in any company or units of an equity oriented mutual fund transacted through a recognized stock exchange shall be subject to tax @ 15% provided such a transaction is entered in after the 1st day of Oct, 2004 and transaction is subject to security transaction tax. Further, short term capital gains as computed above that are not liable to STT would be subject to tax at a rate of 30% (plus applicable surcharge plus education cess plus higher education cess) in case of a company. No deduction under Chapter VIA is allowed from such income.
10. As per the provisions of section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge plus education cess plus higher education cess with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on long-term capital gains is resulting from transfer of listed securities or units or zero coupon bonds, then long term capital gain will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge plus education cess plus higher education cess of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge plus education cess plus higher education cess) of the capital gains as computed without indexation. However, Finance Act, 2014 has amended the provisions of section 112 allowing the concessional rate of tax of ten per cent on long term capital gain to listed securities (other than unit) and zero coupon bonds.

11. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.
12. As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
 - a. where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
 - b. where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
13. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
14. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income-tax

1. As per the provisions of section 54D of the Act and subject to the conditions to the extent specified therein, capital gains arising on compulsory acquisition of land & building or any right therein used by an industrial undertaking, will be exempt from tax if the capital gains are invested in —land, building, or any right therein within 3 years from the date of compulsory acquisition for the purpose of shifting / re-establishing/ setting up another industrial undertaking| subject to lower of Capital Gain or the Cost of acquisition of new land and building.
2. In accordance with and subject to the conditions and to the extent specified in section 54EC of the Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
 - a. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 - b. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 during any financial year as well as capital gain arising from transfer of one or more original assets.

Where the long term specified assets is transferred or converted into money at any time with in a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

(d) Securities Transaction Tax (STT)

As per the provisions of Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Dividends

1. U/s 10(34) read with section 115-O of the Act, dividend income (whether interim or final) in the hands of the company as distributed or paid by any other domestic on or after April 1, 2004 is completely exempt from tax in the hands of the company.
2. The domestic company distributing dividends will be liable to pay dividend distribution tax at the applicable rate on net basis on the amount of dividend payable applicable surcharge and education cess and secondary and higher education cess on the amount of dividend distribution tax and surcharge thereon)
3. Further w.e.f 1st October 2014, Finance Act 2014, has amended section 115-O in order to provide that for the purpose of determining the tax on distributed profits payable in accordance with the section 115-O, any amount which is declared, distributed or paid by any domestic Company out of current or accumulated profit on or after 1 April 2003 is to be reduced by any amount of dividend as received by the company from its subsidiary or from foreign companies during the financial year, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate of 15%, be equal to the net distributed profits.
4. Therefore, the amount of distributable income and the dividends which are actually received by the unit holder of mutual fund or shareholders of the domestic company need to be grossed up for the purpose of computing the additional tax.
5. Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
6. As per section 10(35) of the Act, the following income will be exempt from tax in the hands of the Company:
 - (i) Income received in respect of the units of a Mutual Fund specified under section 10(23D) (other than income arising from transfer of such units); or
 - (ii) Income received in respect of units from the Administrator of the specified undertaking; or
 - (iii) Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) —Administrator means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) —Specified Company means a company as referred to in section 2(h) of the said Act.

7. As per the provisions of section 115BBD of the Act, dividend Received by an Indian company from a Specified Foreign Company (in which it has shareholding of 26% or more) would be taxable at the Concessional rate of 15% on gross basis (excluding surcharge and Education cess).
8. For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable. By a domestic company, the dividend received from a foreign Subsidiary on which income-tax has been paid by the Domestic Company under section 115BBD of the Act shall be reduced.
9. As per Section 80JJAA, where the gross total income of an assessee includes any profit and gain derived from manufacture of goods in a factory, there shall, subject to the condition specified in subsection (2), be allowed a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in such factory, in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment in provided.

(f) Tax Treaty Benefits

As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries

(g) Buy Back of Shares

As per section 115QA of the Act, an Indian unlisted company will have to pay 20% tax on distributed income on buyback of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from 1 June 2013.

(h) Other Provisions

1. As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.
2. As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

II. Benefits available to Resident Shareholders under the Income Tax Act, 1961**(i) Special Tax Benefits**

There are no special tax benefits available to the shareholders of the Company.

(ii) General Tax Benefits**• Business Income**

As per the provisions of Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

• Dividends

As per the provisions of section 10(34) read with section 115-O of the Act, dividend (whether interim or final) declared, distributed or paid by the domestic company on or after 1st April, 2004 is completely exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities or units, where such securities or units are bought or acquired within a period of three months prior to the record date and such securities or units are sold or transferred within three or nine months respectively from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt.

• Capital Gains**(i) Computation of Capital Gains**

1. Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains

arising from the transfer of which are termed as long – term capital gains (‘LTCG’). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.

2. Short Term Capital Gains (‘STCG’) means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
3. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
4. Finance Act, 2014 has amended section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short-term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets. This amendment is applicable on and after 10th July, 2014.
5. Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.
6. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
7. The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act. However, in case the shareholder is a Company, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax (‘MAT’) under section 115JB of the I.T. Act.
8. As per the provisions of Section 48 of the Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
9. As per the provisions of section 111A, short term capital gains arising from the transfer of equity shares in any company or units of an equity oriented mutual fund transacted through a recognized stock exchange shall be subject to tax @ 15% provided such a transaction is entered in after the 1st day of Oct, 2004 and transaction is subject to security transaction tax. Further, short term capital gains as computed above that are not liable to STT would be subject to tax at a rate applicable to the assessee (plus applicable surcharge plus education cess plus higher education cess). No deduction under Chapter VIA is allowed from such income.
10. As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
11. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.
12. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

13. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income-tax

1. In accordance with and subject to the conditions and to the extent specified in section 54EC of the act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
- (a) National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
- (b) Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 during any financial year as well as capital gain arising from transfer of one or more original assets. Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

2. In addition to the same, some benefits are also available to a resident shareholder being an individual or HUF.
3. As per the provisions of section 54F of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years from the date of transfer.
4. As per provisions of Section 56(2)(vii) of the Income Tax Act and subject to exception provided in second proviso therein, where an individual or a HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value (as defined) of the shares and securities by an amount exceeding Rs. 50,000, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head —income from other sources. However, the said section is not applicable in case the shares and securities are received from the specified persons referred in the proviso to said section.
5. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

• **Buy Back of Shares**

As per the Finance Act 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.

• **Other Provisions**

1. As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
2. The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
3. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1,500/- per minor child.

III. Tax Benefits available to the Non-Resident Indian Shareholders

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April

2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family („HUF”) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
 6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
 7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:

- i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the nonresident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionaly taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
 - ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
 - iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
 - iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
 - v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.
8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Tax Benefits available to the Foreign Institutional Investors (“FIIs”)

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of Income	Rate of Tax (%)
Long-Term Capital Gain	10
Short-Term Capital Gain (Referred to Section 111A)	15
Short-Term Capital Gain (other than under section 111A)	30

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
 - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
 7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII’s could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Tax Benefits Available To Mutual Funds

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

VI. Tax Benefits Available To Venture Capital Companies/Funds

Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the

person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

Benefits available under the Gift Tax Act: Gift tax is not leviable in respect of any gifts made on or after 1st October 1998. Therefore, any gift of shares of the Company will not attract gift tax in the hands of the donor.

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

NOTES:

1. All the above possible benefits are as per the current tax laws as amended by the Finance Act, 2015.
2. All the above possible benefits are as per the current tax laws and will be available only to the sole / first named holder in case the shares are held by joint holder.
3. In respect of non-residents, tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-residential has fiscal domicile.
4. In the above statement only basic tax rates have been enumerated and the same is subject to applicable surcharge plus education cess plus higher education cess, wherever applicable.
5. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
6. In view of the individual nature of tax consequence, each investor is advised to consult his/her /its own tax advisor with respect of specific tax consequence of his / her / its participation in the scheme. The share holder is also advised to consider in his / her / its own case, the tax implication of an investment in equity Shares, particularly in view of the fact that certain recently enacted legislation may not have direct legal precedent or may have a different interpretation on the benefits which investor can avail.

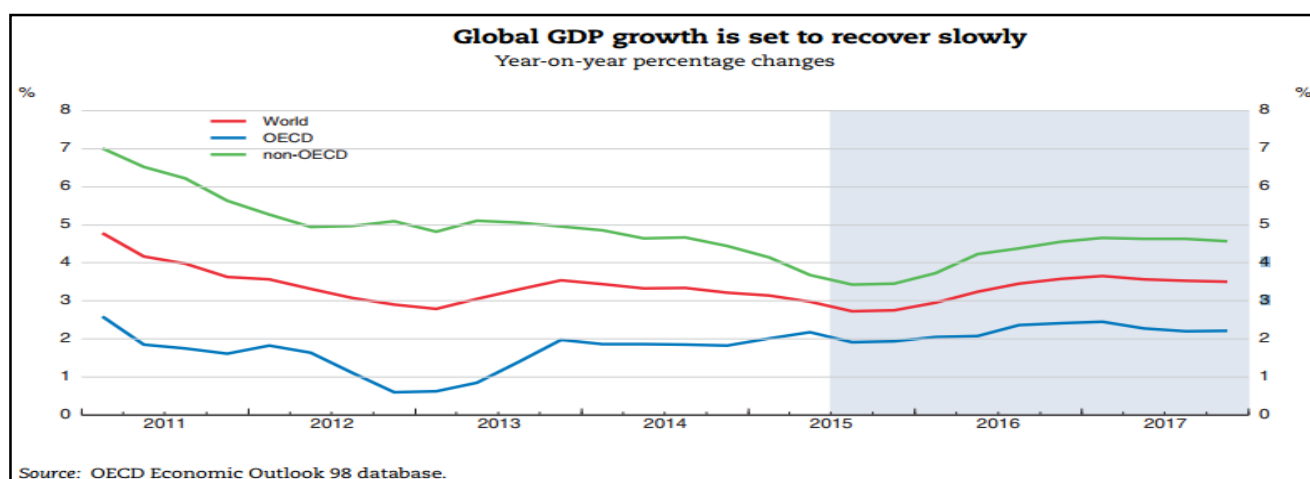
SECTION IV – ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.

Global Economy Outlook

Global growth has eased to around 3% this year, well below its long-run average. This largely reflects further weakness in EMEs. Deep recessions have emerged in Brazil and Russia, whilst the ongoing slowdown in China and the associated weakness of commodity prices has hit activity in key trading partners and commodity exporting economies, and increased financial market uncertainty. Global trade growth has slowed markedly, especially in the EMEs, and financial conditions have become less supportive in most economies. Growth in the OECD economies has held up this year, at around 2%, implying a modest reduction in economic slack, helped by an upturn in private consumption growth. However, business investment remains subdued, raising questions about future potential growth rates and about the extent to which stronger growth in the advanced economies can help to overcome cyclical weakness in the EMEs. Global growth is projected to strengthen slowly over the course of 2016-17, against a background of subdued inflationary pressures.

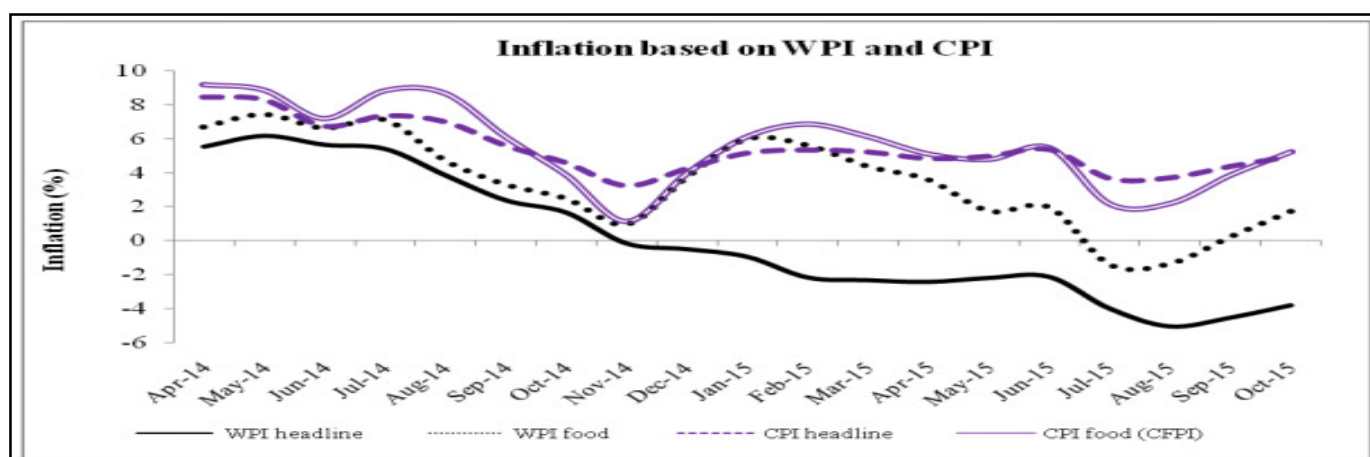


Growth in the United States is set to remain relatively solid, at around 2½ per cent per annum, with strong household consumption growth and a moderate upturn in private sector investment outweighing the impact of the US dollar appreciation over the past year and weaker energy sector activity. The so far muted recovery in the euro area is set to strengthen somewhat, with GDP growth at around 1¾-2% per annum over 2016-17, helped by the continued accommodative monetary policy stance and the stimulatory impact of lower oil prices. Fiscal support of up to ¼ per cent of GDP to assist asylum seekers should provide a small additional stimulus to demand. The outlook for Japan remains softer than in other advanced economies, despite an anticipated upturn in real wage growth. This reflects a larger drag exerted by weak external demand, especially in Asia, and strong fiscal headwinds, particularly from the further consumption tax increase planned for 2017. Given the modest upturn projected in domestic and global activity, a gentle strengthening of investment spending is projected in the OECD economies over 2016-17. Business investment growth is projected to rise by just under 4¼ per cent per annum in the next two years, after rising by an estimated 3¼ per cent per annum over 2014-2015.

(Source: <http://www.oecd.org/eo/outlook/General-assessment-11-2015.pdf>)

Indian Economy

- As per the quarterly estimates of Gross Domestic Product (GDP) released by the Central Statistics Office (CSO) on 30th November 2015, the growth rate of GDP at constant (2011-12) market prices for the second quarter (Q2) (July-September) of 2015-16 is estimated at 7.4 per cent as compared to the growth of 7.0 per cent in Q1 of 2015-16, and 7.5 per cent in Q4 of 2014-15. Growth in the first half (H1) of 2015-16 works out to 7.2 per cent.
- The growth of Gross Value Added (GVA) at constant (2011-12) basic prices for agriculture & allied sectors, industry sector and services sector are estimated at 2.2 per cent, 6.8 per cent and 8.8 per cent respectively in Q2 of 2015-16 as compared to the corresponding rates of 2.1 per cent, 7.6 per cent and 10.4 per cent respectively in Q2 of 2014-15.
- Stocks of food grains (rice and wheat) held by FCI as on September 1, 2015 were 50.8 million tonnes, compared to 57.3 million tonnes as on September 1, 2014.
- Overall growth in the Index of Industrial Production (IIP) was 3.6 per cent in September 2015 as compared to 2.6 per cent in September 2014. On a cumulative basis, for the period April-September 2015-16, the IIP growth was 4.0 per cent as compared to the growth of 2.9 per cent during the same period of the previous year. Manufacturing sector grew by 2.6 per cent in September 2015 and 4.2 per cent in April-September 2015.
- Eight core infrastructure industries grew by 3.2 per cent in September 2015 as compared to growth of 2.6 per cent in September 2014. The cumulative growth of core industries during April-September 2015-16 is 2.3 per cent as compared to growth of 5.1 per cent during April-September 2014-15.
- The growth of money Supply (YoY) in October 2015 was 11.0 per cent, lower than 11.7 per cent recorded in the corresponding period a year ago.
- Merchandise exports and imports declined by 17.5 per cent and 21.2 per cent (in US\$ terms) in October 2015 over October 2014. During April-October 2015, merchandise exports and imports declined by 17.6 per cent and 15.2 per cent respectively.
- Foreign exchange reserves stood at US\$ 353.6 billion in 30th October 2015 as compared to US\$ 350.3 billion in end-September 2015 and US\$ 341.6 billion in end-March 2015.
- The rupee appreciated against the US dollar, Pound sterling, Japanese yen and Euro by 1.8 per cent, 1.9 per cent, 1.8 per cent and 1.8 per cent respectively in October 2015 over the previous month of September 2015.
- The WPI inflation for all commodities reached to (-) 3.8 per cent in October 2015 from (-) 4.5 per cent in September 2015. The all India CPI inflation (New Series- Combined) increased to 5.0 per cent in October 2015 from 4.4 per cent in September 2015. The WPI inflation during April-October 2015 averaged (-) 3.5 per cent while inflation as per CPI (Combined) averaged 4.6 per cent during the period.
- Gross tax revenue during April-September 2015-16 was ₹ 5,96,884 crore, recorded growth of 21.7 per cent over April-September 2014-15.



(Source: http://finmin.nic.in/stats_data/monthly_economic_report/2015/indoct15.pdf)

Indian Economy Overview

With 1.2 billion people and the world's fourth-largest economy, India's recent growth and development has been one of the most significant achievements of our times. Over the six and half decades since independence, the country has brought about a landmark agricultural revolution that has transformed the nation from chronic dependence on grain imports into a global agricultural powerhouse that is now a net exporter of food. Life expectancy has more than doubled, literacy rates have quadrupled, health conditions have improved, and a sizeable middle class has emerged. India is now home to globally recognized companies in pharmaceuticals and steel and information and space technologies, and a growing voice on the international stage that is more in keeping with its enormous size and potential.

Historic changes are unfolding, unleashing a host of new opportunities to forge a 21st-century nation. India will soon have the largest and youngest workforce the world has ever seen. At the same time, the country is in the midst of a massive wave of urbanization as some 10 million people move to towns and cities each year in search of jobs and opportunity. It is the largest rural-urban migration of this century.

The historic changes unfolding have placed the country at a unique juncture. How India develops its significant human potential and lays down new models for the growth of its burgeoning towns and cities will largely determine the shape of the future for the country and its people in the years to come.

Massive investments will be needed to create the jobs, housing, and infrastructure to meet soaring aspirations and make towns and cities more livable and green. Generating growth that lifts all boats will be key, for more than 400 million of India's people—or one-third of the world's poor—still live in poverty. And, many of those who have recently escaped poverty (53 million people between 2005-10 alone) are still highly vulnerable to falling back into it. In fact, due to population growth, the absolute number of poor people in some of India's poorest states actually increased during the last decade.

Inequity in all dimensions, including region, caste and gender, will need to be addressed. Poverty rates in India's poorest states are three to four times higher than those in the more advanced states. While India's average annual per capita income was \$1,410 in 2011—placing it among the poorest of the world's middle-income countries—it was just \$436 in Uttar Pradesh (which has more people than Brazil) and only \$294 in Bihar, one of India's poorest states. Disadvantaged groups will need to be brought into the mainstream to reap the benefits of economic growth, and women—who “hold up half the sky”—empowered to take their rightful place in the socioeconomic fabric of the country.

Fostering greater levels of education and skills will be critical to promote prosperity in a rapidly globalizing world. However, while primary education has largely been universalized, learning outcomes remain low. Less than 10 percent of the working-age population has completed a secondary education, and too many secondary graduates do not have the knowledge and skills to compete in today's changing job market.

Improving health care will be equally important. Although India's health indicators have improved, maternal and child mortality rates remain very low and, in some states, are comparable to those in the world's poorest countries. Of particular concern is the nutrition of India's children whose well-being will determine the extent of India's much-awaited demographic dividend; at present, an overwhelming 40 percent (217 million) of the world's malnourished children are in India.

The country's infrastructure needs are massive. One in three rural people lack access to an all-weather road, and only one in five national highways is four-lane. Ports and airports have inadequate capacity, and trains move very slowly. An estimated 300 million people are not connected to the national electrical grid, and those who are face frequent disruptions. And, the manufacturing sector—vital for job creation—remains small and underdeveloped.

Nonetheless, a number of India's states are pioneering bold new initiatives to tackle many of India's long-standing challenges and are making great strides towards inclusive growth. Their successes are leading the way forward for the rest of the country, indicating what can be achieved if the poorer states were to learn from their more prosperous counterparts.

India now has that rare window of opportunity to improve the quality of life for its 1.2 billion citizens and lay the foundations for a truly prosperous future—a future that will impact the country and its people for generations to come.

(Source: <http://www.worldbank.org/en/country/india/overview#1>)

Economic performance

India's Gross Domestic Product (GDP) growth slowed to 7.0% in the first quarter of financial year (FY) 2015 (ending 31 March 2016) from 7.5% in the last quarter of FY2014. The deceleration was broad-based, with private consumption, manufacturing, and services all experiencing slower growth. However, expansion in fixed investment picked up to 4.9% from 4.1% in the previous quarter, indicating a continuing gradual recovery in capital expenditure. Agriculture grew by 1.9%, but monsoon rainfall that has been 12% below normal crimped the summer crop planted area.

Low global oil prices, a positive base effect, and tight monetary policy kept consumer price inflation benign at an average of 4.8% in the first 4 months of FY2015. Core inflation has trended downward for nearly 2 years and now hovers just above 4%.

The current account deficit in the first quarter of FY2015 improved to 1.2% of GDP from 1.6% a year earlier, helped by moderate monthly trade deficits and lower net outflows from the primary income account.

Economic prospects

Consumer inflation is likely to remain within the central bank and government target of 4% more or less 2 percentage points. The inflation forecast remains in line with the forecast in ADO 2015, while an uptick in prices for commodities, including crude oil, are expected to boost inflation in FY2016. With the projected 37% decline in the average crude oil price, the import bill is expected to shrink by about 10% in FY2015.

The slump in exports in the first quarter is likely to continue with listless global demand and a drop in exports of refined oil products. On balance, the current account deficit in FY2015 is expected to be significantly narrower than in recent years. Some recovery in oil prices and improved demand for industry and investment will likely push import growth to 8.0% in FY2016. Exports are also likely to recover, growing by 3.5% as higher petroleum prices boost the value of exports of refined petroleum products and as external demand improves. Accordingly, the current account deficit is expected to widen marginally in FY2016.

(Source - <http://www.adb.org/countries/india/economy>)

Textile Industry

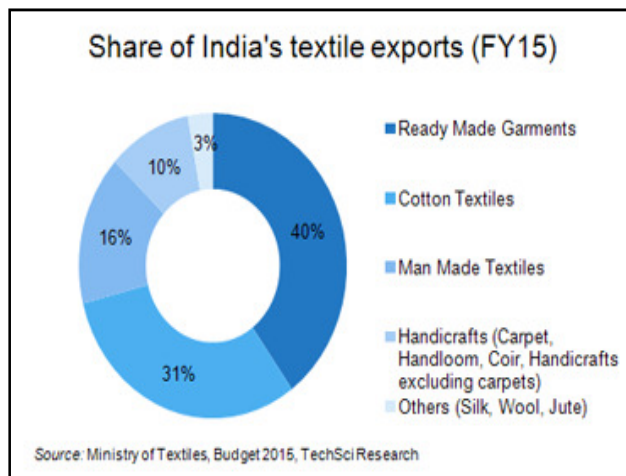
India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the 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 organized 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 handwoven 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.
- 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 Aeropostale, Inc. has inked a licensing agreement with Arvind Lifestyle Brands Ltd to open standalone stores in the country. Aeropostale 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:

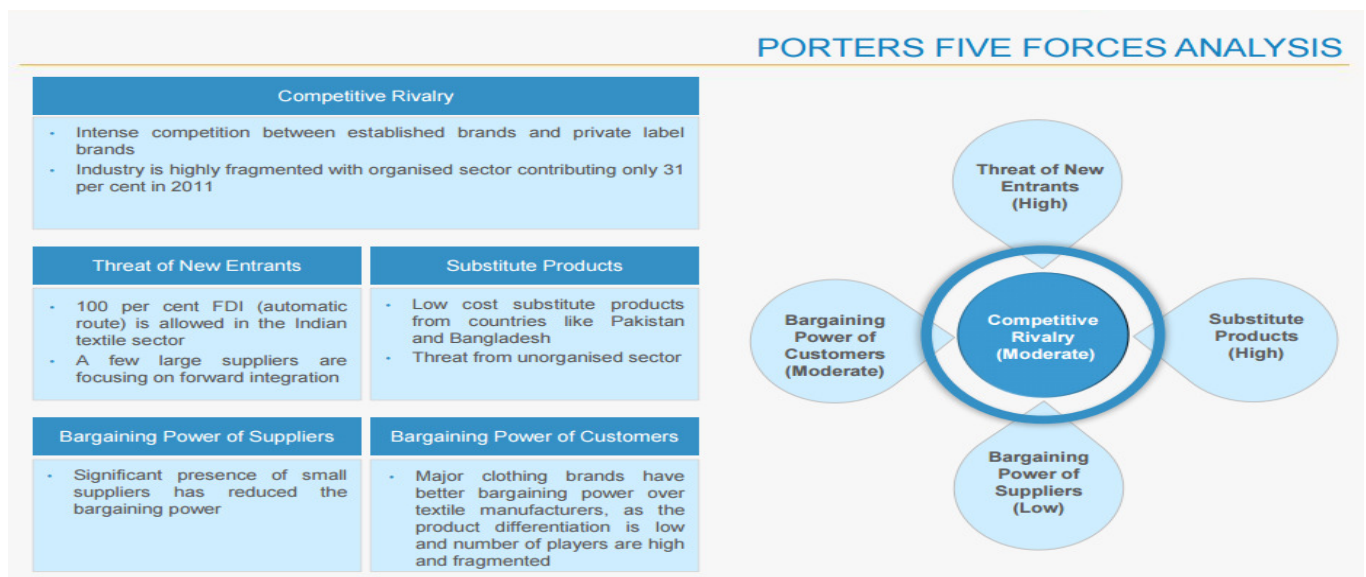
- The Ministry of Textiles launched Technology Mission on Technical Textiles (TMTT) with two mini-missions for a period of five years (from 2010-11 to 2011-12 in the 11th five year plan and 2012-13 to 2014-15 in 12th five year plan) with a total fund outlay of Rs 200 crore (US\$ 30.1 million). The objective 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.

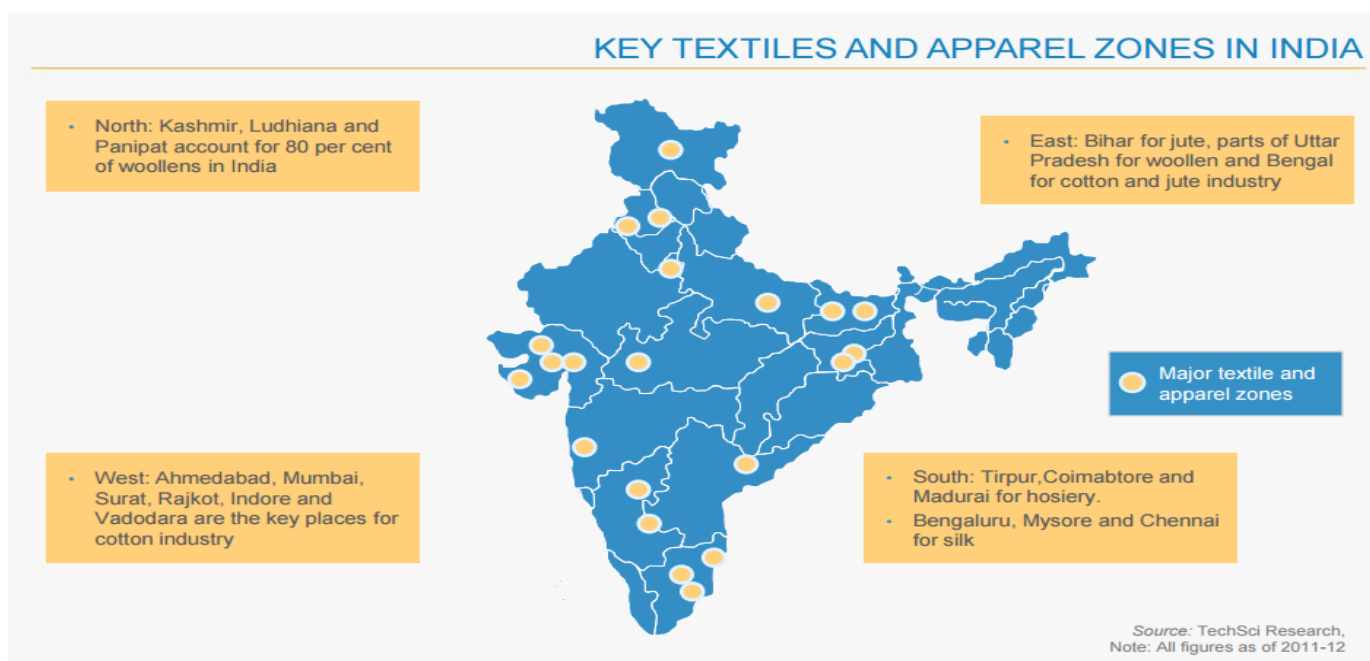
- The Government of India is expected to soon announce a new National Textiles Policy. The new policy aims at creating 35 million new jobs by way of increased investments by foreign companies, as per Textiles Secretary Mr S K Panda.
- Subsidies on machinery and infrastructure
 - i. The Revised Restructured 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.
 - ii. 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.
 - iii. The major machinery for production of technical textiles receives a concessional customs duty list of 5 per cent.
 - iv. 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\$ 64.3 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.

(Source - <http://www.ibef.org/industry/textiles.aspx>)

Porter's Five Forces Analysis



Key Textiles and Apparel Zones in India



Opportunity

Immense growth potential	Private sector participation in silk production	Proposed FDI in multi-brand retail
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	Centers of Excellence (CoE) for research and technical training	Foreign investments
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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

(Source: <http://www.ibef.org/download/Textiles-and-Apparel-August-2015.pdf>)

Real Estate Industry

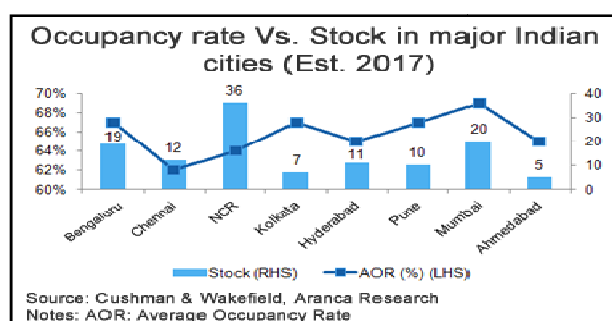
The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

Market Size

The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP). In the period FY08-20, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Real estate has emerged as the second most active sector, raising US\$ 1.2 billion from private equity (PE) investors in the last 10 months. Foreign investors have bought tenanted office space worth over US\$ 2 billion in India in 2014, a four-fold rise compared to the previous year, in order to increase their rent-yielding commercial assets in Asia's third largest economy.



Mumbai is the best city in India for commercial real estate investment, with returns of 12-19 per cent likely in the next five years, followed by Bengaluru and Delhi-National Capital Region (NCR). Also, Delhi-NCR was the biggest office market in India with 110 million sq ft, out of which 88 million sq ft were occupied. Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. Delhi's Central Business District (CBD) of Connaught Place has been ranked as the sixth most expensive prime office market in the world with occupancy costs at US\$ 160 per sq ft per annum.

Investments

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.1 billion in the period April 2000-June 2015.

Some of the major investments in this sector are as follows:

- Google Capital has invested in Bengaluru-based online property search platform, CommonFloor.com.
- Omkar Realtors and Developers Private Limited is in discussions to raise Rs 400 crore (US\$ 60.25 million) from KKR India, the local arm of PE firm Kohlberg Kravis Roberts and Co.
- Goldman Sachs bought shares worth Rs 255 crore (US\$ 38.41 million) in Vatika Hotels Private Limited, a company owned by real estate and hospitality firm Vatika Group.
- SoftBank, Falcon Edge Capital and a few others invested US\$ 90 million in Locon Solutions Private Limited, which runs Housing.com - a realty website.
- The Qatar Prince, Hamad bin Khalifa Al Thani, plans to invest Rs 1,000 billion (US\$ 15.06 billion) over the next five years in at least 10 smart cities of India.
- Real estate firm Supertech has planned to invest about Rs 2,000 crore (US\$ 301.27 million) in Gurgaon over the next few years by launching several luxury and affordable projects.
- PE firm Warburg Pincus invested Rs 1,800 crore (US\$ 271.14 million) in Piramal Realty for a minority stake in the company. China's Fosun International Limited is seeking to invest US\$ 100 million in Locon Solutions, the owner of Housing.com.

Government Initiatives

The Government of India along with the governments of the respective states have taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

India's Prime Minister Mr Narendra Modi approved the launch of Housing for All by 2022. Under the Sardar Patel Urban Housing Mission, 30 million houses will be built in India by 2022, mostly for the economically weaker sections and low-income groups, through public-private-partnership (PPP) and interest subsidy.

The Government of India has relaxed the norms to allow Foreign Direct Investment (FDI) in the construction development sector. This move should boost affordable housing projects and smart cities across the country.

The Securities and Exchange Board of India (SEBI) has notified final regulations that will govern real estate investment trusts (REITs) and infrastructure investment trusts (InvITs). This move will enable easier access to funds for cash-strapped developers and create a new investment avenue for institutions and high net worth individuals, and eventually ordinary investors.

The Government of Maharashtra announced a series of measures to bring transparency and increase the ease of doing business in the real estate sector.

The State Government of Kerala has decided to make the process of securing permits from local bodies for construction of houses smoother, as it plans to make the process online with the launch of software called 'Sanketham'. This will ensure a more standardised procedure, more transparency, and less corruption and bribery.

(Sources: <http://www.ibef.org/industry/real-estate-india.aspx>)

Road Ahead

Textile Industry

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 organized apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

(Source: <http://www.ibef.org/industry/textiles.aspx>)

Real Estate Industry

Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

(Source - <http://www.ibef.org/industry/real-estate-india.aspx>)

OUR BUSINESS

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

In this section, a reference to the “Company” or “we”, “us” or “our” means Sitaram India Limited.

All financial information included herein is based on our “Financial information of the Company” included on page 169 of this Draft Prospectus.

OVERVIEW

Our Company is a vertically integrated textile company having its operations mainly in Bhilwara, Rajasthan and is promoted by Mr. Jagdish Prasad Nuwal, Mr. Anil Kumar Nuwal and Mr. Madhu Sudan Nuwal. Our Company is in the entire value chain right from manufacturing of fabrics, begins from yarn twisting upto weaving and packing of the finished product which basically involves cotton, polyester, viscose, denim, linen and other allied fabrics specifically for men’s wear under the brand name of “Sitaram”, “Stardom” and “Swiss Arrow”.

Our Company commenced its operations in the year 1987 and was incorporated on September 24, 1987 as a private limited company under the provisions of Companies Act, 1956 with Registrar of Companies, Rajasthan, Jaipur. Our Company is engaged in the business of manufacturing of all types of fabrics which involve the weaving of yarn to production of fabrics. Further the processing of the fabric is outsourced by our Company. Additionally, our Company purchase shirting Fabrics from suppliers available in market which is in form of finish fabric and are marketable together with Suitings.

Further, our on-going manufacturing units are equipped with all equipment and facilities for manufacturing of fabrics from power looms along with all the other allied equipments. Our Company is also engaged in trading of fabrics and performs job work of weaving for many clients. Our Company based on its experience and its standards, conforms to major specifications and customer requirements. We firmly believe in benchmark product quality, customer centric approach, people focus, ethical business practices and good corporate citizenship. We draw our strength from an age old tradition of quality products in men’s segment

Our Company’s manufacturing activities are undertaken at two different units with total installation of 108 looms in both the units:

- i. Unit I is located at G – 13, 14, RIICO Industrial Area, Pur Road, Bhilwara – 311001, Rajasthan; and
- ii. Unit II is located at F-226,227, G-228,229, IVTH Phase RIICO Industrial Area, Bhilwara – 311001, Rajasthan

Initially in the year 1987, our Company has established the project of 28 CIMMCO Looms and which was replaced by 24 RUTI C Looms. Further in the year 2000, our Company has installed 10 PU and 6 Sulzer high speeds looms to enhance the manufacturing capacity. To improve production efficiency in weaving division, our Company has further discarded outdated old technologies CIMMCO, RUTI C looms, which had become uneconomic and unviable to operate upon and instead decided to install 72 automatic shuttle less rapier looms which was installed in three phases. These looms will improve the quality of fabric and will also consume less power.

In order to become more self-sufficient, support the existing operations and to further integrate, our Company has signed a Memorandum of Understanding dated August 06, 2015 with Commissioner Industries and Secretary, CSR on behalf of Government of Rajasthan in Resurgent Rajasthan Partnership summit held at Jaipur, Rajasthan for setting of composite textile unit for manufacturing of Suiting’s/shirting with 100 airjet/rapier looms, eco-friendly process house to process capacity 40 lacs metres fabrics per month and also 26000 spindles of PV yarn manufacturing. Also our Company through above Memorandum of Understanding will make an investment of Rs. 275 Crore for producing suiting’s/shirting, processing of cotton and synthetics

fabrics and manufacturing of PV yarn along with employment of 600 employees by the end September, 2017. Also the land and other facilities will be provided by the Government of Rajasthan.

Other Segments:-



Our Company is also engaged in construction of building and purchase of assets held for the purpose of stock in trade apart from textiles manufacturing. Our Company has successfully completed its projects for building construction of flats in Hyderabad, Andhra Pradesh. Along with construction business, Our Company is also engaged in toll business in which we have received a tender for toll collection from National Authority of India (NHAI) for National Highway-76 at toll Plaza located Narayanpura, Rajasthan which covers the distance from 113.83 km to 213 km from Rithola to Udaipur. NH-76 links Mirzapur in Uttar Pradesh to Pindwara in Rajasthan. The toll road of the Company has location advantage being satiated between Udaipur to Chittorgarh. Our Company has signed a Contract agreement with National Highway Authority of India dated November 07, 2014 for the period of one year which was successfully completed on November, 2015. Apart from above tender our Company has not filed any tender for toll collection as on the date of this Draft Prospectus. Both the businesses are part of the main Object of our Company along with textile business and which may carry by our Company in future.

SALIENT FEATURES OF OUR PRODUCTS:-

- Blended fabrics i.e. Cotton, Polyester and viscose
- Excellent comfort
- Eco-friendly Products
- Wide range of Fabric Varieties
- Color Balance for Suiting's
- Latest technology for weaving
- Non-allergenic natural Fibre
- Structured/ Knit look Denim

OUR PRODUCTS PORTFOLIO:-

We have developed variety of Products as below:-

S.No.	Products	Description	
1.	Suiting's	 	<p>Suitings are manufactured from yarn made of cotton, wool and other material to produce long strand. Suiting Fabric is made from weaving of yarn in looms which required going from many stages for getting final product. Fabrics are made in various strengths and degrees of durability.</p> <p>Weaving is a textile production method which involves interlacing a set of longer threads (called the warp) with a set of crossing threads (called the weft). This is done on a loom, of which there are a number of types.</p>

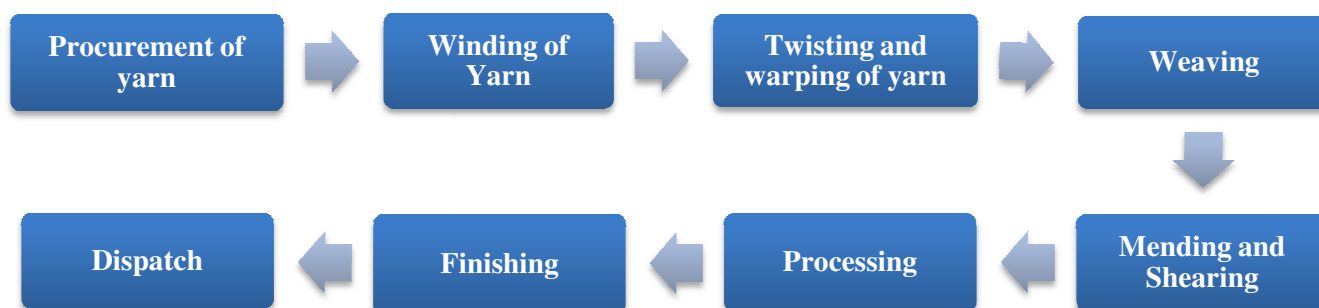
			
2.	Denim		<p>Denim is a sturdy cotton warp-faced twill textile in which the weft passes under two or more warp threads. This twill weaving produces the familiar diagonal ribbing of the denim that distinguishes it from cotton duck (a linen canvas).</p> <p>It is a characteristic of most indigo denim that only the warp threads are dyed, whereas the weft threads remain plain white. As a result of the warp-faced twill weaving, one side of the textile then shows the blue warp threads and the other side shows the white weft threads.</p>
3.	Linen Fabrics		<p>Linen is a textile made from the fibers of the flax plant. Linen is laborious to manufacture, but the fiber is very absorbent and garments made of linen are valued for their exceptional coolness and freshness in hot weather.</p> <p>Linen fabric feels cool to the touch. It is smooth, making the finished fabric lint-free, and gets softer the more it is washed. However, constant creasing in the same place in sharp folds will tend to break the linen threads.</p> <p>The cross-section of the linen fiber is</p>

			made up of irregular polygonal shapes which contribute to the coarse texture of the fabric.
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OUR LOCATION:-

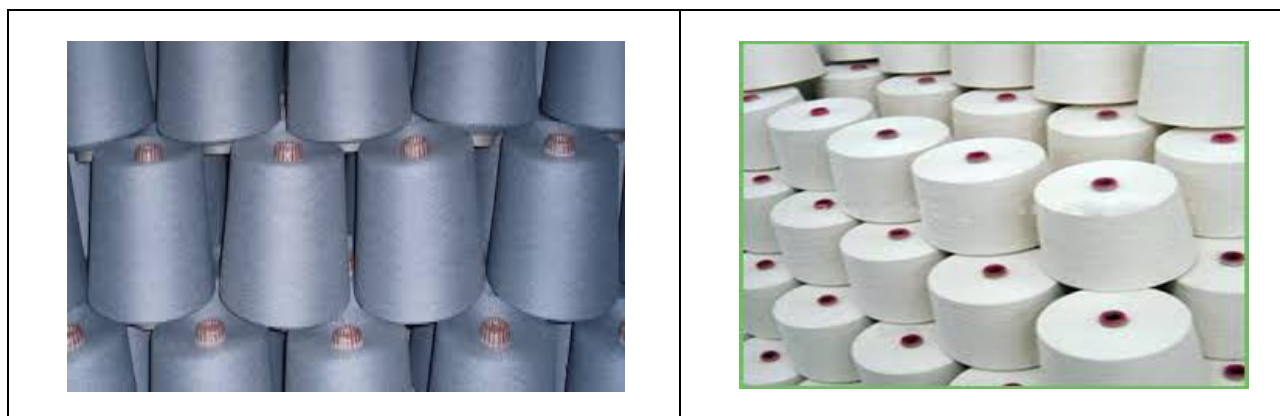
Registered Office	F-226,227, G-228,229, IVTH Phase RIICO Industrial Area, Bhilwara – 311001, Rajasthan
Factory	Unit I – G – 13, 14, RIICO Industrial Area, Pur Road, Bhilwara – 311001, Rajasthan
	Unit II - F-226,227, G-228,229, IVTH Phase RIICO Industrial Area, Bhilwara – 311001, Rajasthan

MANUFACTURING PROCESS FLOW CHARTS OF GARMENTS:-



STEPS INVOLVED IN MANUFACTURING PROCESS OF FABRICS:-

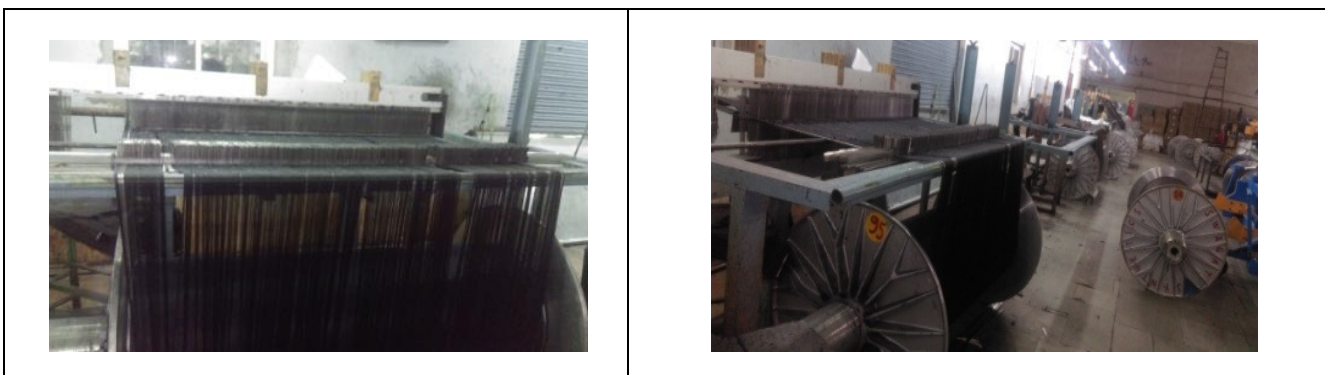
- 1. Procurement of Yarn:** - Our Company purchases yarn from the local market. Our Company uses man-made yarns like polyester, nylon, viscose, metallic yarn, etc. to manufacture synthetic fabrics. These raw materials are received on paper tubes, packed in cartons.



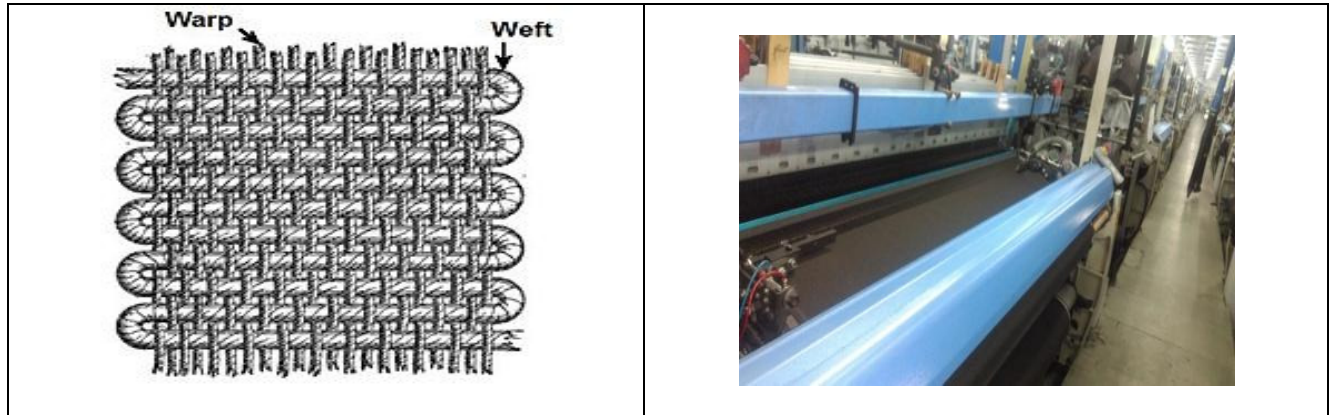
2. **Winding of Yarn:** - Winding is the process of transferring yarn from one type of package to another to facilitate subsequent processing. The main objective of winding is to wrap the forming yarn on a package in a systematic manner or to transfer yarn from one supply package to another in such a way that the latter is adequately compact and usable for the subsequent operations and another objective is to remove the objectionable faults present in original yarns.



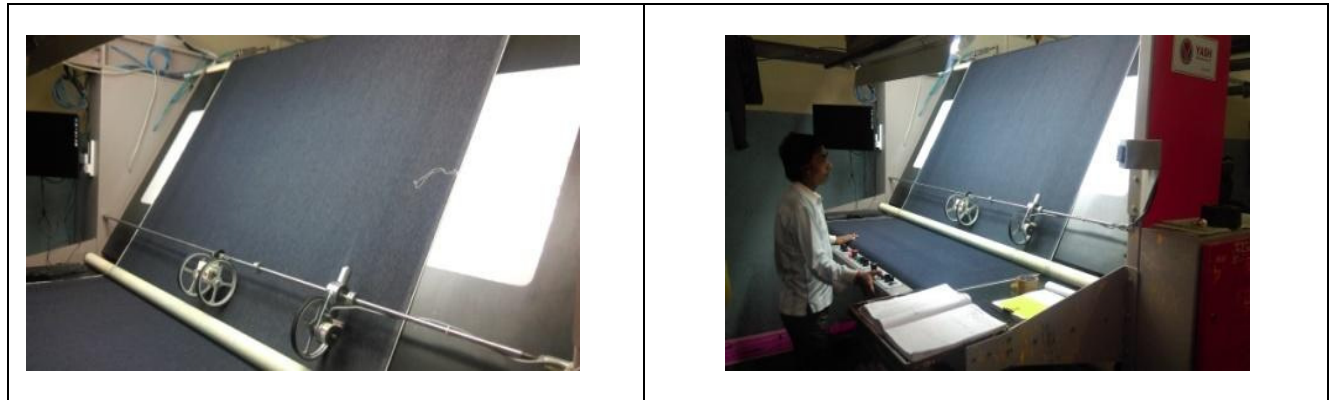
3. **Twisting and warping of yarn:** - To increase the strength of the yarn, the yarn has to go through the twisting process. Further, in this process the yarn gets shifted from aluminum cops to the warping roll and warping involves the process of preparing beams for the looms. The rolls are loaded on the creel stand of the warping machines. The threads from all the rolls are passed through the reed to the warping drum as per the desired designs. Thereafter, the threads are rolled onto the beams pipes. These beam pipes are placed on the looms for further process.



4. **Weaving:** - Weaving is the process of fabric manufacturing technology. The final product of weaving i.e. fabric is obtained by interlacing of warp & weft yarns disposed in perpendicular direction. The warp yarns are placed in the longitudinal in woven fabrics & the weft yarns are used for cross wise interlacing with the warp yarns. Cloth is produced on looms. The basic purpose of any loom is to hold the warp threads under tension to facilitate the interweaving of the weft threads through shuttle. The precise shape of the loom and its mechanics may vary, but the basic function is the same.



5. **Mending and Shearing:-** This is the process of removing the unwanted portion of the woven fabric by using the shearing machine and whatever defects are found in them, are removed on mending tables.



6. **Processing:** - At this Stage, the finish fabric is being processed with use of chemicals and dyed solution. The grey fabric comes into its final finish shape. Grey Fabrics are passed through several water intensive wet processing stages. These processes enhance the appearance, durability and serviceability of the fabric and make the fabric worth of apparel making. At processing stage various properties/qualities are developed which make the grey fabrics in its usable/acceptable form. In our Case the processing of grey fabrics are outsourced on job work basis from local market.
7. **Finishing:** - This stage involves cutting and removing loose threads, checking the product for any defects, making minor alterations, ironing and folding the products as per pre agreed sizes. This is an important stage because packing plays a very important role in attracting the customer's attention.



8. **Dispatch:** - All products are segregated as per their specifications, designs and order details. These are then dispatched as per the shipping instructions of the customers to multiple locations.



OUR BUSINESS STRENGTH:-



1. Integrated Manufacturing Facility:-

We believe that our manufacturing unit is integrated and self sufficient in manufacturing of fabrics. The raw materials and consumables are readily available in the area from where we operate. All the equipments which are required for manufacturing the fabrics from yarn are placed in our factory except proceesing which are outsourced from local market. Our manufacturing unit undertakes the entire process of manufacturing the fabrics, which begins from yarn twisting upto weaving and packing of the finished product. For further details on the list of equipments owned by our Company, please refer the section "**Plant and Machinery**" under chapter titled "**Our Business**" beginning on page 108 of this Draft Prospectus.

2. Existing relationship with suppliers:-

We manufacture fabrics for our customers. We have acquired raw materials basically yarn from several suppliers and have maintained relationship with them for a long time. Although we do not have any contract for supply of yarn but we believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of raw materials. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn have enabled us to generate repeat business.

3. Management Expertise:-

Our Promoters are engaged in the Textiles business, which also form part of Board of Directors of our Company, have a proven background and rich experience of more than 25 years in the Textile industry. Also, our Company is managed by a team of experienced personnel. The team comprises of personnel having operational and business development experience. We believe that our management team's experience and their understanding of the textile industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business, including significant competition, the global economic crisis and fluctuations in fuel prices.

4. Established Marketing Setup:-

Our Company was incorporated in the year 1987 and we are engaged in the manufacturing of fabrics since our incorporation in Bhilwara, Rajasthan. Over the years we have established a strong customer base and an unyielding marketing setup. We have separate divisions for marketing different types of products including combos of suiting and shirting for different geographical locations. We have dealers all over India covering major states which provide a platform to sell our Product and increase marketability of our Products.

5. Strategic Location of Manufacturing Unit / Locational Advantage:-

Our Company is situated at Bhilwara, Rajasthan where we have set up our registered office and manufacturing units, which is strategically located and is well connected by rail, roads and air with the rest of the country. Also Bhilwara is well known for textile industry which gives an advantage for easy availability of raw material. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Additionally the processing which is outsourced by our Company is easily available due to availability of many processing mills in Bhilwara. Further it also provides easy marketing to our Products. Hence the location of the site is advantageous to the company in transportation of Raw materials as well as the finished products.

6. Cost effective production and timely fulfillment of orders:-

Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve greater cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality yarn, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers of yarns which is the primary raw material for our products and as a consequence have the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfillment of orders of our customers. Our Company constantly endeavors to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

OUR BUSINESS STRATEGIES:-**1. Leveraging our Market skills and Relationships:-**

This 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. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

2. To build-up a professional organization:-

As an organization, we believe in transparency and commitment in our work and with our customers and dealers. We have an experienced team for taking care of our manufacturing process and our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

3. Optimal Utilization of Resources:-

Our Company constantly endeavors to improve our service process, and will increase manufacturing process to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

4. Backward Integration:-

Presently, we are purchasing yarn from outside parties for weaving of fabric. In future we intend to enter into spinning of yarns which will enable us to have a meet our raw material requirement internally thereby reducing our dependence on outsiders and thereby becoming fully integrated ranging from fibre to fabric.

5. Enhance customer base by entering new geographies to establish long-term relationships:-

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. Our Company operates from Bhilwara Rajasthan with having dealers all over India. We propose to increase our marketing and sales team which can focus in different regions and also maintain cordial relationship with our customer. Enhancing our presence in additional region will enable us to reach out to a larger population. Further our Company believes in maintain long term relationship with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovations, quality assurance and timely delivery of our products.

6. Creativity:-

Our Company has always been driven by the quest to develop something new and constantly strives to develop better products which appeal to our constantly growing customer base. Also our company provides mix and match combos to attract our customers and dealers. This spirit has helped us to evolve as a trendsetter in our field of operations. Our Company's forte lies in its ability to translate its vision into realities using, technology and personnel who successfully supervise each new venture undertaken.

SWOT ANALYSIS:-

STRENGTHS <ul style="list-style-type: none"> ➤ Experienced Management Team ➤ State of Art Manufacturing Facility ➤ Strong Promoter Background ➤ Quality Products 	WEAKENESS <ul style="list-style-type: none"> ➤ Working Capital Intensive Business ➤ High Labour Turnover of Workers
OPPORTUNITIES <ul style="list-style-type: none"> ➤ Favorable Consumer Demographics ➤ Huge Growth Potential in Domestic and International Market 	THREATS <ul style="list-style-type: none"> ➤ Increased Competition from Local & Big Players. ➤ Unorganized Sector ➤ Volatile Markets depending upon availability of Supply of Raw Material

CAPACITY UTILISATION:-

Particulars	Existing			Proposed		
	2012-13	2013-14	2014-15	2015-2016	2016-17	2017-18
Unit – I - G – 13, 14, RIICO Industrial Area, Pur Road, Bhilwara – 311001, Rajasthan						
Total Production Capacity (Metres per annum)	46,08,585	46,08,585	46,08,585	46,08,585	46,08,585	46,08,585
Capacity Utilisation (in %)	96%	82%	85%	85%	90%	90%
Unit – II - F-226,227, G-228,229, IVTH Phase RIICO Industrial Area, Bhilwara – 311001, Rajasthan						
Total Production Capacity (Metres per annum)	63,21,354	63,21,354	46,39,110	71,27,945	71,27,945	71,27,945
Capacity Utilisation (in %)	78%	80%	80%	85%	87%	90%

PLANT & MACHINERY:-

Stated below are the brief details of some of the major equipments utilized at our units are:

S.No.	Name/Description of the Machinery/Model No.	Quantity	Year of Purchase	Vendor
1.	Sulzer Projectile Automatic Shuttleless Weaving Machine Model – P7150 W360 N1-1 EP D1	20	2009	Meiyo Boeki Shokai - Japan
2.	Sulzer Projectile Automatic Shuttleless Weaving Machine Model – P7150 B360 N4 SP D1	16	2009	Pacific International (Overseas) Inc, Tortola
3.	Computerized Pattern Maker Model – HEJ 160 (72+72+72 Hooks)	20	2009	Prime Best Limited, Hongkong
4.	Computerized Pattern Maker Model – SEJ 159 (72+72+72 Hooks)	16	2009	Petersons Limited, Hongkong
5.	Sectional Warping Machine Model – MP-118	2	2009	Prashant Gamatex Pvt. Ltd., Ahmedabad
6.	Automatic Shuttleless Rapier Weaving Looms Model – R9500	72	2014	Itima (Switzerland) Limited, Switzerland
7.	Computerized Pattern Maker Model – SEJ 159 (72+72Hooks)	72	2014	Petersons Limited, Hongkong
8.	Sectional Warping Machine Model – Lasertronic - 1100	2	2014	Prashant Gamatex Pvt. Ltd., Ahmedabad
9.	Sectional Warping Machine Model – Simpletronic EP-1100	1	2014	Prashant Gamatex Pvt. Ltd., Ahmedabad
10.	LT Main Panel	1	2014	Dynamic Engineers & Consultants, Bhilwara
11.	Overhead Cleaner (Suitable to cover 12 Looms in Straight Path) Model – STW 50	6	2014	Simta Machinery Pvt. Ltd., Coimbatore
12.	High Speed Precision Cone Winder Machine Model – PF2000E M/c 619 CKD	1	2015	Peass Industrial Engineers Pvt. Ltd, Gujarat
13.	Fabrics Inspection Machine Model – NDSU-SWBO	1	2014	Yash Textiles Machibe Pvt. Ltd., Thane

COLLABORATIONS/TIE UPS/ JOINT VENTURES:-

Except as disclosed in this Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date of Draft Prospectus.

EXPORT OBLIGATION: Our Company does not have any export obligation as on date except as below:-

Particulars	Authorization Date	Duty Saved	Remarks
Import of Capital Goods	19.12.2014	20,21,940	Export Obligation under EPCG Scheme is required to be fulfilled by export of goods manufacture by us which is equal to six times of the total duty saved on import of capital goods, to be fulfilled in 6 years reckoned from authorization issue date
Import of Capital Goods	23.05.2014	3,52,48,406	
Import of Capital Goods	19.03.2010	12,71,310	
Import of Capital Goods	06.01.2009	6,47,062	

SALES AND MARKETING:-

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our Group for a long period. Our promoters, Mr. Anil Kumar Nuwal and Mr. Madhu Sudan Nuwal, through their vast experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, we regularly interact with them and focus on gaining an insight into the designs and other additional needs of such customers. With large sales potential, low infrastructure costs, raw material proximity and the availability of professional expertise of our Promoters, we plan to grow geographically.

Marketing Strategy:

We intend to focus on following marketing strategies:

1. Focus on existing markets and increasing our customer base.
2. Appointment of Dealers & Wholesaler in new market.
3. Emphasizing on providing Value Added Services.
4. Continuously holding markets Trends.

COMPETITION:-

Much of the market in which we operate is unorganized and fragmented with many small and medium-sized entities. We face substantial competition for our products from other manufacturers in domestic market. Our competition varies for our products and regions. We compete with other manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our major competitors are:-

- Sangam (India) Limited
- RSWM Limited

INFRASTRUCTURE & UTILITIES:-**Raw Materials:-**

Our Company manufactures fabrics from yarns, which is a major raw material for our manufacturing process. We procure raw material from local suppliers available in region of Bhilwara, Rajasthan which is cost efficient and easily available.

Power:-

The requirement of power for our operations, like power for lighting and operating the machinery/equipment is met through Ajmer Vidyut Vitran Nigam Limited for both the Units.

In addition, the company has installed DG Sets with capacity of 320 KVA as standby arrangement, which will continue to be used in case of need/shutdown or requirement of additional power. Also transformer with 1600 KVA is installed at our factory to balance the electricity level.

Water:-

Water requirement for the manufacturing and allied processes is very minimal and the same is procured locally by way of existing water supply network in that area.

Human Resource:-

As on November 30, 2015 our Company has 285 employees. Detailed breakup of the employees unit wise is as follows:-

Particulars	No. of Employees
Unit - I	86
Unit - II	131
Administration Office	68
Total	285

PROPERTY:-

Intellectual Property:-

Set forth below are the trademarks registered/abandoned/objected in the name of our Company under the Trademarks Act, 1999:-

S.No.	Logo/ Trademark	Class	Nature Trademark of	Owner	Application No. & Date	Remark
1.	Trademark	24		Swagat Synthetics Pvt. Ltd.	1267740 17/02/2004	Registered Valid upto 17/02/2024
2.	Trademark	24		Swagat Synthetics Pvt. Ltd.	836831 15/01/1999	Abandoned
3.	Trademark	24		Swagat Synthetics Pvt. Ltd.	2490731 06/03/2013	Objected

The Details of Domain Name registered on the name of the Company is:-

S.No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant Name, and Address	Creation Date	Registration Expiry Date
1.	www.sitaramindia.com Domain Id - 1979634974_DOMAIN_COM - VRSN	GoDaddy.com, LLC IANA ID - 146	Sitaram India F-226, 227, G 228-229 RIICO Bhilwara, Rajasthan - 311001	14.11.2015	14.11.2016

IMMOVABLE PROPERTY:-

Details of our properties are as follows: -

Registered Office and Units:-

S.No.	Details of the Property	Use	Owned/ Leased/Li cense	Lessor/Seller	Consideration/ Lease Rental/ License Fees (Rs.)
1.	G-13-14, RIICO Industrial Area, Pur Road, Bhilwara, Rajasthan-311001	Factory	Leased for a term of 99 years	Rajasthan State Industrial Development & Investment Corporation Limited	Lease agreement between Rajasthan State Industrial Development & Investment Corporation Limited and Swagat Synthetics Pvt. Ltd executed on 19.01.1988 for term of 99 years starting from 01.04.1987 for Rs.90,191/- (Ninety thousand one hundred & ninty-one only).
2.	Plot no F-226,227, G-228,229 RIICO Industrial Area, IVTH Phase, Bhilwara, Rajasthan-311001 admeasuring 6912 sq. mts.	Factory	Leased for a term of 99 years	Rajasthan State Industrial Development & Investment Corporation Limited	Lease agreement between Rajasthan State Industrial Development & Investment Corporation Limited and Swagat Synthetics Pvt. Ltd executed on 15.05.2000 for term of 99 years starting from 01.04.2000 for Rs.13,94,336/- (Thirteen lakh Ninety-four thousand & three hundred thirty-six).
3.	Plot no Ac.0-31 Guntas in Survey No. 9 (Part) of Kondapur village, Seri Lingampally Municipality and Rev. Mandal, Ranga Reddy District-A.P land admeasuring 3135.83 sq. mts	Stock in Trade	Owned through Director*	Mr. S.V. Rao s/o Shri. S Suryachandra Rao, Smt. S. Dhana Lakshmi W/O Late Shri. S Suryachandra Rao	Sale Deed dated 27.11.2006 was executed between Mr. S.V. Rao, Smt. S. Dhana Lakshmi and Sh. Anil Kumar Nuwal, Mrs. Anju Mandhana & Sh. G. Sashidhar which was registered at R.O Ranga Reddy bearing document no.25528/2006 for a consideration of Rs.60000000/- (Six crores).

**The instant land was purchased by the Company on the name of its one of the Directors in his personal capacity. Presently, though the property is not on the name of the company but the company is the sole recipient of the sale proceeds, profits etc. accrued through this property and the same is maintained till date.*

The land in respect of which our Company is the owner is registered in its name except the one situated in Hyderabad. Save and except the equitable mortgage created in favour of our lender, the aforesaid owned lands are free from encumbrances.

INSURANCE:-

We believe and we maintain adequate insurance policies for our moveable and immoveable properties. We have obtained Standard Fire & Special Perils Insurance Policy and Burglary Insurance Policy for our units and Private Car Package Insurance Policy for our immoveable vehicles. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. The details of all the insurance policies maintained by us are as follows:

The Company has 3 (Three) Insurance policies in total viz.

- Burglary Insurance Policy
- Standard Fire & Special Perils Insurance Policy
- Private Car Package Insurance Policy

The details pertaining of the same are tabulated below:

S. N o.	Policy	Perils Covered	Name of insurer	Name & Address of the insured property/Risk Location/Address of the Insured (As and where applicable)	Policy no.	Period	Total Sum insured (INR)	Premium paid (INR)
1.	Burglary Insurance Policy	The Insurance Policy covers Spares including of Fabric Yarn, Stock held in Trust Looms, Spares and Stores Packing material	The New India Assurance Company Ltd.	M/s Swagat Synthetics Pvt. Limited F-226-227 RIICO Industrial Area, Fourth Phase, Bhilwara, Rajasthan 311001	220701 461501 000000 26	November 09, 2015 to November 08, 2016	Rs. 25,00,00,00 0/-	Rs. 34,200/-
2.	Standard Fire & Special Perils Insurance Policy	The Insurance Policy covers Plant and Machinery including DG Sets all Concerned Machines and accessories including Electrical and Electronic items, Building, Stocks and Spares all types of Fabric and Yarn and held in Trust Spares and Stores and Packing Material	The New India Assurance Company Ltd.	M/s Swagat Synthetics Pvt. Limited F-226-227 RIICO Industrial Area, Fourth Phase, Rajasthan 311001	220701 111501 000005 04	November 09, 2015 to November 08, 2016	Rs.75,50,0 0,000/-	Rs. 3,22,762/-
3.	Standard Fire & Special Perils Insurance Policy	The Insurance Policy covers on Plant and Machinery, Building, Stocks and Spares all types of Fabric and Yarn and held	The New India Assurance Company Ltd.	M/s Swagat Synthetics Pvt. Limited G-13-14, RIICO Industrial Area, Pur Road, Rajasthan 311001	330803 111501 000000 24	June 11, 2015 to June 10, 2016	Rs. 9,30,00,000 /-	Rs. 58,311/-

		in Trust Spares and Stores						
4.	Private Car Package Policy	Private Car- Enhancement Cover Policy - Toyota Innova Reg. No. RJ-06-UA-7972	The New India Assurance Company Ltd.	M/s Swagat Synthetics Pvt. Limited	330803 311503 000006 03	May 18, 2015 to May 17, 2016	Rs. 9,80,400/-	Rs. 24,357/-
5.	Private Car Package Policy	Private Car- – Corolla Atlis RJ 06-CC-2160	United India Insurance Co. Limited	M/s Swagat Synthetics Pvt. Limited	TUI/11 210638	January 22, 2016 to January 21, 2017	Rs. 1440782/-	Rs. 54004/-

KEY INDUSTRY REGULATION AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are merely intended to provide general information to the investors and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us in compliance with these regulations see the section titled “Government and Other Approvals” on page 242 of this Draft Prospectus.

Regulations pertaining to the main objects of the Company

National Textile Policy

Subsequent to the announcement of the Textile Policy, the woven segment of readymade garment sector and the knitting sector have been de-reserved from the list of items reserved for exclusive manufacture in the small scale sector. The Textile Policy also targets the development of a strong multi-fibre base to facilitate product upgradation and diversification. The Textile Policy provides for government financing and venture capital funding for setting up textile plants. Particular emphasis is laid on exports with the proposal of multi-disciplinary institutional mechanisms to formulate policy and action plans, including the restructuring of Export Promotion Councils and operating a brand equity fund exclusively for textile and apparel products. The Textile Policy also contains sector specific agendas. For the cotton sector, it designates the Technology Mission of Cotton as the nodal body to bring about increase in productivity and stability in prices. For the spinning and weaving sectors, decentralized modernizations is the thrust of the government policy and for the garments sector, the government proposes a number of measures in light of the WTO rules and regulations, including strategic alliances with leading global manufacturers and the establishment of textile/apparel parks. The Ministry of Textiles announced the formulation of the National Textile Policy, 2000 118 (“Textile Policy”) in November 2000 with the objective of enabling the textile industry to attain and sustain a preeminent global standing in the manufacture and export of clothing. The Textile Policy envisages a multi-pronged strategy to achieve these long term goals. The strategy aims at modernizing the equipment and technology that is used in the sector and simultaneously strengthening the traditional knowledge, skills and capabilities in this sector.

Textile Committee Act 1963

The Textiles Committee's main objective is to ensure the quality of textiles and textile machinery both for internal consumption and export purposes. The Textiles Committee, as corollary to its main objective of ensuring the quality of textiles and textiles machinery has been entrusted with the following functions of, among other things, establishing standard specifications for textiles, textile machinery and the packing materials. In addition to this, Textiles Committee also regulates the imposition of cess on textile and textile machinery manufactured in India.

Technology Upgradation Fund Scheme (TUFS)

Technology Upgradation Fund Scheme (TUFS), a flagship scheme of Ministry of Textiles, is a scheme for modernization and technology upgradation in the textiles sector. It aims at making funds available to the domestic textile industry for technology upgradation in the textile sector. It aims at making funds available to the domestic textile industry for technology upgradation of existing units as well as to set up new units

Important General Laws

The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish,

is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013 (to the extent notified).

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Foreign Exchange Management Act, 1999("FEMA") and Regulations framed thereunder

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 RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for 63 various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

The Competition Act, 2002, as amended (the "Competition Act")

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 on March 4, 2011 and have come into effect on June 1, 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 1, 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.

The Public Liability Insurance Act, 1991("PLI Act")

The "PLI Act" provides for public liability insurance for the purpose of providing immediate relief to persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. Every

owner (in the case of a company, any of its directors, managers, secretaries or other officers who is directly in charge of, and is responsible to the company for the conduct of the business of the company) is obligated to take out, before he starts handling any hazardous substance, one or more insurance policies providing for contracts of insurance thereby he is insured against liability to give relief under the PLI Act. The said insurance policy shall be for a minimum amount of the paid-up capital of the Company and not exceeding fifty crore rupees.

The Indian Contract Act, 1872 (“Contract Act”)

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

Electricity Act, 2003

The Electricity Act is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity, which seeks to replace the multiple legislations that governed the Indian power sector. The most significant reform initiative under the Electricity Act was the move towards a multi buyer, multi seller system as opposed to the then existing structure which permitted only a single buyer to purchase power from power generators. In addition, Electricity Act provides for a greater flexibility and grants the respective electricity regulatory commission’s greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Electricity Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the CERC and SERCs has been established. However, Electricity Act provided that transmission; distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of Electricity Act. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. Government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

Industrial (Development and Regulation) Act, 1955, as amended (the “I(D&R) Act”)

The I(D&R) Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector.

An industrial undertaking which is exempt from licensing is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

The Consumer Protection Act, 1986 (“COPRA”)

“COPRA” aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)

The “SHWW Act” provides for the protection of women and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the

following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000.

The Negotiable Instruments Act, 1881(“NI Act”)

In India, the laws governing monetary instruments such as cheques are contained in the “NI Act”, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, and with fine which may extend to twice the amount of the cheque, or with both.

The Sale of Goods Act, 1930(Sale of Goods Act)

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by installments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer’s right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

Tax Related Legislations

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

The Rajasthan Value Added Tax Act, 2003

VAT is the most progressive way of taxing consumption rather than business. Rajasthan Value Added Tax Act, 2003 has come into effect from 01st April 2006. VAT is a multi-stage tax on goods that is levied across various stages of production and supply with credit given for tax paid at each stage of Value addition. VAT is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is essentially a consumption tax applicable to all commercial activities

involving the production and distribution of goods, and each State that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register themselves and obtain a registration number.

Central Sales Tax Act, 1956(“CST Act”)

The CST Act formulates principles for determining (a) when a sale or purchase takes place in the course of inter-state trade or commerce; (b) when a sale or purchase takes place outside a State and (c) when a sale or purchase takes place in the course of imports into or export from India. This Act provides for levy, collection and distribution of taxes on sales of goods in the course of inter-state trade or commerce and also declares certain goods to be of special importance in interState trade or commerce and specifies 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. Central Sales tax is levied on inter State sale of goods. Sale is considered to be inter-state when (a) sale occasions movement of goods from one State to another or (b) is effected by transfer of documents during their movement from one State to another.

A sale or purchase of goods shall be deemed to take place in the course of inter-state trade or commerce if the sale or purchase is affected by a transfer of documents of title to the goods during their movement from one state to another. When the goods are handed over to the carrier, he hands over a receipt to the seller. The seller sends the receipt to buyer. The buyer gets delivery of goods on submission of the receipt to the carrier at other end. The receipt of carrier is ‘document of title of goods’. Such document is usually called Lorry Receipt (LR) in case of transport by Road or Air Way Bill (AWB) in case of transport by air. Though it is called Central Sales Tax Act, the tax collected under the Act in each State is kept by that State only. Central Sales Tax is payable in the State from which movement of goods commences (that is, from which goods are sold). The tax collected is retained by the State in which it is collected. The Central Sales Tax Act is administered by sales tax authorities of each State. The liability to pay tax is on the dealer, who may or may not collect it from the buyer.

Service Tax Laws

Service tax is imposed on various services like courier services, cargo handling services; goods transport agency services, transport of goods by air services, travel agent’s services etc. Service provided by a cargo handling agency in relation to cargo handling services have been subjected to service tax by the Finance Act, 2002. Cargo handling service refers to loading, unloading, packing or unpacking of cargo and includes cargo handling services provided for freight in special containers or for non-containerized freight, services provided by a container freight terminal or any other freight terminal, for all modes of transport and cargo handling service incidental to freight, but does not include handling of export cargo or passenger baggage or mere transportation of goods. Service provided to a customer by a goods transport agency in relation to transport of goods by road in a goods carriage is a taxable service subject to service tax. A goods transport agency means any commercial concern which provides service in relation to transport of goods by road and issues consignment note. Service provided to any person, by an aircraft operator, in relation to transport of goods by aircraft is subject to service tax. An aircraft operator is any commercial concern which provides the service of transport of goods by air craft. Service provided to a customer by a travel agent, in relation to the booking of passage for travel has been made subject to service tax by the Finance Act, 2004.

The Central Excise Act, 1944

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, which provides for the levy and collection of excise and also prescribes procedures for clearances from factory once the goods have been manufactured etc. Additionally, the Central Excise Tariff Act, 1985 prescribes the rates of excise duties for various goods.

The Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

Environmental Laws

The business of the Company is subject to various environment laws and regulations. The applicability of these laws and regulations varies from operation to operation and is also dependent on the jurisdiction in which the Company operates. Compliance with relevant environmental laws is the responsibility of the occupier or operator of the facilities.

The operations of the Company require various environmental and other permits covering, among other things, water use and discharges, stream diversions, solid waste disposal and air and other emissions. Major environmental laws applicable to the business operations include:

The Environment (Protection) Act, 1986, as amended (the “EPA”)

The EPA is a umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the GoI with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ` 100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues.

There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

The Water (Prevention and Control of Pollution) Act, 1974, as amended (the “Water Act”)

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, inter alia, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

The Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (the “Water Cess Act”)

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this statute, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed.

The Air (Prevention and Control of Pollution) Act, 1981, as amended (the “Air Act”)

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board.

The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

These rules shall apply to the handling of hazardous wastes as specified in Schedules and shall not apply to- (a) waste-water and exhaust gases as covered under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974) and the Air (Prevention and Control of Pollution) Act, 1981 (14 of 1981) and the rules made thereunder; (b) wastes arising out of the operation from ships beyond five kilometers of the relevant baseline as covered under the provisions of the Merchant Shipping Act, 1958 (44 of 1958) and the rules made thereunder; (c) radio-active wastes as covered under the provisions of the Atomic Energy Act, 1962 (33 of 1962) and the rules made thereunder; (d) bio-medical wastes covered under the Bio-Medical Wastes (Management and Handling) Rules, 1998 made under the Act; and (e) wastes covered under the Municipal Solid Wastes (Management and Handling) Rules, 2000 made under the Act.

Laws relating to Employment and labour

As part of business of the Company it is required to comply from time to time with certain laws in relation to the employment of labour. A brief description of certain labour legislations which are applicable to the Company is set forth below:

Factories Act, 1948, as amended (the “Factories Act”)

The Factories Act defines a ‘factory’ to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended (the “EPF Act”)

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the GoI from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees' provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

Employees State Insurance Act, 1948, as amended (the “ESIC Act”)

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)

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 employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. 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. The maximum amount of gratuity payable may not exceed ₹ 1 million.

The Minimum Wages (Rajasthan Amendment & Validation) Act, 1969 (MWA)

The MWA provides a framework for State governments to stipulate the minimum wage applicable to a particular industry. The Rajasthan Amendment & Validation Act came into force from 4 April, 1969. The minimum wage may consist of a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government.

Industrial Disputes Act, 1947, as amended (the “ID Act”)

The ID Act provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

Payment of Bonus Act, 1965, as amended (the “PoB Act”)

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA Act”)

In respect of each of its facilities, the Company uses the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 in respect of each facility. Accordingly, the Company is regulated by the provisions of the CLRA Act which requires the Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act requires the principal employer of an establishment to which the CLRA Act applies to make an application to the concerned officer for registration of the establishment. In the absence of registration,

contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

The Workmen Compensation Act, 1923 ("WCA")

The WCA 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 WCA makes every employer liable to pay compensation in accordance with the WCA 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 WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

Laws relating to Specific State where establishment is situated

The Rajasthan Shops and Commercial Establishments Act, 1958 ("The Rajasthan Shops Act")

The Rajasthan Shops Act is applicable to the state of Rajasthan and provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The State Government may, by notification in the Official Gazette, exempt either permanently or for any specified period any establishment or class of establishments or person or class of persons, to which or to whom this Act applies, from all or any of its provisions subject to such conditions as the State Government may deem fit.

The Rajasthan Tax on Professions, Trades, Callings and Employment Act, 2000

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

Approvals from Local Authorities

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Laws relating to Intellectual Property

In India, trademarks enjoy protection both statutory and under common law. The Trademarks Act, 1999, as amended ("Trademarks Act"), the Copyright Act, 1957, as amended ("Copyrights Act"), The Patents Act, 1970, as amended ("Patents Act"), and the Designs Act, 2000, as amended ("Designs Act"), amongst others govern the law in relation to intellectual property, including brand names, trade names and service marks, layout and research works.

The Trademarks Act, 1999 (“TM Act”)

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years, and can be renewed in accordance with the specified procedure.

Application for trademark registry has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

Indian Copyright Act, 1957 (Copyright Act)

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

The Patents Act, 1970 (Patent Act)

The purpose of a patent act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

The Designs Act, 2000 (Designs Act)

The objective of Designs Act it to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

Property related laws

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application

to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states.

Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate.

Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

The Indian Registration Act, 1908

The Indian Registration Act, 1908 (the “Registration Act”) details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any nontestamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of ` 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration. Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

The Rajasthan Stamp Act, 1998 (the “Stamp Act”)

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all.

The Indian Easements Act, 1882(“IE Act”)

The law relating to easements and licenses in property is governed by the Easements Act, 1882 (“IE Act”). The right of easement has been defined under the Easements Act to mean a right which the owner or occupier of any land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon any parcel of land which is not his own. Easementary rights may be acquired or created by (a) an express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a period of twenty years without interruption; or (d) local customs.

Other regulations

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Our History and Background

Our Company was originally incorporated on September 24, 1987 as “SWAGAT SYNTHETICS PRIVATE LIMITED” vide Registration no. 004101-1987-88 (CIN U24304RJ1987PTC004101) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Rajasthan, Jaipur. Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on September 30, 2015 and a fresh Certificate of Incorporation dated October 16, 2015 issued by the Registrar of Companies, Rajasthan, Jaipur the name of our Company was changed to “SITARAM FASHION PRIVATE LIMITED” in accordance with the registered trade mark and trade name of the Company “Sitaram”. Later, vide Shareholders Resolution passed at the Extra Ordinary General Meeting held on November 20, 2015 and a fresh Certificate of Incorporation dated November 27, 2015, issued by the Registrar of Companies, Rajasthan, Jaipur the name of the Company was further changed from SITARAM FASHION PRIVATE LIMITED to SITARAM INDIA PRIVATE LIMITED so that the name of the Company is not restricted to the garments business only. Subsequently, our Company was converted into a public limited company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on December 07, 2015 and the name of our Company was changed to “SITARAM INDIA LIMITED” vide a fresh Certificate of Incorporation dated December 28, 2015 having CIN U24304RJ1987PLC004101, issued by the Registrar of Companies, Rajasthan, Jaipur

Our Company was originally promoted by Mr. Jagdish Prasad Nuwal and Mr. Subhash Nuwal who were the original subscribers to the Company’s Memorandum and Articles of Association in the year 1987. Later Mr. Subhash Nuwal resigned from Directorship on 11.09.1988 and the Company was joined by Mr. Anil Kumar Nuwal & Mr. Madhu Sudan Nuwal as Directors and Promoters.

Presently Mr. Jagdish Prasad Nuwal, Mr. Anil Kumar Nuwal & Mr. Madhu Sudan Nuwal are Promoters of the Company.

Changes in Registered Office of the Company since incorporation

The Registered Office of the Company is situated at F-226,227, G-228,229, IVTH Phase, RIICO Industrial Area, Bhilwara-311001, Rajasthan, India.

Following change has been made in our registered office since incorporation till date of this Draft Prospectus:

From	To	Date of Change	Reason for Change
6, Main Sector, Shastri Nagar, Bhilwara -311001, Rajasthan	48, Main Sector, Shastri Nagar, Bhilwara -311001, Rajasthan, India	April 29, 2008	To increase Operational Efficiency
48, Main Sector, Shastri Nagar, Bhilwara -311001, Rajasthan	F-226,227, G-228,229, IVTH Phase, RIICO Industrial Area, Bhilwara-311001, Rajasthan, India	September 29, 2015	To increase Operational Efficiency

Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
1987	Incorporation of the Company in the name and style of “Swagat Synthetics Private Limited”
1987	Starting commercial production for manufacturing of fabrics at Unit - I
2000	Establishments of Unit – II at F-226,227, G-228,229, IVTH Phase, RIICO Industrial Area, Bhilwara-311001, Rajasthan,
2015	Change of name of the Company to Sitaram Fashion Private Limited
	Change of the name of the Company to Sitaram India Private Limited
	Conversion of our Company from Private Limited Company to Public Limited Company

Detail about business of our Company

For details on the description of our Company's activities, products, marketing strategy, competition of our Company, please see *"Our Business"*, *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* and *"Basis for Issue Price"* on pages 108, 221 and 81 respectively of the Draft Prospectus.

Our Main Object

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on all or any of the business of manufacturing, processing, spinning, doubling, scouring, sizing, combing, weaving, ginning, bailing, knitting, winning, coloring, dying, bleaching finishing, clendeing, printing, mercerizing, chemical processing , selling, buying, importing, exporting, distributing, exchanging, bartering, shipping or otherwise dealing in cotton, wool silk, art silk, rayon,terens flex hamp, polyester synthetics, linen, jute, nylon, ploy plastic strips and others fibers materials, yarn fabrics carpets, and all other textile yarn fibrous substance man made and others fibrous articles, chemicals or synthetics or textile substance or any of these commodities is treat and utilize and deal in any waste arising from any such operations of the buying and selling or any dealing in all or any of the aforesaid substance.
2. To carry on the business of manufacturing of and dealers in waterproof fabrics, paviliners, American cloth, floor clothes and all kinds of imitation leathers and rubbers.
3. To deal in immovable property such as land and building or otherwise and to purchase acquire, take on lease or in exchange of in any other lawful manner in India or abroad in any area, land including agriculture land. Plots, building, structures, industrial land, factories, hotels, motels, resorts, farm houses, marriage hall, cinema houses and other commercial properties, estates, real estates or interest there in and any right over or connected with them and to develop the same for sale on installments or otherwise, or for any other propose by preparing building sites and by constructing, altering, improving, decorating, furnishing, maintain and dealer of entertainment cities, plazas, complexes, commercial and residential buildings, colonization, multi storey factories, flats, gardens, marriage halls, houses, shops, showrooms and townships and to equip them or any part thereof with all or any amenities or conveniences thereon or by consolidating or connecting or subdividing proprieties and leasing or disposing of the same and to manage such land and building.
4. To carry on the business of Contractors, Sub-Contractors, General Construction, Engineers, Civil, construct, repair, roads, bridges, on BOT basis and collect toll tax, royalty and to take contracts to collect toll tax and royalty, contractors of railways, sanitary, water, gas, electric light, telephone, telegraphic, television, antina and power supply works or any other structural work of any kind and to prepare estimates, designs, plants, specifications or models and to carry on the business of advisers, consultants, planners, or managers in connection with development, improvement of all kinds of surveyors, digitization of land infrastructure, gis mapping, remote sensing and engineering survey, valuers and appraisers.

Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in the authorized share capital of the Company from ₹ 10.00 Lakh divided into 1,00,000 Equity Shares of ₹10/- each to ₹ 70.00 Lakhs divided into 7,00,000 Equity Shares of ₹ 10/- each.	23.07.1996	Extra-Ordinary General Meeting
2.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in the authorized share capital of the Company from ₹ 70.00 Lakh divided into 7,00,000 Equity Shares of ₹10/- each to ₹ 75.00 Lakhs divided into 7,50,000	16.06.1997	Extra-Ordinary General Meeting

Sitaram India Limited

	Equity Shares of ₹ 10/- each.		
3.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in the authorized share capital of the Company from ₹ 75.00 Lakh divided into 7,50,000 Equity Shares of ₹10/- each to ₹ 110.00 Lakhs divided into 11,00,000 Equity Shares of ₹10/- each.	01.05.1999	Extra-Ordinary General Meeting
4.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in the authorized share capital of the Company from ₹ 110.00 Lakh divided into 11,00,000 Equity Shares of ₹10/- each to ₹ 250.00 Lakhs divided into 25,00,000 Equity Shares of ₹ 10/- each.	23.09.2000	Extra-Ordinary General Meeting
5.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in the authorized share capital of the Company from ₹ 250.00 Lakh divided into 25,00,000 Equity Shares of ₹10/- each to ₹ 350.00 Lakhs divided into 35,00,000 Equity Shares of ₹ 10/- each.	29.07.2001	Extra-Ordinary General Meeting
6.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in the authorized share capital of the Company from ₹ 350.00 Lakh divided into 35,00,000 Equity Shares of ₹10/- each to ₹ 400.00 Lakhs divided into 40,00,000 Equity Shares of ₹ 10/- each.	30.03.2002	Extra-Ordinary General Meeting
7.	<u>Change in Clause III A. (Object Clause) of the Memorandum of Association</u> Altered the Clause III A by adding sub-clause 3 after existing sub-clause 2, to read as under: To deal in immovable properties such as land and buildings or otherwise and to purchase acquire, take on lease or in exchange or in any other lawful manner in India or abroad any area, land including agriculture land, plots, buildings, structures, industrial land, factories, hotels, motels, resorts, farm houses, marriage hall, cinema houses and other commercial properties, estates, real estates or interest therein and any right over or connected with them and to develop the same for same on installments or otherwise, or for any other purpose by preparing building sites and by constructing, altering, improving, decorating, furnishing, maintaining and dealer of entertainment cities, plazas, complexes, commercial and residential buildings, colonization, multi storey, offices, flats, gardens, marriage halls, houses, shops, showrooms and townships and to equip them or any part thereof with all or any amenities or conveniences thereon or by consolidating or connecting or subdividing properties and leasing or disposing of the same and to manage such land and buildings.	16.04.2007	Extra-Ordinary General Meeting
8.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in the authorized share capital of the Company from ₹ 400.00 Lakh divided into 40,00,000 Equity Shares of ₹10/- each to ₹ 425.00 Lakhs divided into 42,50,000 Equity Shares of ₹ 10/- each.	10.03.2009	Extra-Ordinary General Meeting
9.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in the authorized share capital of the Company from ₹ 425.00 Lakh divided into 42,50,000 Equity Shares of ₹10/- each to ₹ 495.00 Lakhs divided into 49,50,000 Equity Shares of ₹ 10/- each.	14.05.2014	Extra-Ordinary General Meeting
10.	<u>Change in Clause III A. (Object Clause) of the Memorandum of Association</u> Altered the Clause III A by adding sub-clause 4 after existing sub-clause 3 To read as under: To carry on the business of contractors, sub-contractors, general construction, engineers, civil, construct, repair, roads, bridges, on BOT basis and collect toll tax, royalty and to take contracts to collect toll tax and royalty, contractors of railways, sanitary, water, gas, electricity light, telephone, telegraphic, television, antenna and power supply works or any other structural work of any kind and to prepare estimates, designs, plants, specifications or models and to carry on the business of advisers, consultants, planners or managers in connection with development, improvement of all kinds of surveyors, digitization of land infrastructure gis	18.06.2014	Extra-Ordinary General Meeting

	mapping, remote sensing and engineering survey, valuer and appraisers.		
11.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in the authorized share capital of the Company from ₹ 495.00 Lakh divided into 49,50,000 Equity Shares of ₹10/- each to ₹ 499.90 Lakhs divided into 49,99,000 Equity Shares of ₹ 10/- each.	21.11.2014	Extra-Ordinary General Meeting
12.	<u>Change in Clause I (Name Clause) of the Memorandum of Association</u> The name of the Company was changed from “Swagat Synthetics Private Limited” to “Sitaram Fashion Private Limited”	30.09.2015	Annual General Meeting
13.	<u>Change in Clause V (Capital Clause) of the Memorandum of Association</u> Increase in the authorized share capital of the Company from ₹ 499.90 Lakh divided into 49,99,000 Equity Shares of ₹10/- each to ₹ 1500.00 Lakhs divided into 1,50,00,000 Equity Shares of ₹ 10/- each.	20.11.2015	Extra-Ordinary General Meeting
14.	<u>Change in Clause I (Name Clause) of the Memorandum of Association</u> The name of the Company was changed from “Sitaram Fashion Private Limited” to Sitaram India Private Limited”	20.11.2015	Extra-Ordinary General Meeting
15.	<u>Change in Clause I (Name Clause) of the Memorandum of Association</u> The name of the Company was changed from “Sitaram India Private Limited” to Sitaram India Limited” by way of conversion of the Company from Private Limited to Public Limited.	07.12.2015	Extra-Ordinary General Meeting
16.	<u>Change in Clause III of the Memorandum of Association</u> Heading of Clause IIIB reframed to reads as : Matters which are necessary for furtherance of the object specified in Clause III(A) are: Sub-Clauses 3, 6, 14, 29 & 33 under Clause III (B), reframed to be read in accordance with the Companies Act, 2013 Clause III C deleted and shall read as: C. Other Objects: Deleted	04.01.2016	Extra-Ordinary General Meeting
17.	<u>Change in Clause IV of the Memorandum of Association</u> Clause IV reframed to read as: The Liabilities of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.	04.01.2016	Extra-Ordinary General Meeting

Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the General Meeting of the Company dated January 04, 2016.

Award/ Memberships

Our Company has been honoured with award and memberships by following organisations:

Awards:-

Year	Particulars
2015	Certificate from Bhilwara Textile Trade Federation for Latest Technology installed at factory

Membership:-

Name of Organisation	Type of Membership
The Synthetic & Rayon Textiles Export Promotion Council	Valid till 31.03.2019

Capital raising (Debt / Equity)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 50 of the Draft Prospectus.

For a description of our Company’s debt facilities, see “*Statement of Financial Indebtedness*” on page 216 of the Draft Prospectus

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 the Draft Prospectus. Furthermore, none of the Company's loans have been converted into equity in the past.

Time and Cost overruns in setting up projects

There has been no time / cost overrun in setting up projects by our Company.

Revaluation of Assets

Our Company has not revalued its assets since incorporation.

Lock-out or strikes

There have been no lock-outs or strikes in our Company since inception.

Changes in activities of our Company during the last five (5) years

Our Company has not changed its line of activities in the last five (5) years except for expansion of the business by taking on the project of Collection of Users fee for a section of the National Highway for a period of 1 year.

Holding Company

As on the date of the Draft Prospectus, our Company is not a subsidiary of any company.

Subsidiary of our Company

Our Company does not have any Subsidiary within the meaning of Section 4 of the Companies Act, as on the date of this Draft Prospectus.

Injunction or restraining order

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

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets etc.

There has been no merger/amalgamation in the history of our Company and we have not acquired any business/undertakings since incorporation.

Number of Shareholders of our Company:

Our Company has Fourteen (14) shareholders as on the date of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 50 of the Draft Prospectus.

Changes in the Management

For details of change in Management, please see chapter titled “*Our Management*” on page no 140 of the Draft Prospectus.

Shareholders Agreements

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Prospectus.

Other Agreements

Our Company has not entered into any other material agreements, other than disclosed in the Draft Prospectus. For further details please refer to the chapter titled “*Outstanding Litigation and Material Developments*” and “*Material Contracts and Documents for Inspection*” beginning on page 234 and 344 respectively of the Draft Prospectus.

Strategic Partners

Our Company does not have any strategic partners as on the date of this Draft Prospectus.

Financial Partners

Our Company does not have any financial partners as on the date of this Draft Prospectus.

Corporate Profile of our Company

For details on the description of our Company’s activities, the growth of our Company, please see “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis of Issue Price*” on pages 108, 221 and 81 of this Draft Prospectus.

OUR MANAGEMENT

Board of Directors

Currently, our Company has 6 (Six) Directors out of which 3 (Three) are Non-Executive Independent Directors. We confirm that the composition of our Board of Directors is as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mr. Anil Kumar Nuwal Managing Director, Mr. Jagdish Prasad Nuwal Chairman cum Whole-time Director, and Mr. Madhu Sudan Nuwal, Whole-time Director are suitably supported by team of experienced and qualified executives who carry out the day to day affairs of the business of our Company.

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

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification & DIN	Date of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)]	Other Director-ships
1.	Mr. Anil Kumar Nuwal S/o Mr. Jagdish Prasad Nuwal Age: 47 Years Designation: Managing Director Address: 8, Main Sector, Shastri Nagar, Bhilwara -311001, Rajasthan, India Experience: 28 Years Occupation: Business Qualification: Bachelor of Science DIN: 00096471	Originally Appointed as Director w.e.f. February, 01, 1988 Re-Designated as Managing Director in EGM dated February 03, 2016 for a period of 5 years not liable to retire by rotation.	17,21,550 Equity Shares [22.96 %]	1. Excusive.Com Private Limited 2. Sitaram Texpark Developers Private Limited
2.	Mr. Jagdish Prasad Nuwal S/o Late Mohan Lal Nuwal Age: 72 Years Designation: Chairman cum Whole-time Director Address: 8, Main Sector, Shastri Nagar, Bhilwara -311001, Rajasthan, India Experience: 52 Years Occupation: Business Qualification: Diploma in Civil & Rural Engineering DIN: 00172049	Originally Appointed as Director on Incorporation Re-Designated as Chairman & Whole Time Director in EGM dated February 03, 2016 for a period of 3 years liable to retire by rotation	11,21,250 Equity Shares [14.95 %]	Sita Software Private Limited
3.	Mr. Madhu Sudan Nuwal S/o Mr. Jagdish Prasad Nuwal Age: 45 years Designation: Whole-time Director Address: 8, Main Sector, Shastri Nagar, Bhilwara -311001, Rajasthan, India Experience: 22 Years Occupation: Business Qualification: Bachelors in Textile Engineering DIN: 00212341	Originally Appointed as Director w.e.f June 01, 1997 Re-Designated as Whole Time Director in EGM dated February 03, 2016 for a period of 5 years liable to retire by rotation.	8,29,800 Equity Shares [11.07 %]	Seezoo Infotech Private Limited
4.	Mr. Archit Laddha	Appointed on the	Nil	Nil

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification & DIN	Date of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)]	Other Director-ships
	S/o Mr. Prahlad Ray Laddha Age: 23 Years Designation: Non-Executive Independent Director Address: 227, Azad Mohalla, Bhopal Ganj, Bhilwara, Rajasthan -311001, India Experience: 3 Years Occupation: Professional Qualification: B.tech in Civil Engineering DIN: 07412896	Board as Non-Executive Independent Director in EGM dated January 27, 2016 for a period of 5 years.		
5.	Mr. Gaurav Bharti S/o Mr. Priyabrat Narayan Jaiswal Age: 25 Years Designation: Non-Executive Independent Director Address: Vishwanath Nagar, W. No. - 6, PS- Nagar, Begusarai, Bihar - 851101, India Experience: 1 Years Occupation: Professional Qualification: Master in Mechanical Engineering DIN: 07412912	Appointed on the Board as Non-Executive Independent Director in EGM dated January 27, 2016 for a period of 5 years.	Nil	Nil
6.	Mrs. Surabhi Choudhary D/o Mr. Sudhir Chandra Agarwal Age: 46 Years Designation: Non-Executive Independent Director Address: 05, Panchwati, Gaushala Ground Lane, Near K. N. College, Raika Bagh, Jodhpur -342001, Rajasthan, India Experience: - 22 Years Occupation: Service Qualification: Bachelor of Engineering in Textile DIN: 07412921	Appointed on the Board as Non-Executive Independent Director in EGM dated January 27, 2016 for a period of 5 years.	Nil	Nil

Brief Profiles of our Directors

Mr. Anil Kumar Nuwal Managing Director

Mr. Anil Kumar Nuwal, aged 47 years, is the Managing Director of our Company. He holds a Bachelor Degree in Science from the University of Rajasthan. He joined the Company in 1988 and is associated with it since then. He has an overall experience of around 28 years in the business of textile manufacturing and had been a key figure in promoting the business of the Company to the current status. His main role in the Company is to strategise new business plans with industry trends and consumer preference in mind. He has also lead us for all the technical advancements made by our Company in its products and method of manufacturing.

Mr. Jagdish Prasad Nuwal, Chairman cum Whole-time Director

Mr. Jagdish Prasad Nuwal, aged 72 years is a holder of Diploma in Civil & Rural Engineering from National Council for Rural Higher Education. He is the founder Member and Director of the Company and is associated with the Company since its incorporation in September 1987. Before the foundation of the Company, he worked as an engineer on contractor ship basis for 7 years and as a Junior Engineer with Public Works Department, Government of Rajasthan. With an overall experience of around 52 years to his credit, he provides strategic inputs for better materials, new designs and development of our Products and plays the role of a Mentor for the complete organization.

Mr. Madhu Sudan Nuwal, Whole-time Director

Mr. Madhu Sudan Nuwal, aged 45 years is associated with the Company since 1993. Later he was appointed as a Director on June 01, 1997 and his designation was changed to Executive Director w.e.f. June 29, 2001. He holds the degree of Bachelors in Textile Engineering from the University of Rajasthan. He is responsible for internal operations and staff support services of our Company along with sales and purchase activity of our Company.

Mr. Archit Laddha, Non-Executive-Independent Director

Mr. Archit Laddha aged 23 years is a holder of Bachelors degree in Technology in civil from IIT, Bombay and is a young aspirant and hence the Board has appointed him as a Non-Executive Independent Director of the Company. He is presently associated with ICICI Bank Ltd., Advanced Analytics, BIU, Hyderabad. He has an upper hand in research and analysis and has been a good team manager and co-ordinator during his education in IIT Bombay. He was appointed as an Independent Director of our Company w.e.f. January 27, 2016.

Mr. Gaurav Bharti, Non-Executive-Independent Director

Mr. Gaurav Bharti aged 25 years is a holder of Masters degree in Technology in Mechanical from IIT Bombay and is a young aspirant and hence the Board has appointed him as a Non-Executive Independent Director of the Company w.e.f. January 27, 2016. He has an upper hand in research analysis and optimization of manufacturing cost and had been a good team manager during his education. He has interned with TU KL, Germany, UniPB Germany and Asian Paints during his academics and has also been awarded several awards including one international award during the period. Our Company looks forward to achieve professional competency under his guidance.

Mrs. Surabhi Choudhary, Non-Executive-Independent Director

Mrs. Shilpa Choudhary, aged 46 years, is a Non-Executive Independent Director of our Company. She holds a Bachelors Degree in Textile Engineering from the University of Rajasthan. As an Independent Director of our Company, she is expected to provide our Company with valuable guidance in her sphere of knowledge. She was appointed as an Independent Director of our Company on January 27, 2016.

Nature of any family relationship between our Directors

The present Directors in our Board are related to each other, details of which are as follows:-

Sr. No.	Name of Director	Name of Director and (Relation with Director)
1.	Mr. Anil Kumar Nuwal	Mr. Jagdish Prasad Nuwal (Father) Mr. Madhu Sudan Nuwal (Brother)
2.	Mr. Jagdish Prasad Nuwal	Mr. Anil Kumar Nuwal (Son) Mr. Madhu Sudan Nuwal (Son)
3.	Mr. Madhu Sudan Nuwal	Mr. Jagdish Prasad Nuwal (Father) Mr. Anil Kumar Nuwal (Brother)

We also confirm that:

- We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Directors were selected as Directors or members of the senior management.
- The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of employment.
- None of our Directors is / was a Director in any listed Company, during the last five years from the date of filing of Draft Prospectus, whose shares have been / were suspended from being traded on the BSE Limited and / or National Stock Exchange of India Limited.
- Further, none of our Directors is / was a Director of any listed Company which has been / was delisted from any Recognized Stock Exchange.
- None of the above mentioned Directors are on the RBI list of willful defaulters as on the date of filing of this Draft Prospectus.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been debarred from accessing the capital market by SEBI or any other Regulatory Authority.

Details of Borrowing Powers of Directors

Our Company has passed a special resolution in the Extra Ordinary General Meeting of the members held on January 04, 2016 authorizing the Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 200.00 Crores (Rupees Two Hundred Crores only).

Compensation of our Managing Director & Whole-time Director

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole Time Directors:

Particulars	Mr. Anil Kumar Nuwal	Mr. Jagdish Prasad Nuwal	Mr. Madhu Sudan Nuwal
Appointment/Change in Designation	Special Resolution dated February 03, 2016	Special Resolution dated February 03, 2016	Special Resolution dated February 03, 2016
Designation	Managing Director	Chairman & Whole-Time Director	Whole-Time Director
Term of Appointment	5 years Not liable to Retire by Rotation	3 years Liable to Retire by rotation	5 years Liable to Retire by rotation
Remuneration	Upto ₹ 2,00,000 /- pm	Upto ₹ 2,00,000 /- pm	Upto ₹ 2,00,000 /- pm

Bonus or Profit Sharing Plan for our Directors

Except the Profit Sharing as disclosed in compensation to our Managing Director and Whole-time Directors we have no bonus or profit sharing plan for our Directors.

Sitting Fees

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole-time Directors), not exceeding Rs. 1.00 Lac to be fixed by directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors have resolved in their meeting dated January 28, 2016 for payment of an amount of Rs. 5000 (Rupees five thousands only) to all Non-executive Independent Directors for attending each such meeting of the Board or Committee thereof.

Shareholding of our Directors as on the date of this Draft Prospectus.

Sr. No.	Name of the Director	No. of Shares Held	Holding in %
1.	Mr. Anil Kumar Nuwal	17,21,550	22.96
2.	Mr. Jagdish Prasad Nuwal	11,21,250	14.95
3.	Mr. Madhu Sudan Nuwal	8,29,800	11.07
	Total	36,72,600	48.98

None of the Independent Directors of Company holds any Equity Shares of our Company as on the date of this Draft Prospectus.

We do not have any subsidiary and associate company as defined under Section 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company. None of the Independent Directors of Company holds any Equity Shares of our Company as on the date of the Draft Prospectus.

INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, see- **“Compensation of the our Managing Director and Whole time Directors”** above

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Further except as provided hereunder, our Directors are not interested in our Company in any manner:

Sr. No.	Name of Director	Nature of interest
1.	Mr. Anil Kumar Nuwal	1. Extended personal guarantee towards the borrowings of Rs. 5932.00 Lacs , made by the Company 2. Relatives of Promoters have extended personal guarantee against the borrowings made by the Company.
2.	Mr. Jagdish Prasad Nuwal	3. Have extended the personal properties of relatives, as collateral securities, against the borrowings made by the Company. 4. Promoters have extended their LIC policy against the borrowing made by the Company. 5. Have extended unsecured loan to the Company. 6. Relatives have extended Unsecured Loans to the Company

3.	Mr. Madhu Sudan Nuwal	<p>In addition to above, the land at Hyderabad, which was purchased out of the funds of the Company and is standing as stock in trade at Rs. 100.18 Lacs as on September 30, 2015, stands registered in the name of Mr. Anil Kumar Nuwal.</p> <p>Further each of the above directors is interested as relatives of each of the aforementioned directors.</p>
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Except as stated otherwise in this Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section "**Our Management**" or the section titled "**Financial information of the Company - Related Party Transactions**" beginning on page 140 and 210 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

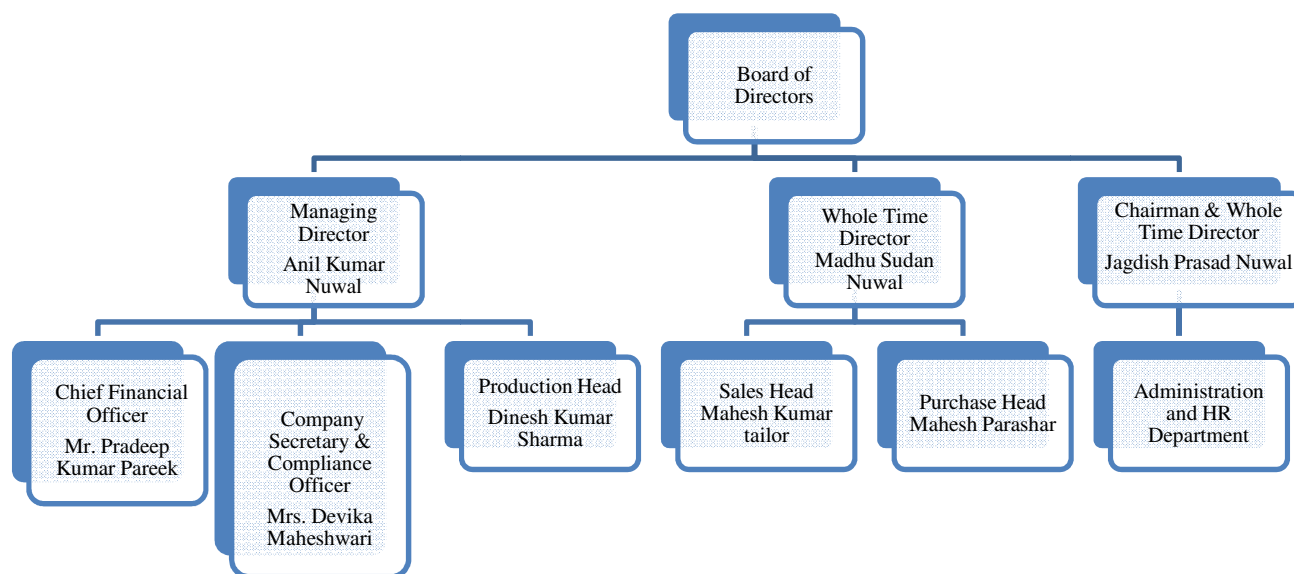
Our Directors have no interest in any property acquired by our Company within two (2) years of the date of this Draft Prospectus. Further each of the Directors is interested as relatives of each other, except the Independent Directors.

Changes in Board of Directors in Last 3 Years

Sr. No.	Name	Date of Appointment / Re-appointment	Reasons for Change
1.	Mr. Anil Kumar Nuwal	February 03, 2016	Re-designated as a Managing Director
2.	Mr. Jagdish Prasad Nuwal	February 03, 2016	Re-designated as Chairman cum Whole Time Director
3.	Mr. Madhu Sudan Nuwal	February 03, 2016	Re-designated as a Whole time Director
4.	Mr. Archit Laddha	January 27, 2016	Appointed as a Non-Executive Independent Director
5.	Mr. Gaurav Bharti	January 27, 2016	Appointed as a Non-Executive Independent Director
6.	Mrs. Surabhi Choudhary	January 27, 2016	Appointed as a Non-Executive Independent Director

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:-



COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

Our Board of Directors consist of Six (6) directors of which three (3) are Non-Executive Independent Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), which constitutes 50% of the Board of Directors and one women Director, which is in compliance with the requirements of Regulation 17 of SEBI Listing Regulations, 2015. Our Company has constituted the following committees:

1. Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated January 28, 2016, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE ("NSE Emerge"), The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Archit Laddha	Chairman	Non Executive Independent director
Mr. Gaurav Bharti	Member	Non Executive Independent director
Mr. Anil Kumar Nuwal	Member	Managing director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to

accounts. The scope and function of the Audit Committee and its terms of reference shall include the following:

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

B. Meetings of the Committee: The committee shall meet at least four times in a year and not more 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven day's notice in advance.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
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 and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
 - 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;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, 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 of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the 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. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.

20. 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;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- 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.
- f) Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. Stakeholder's Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated January 28, 2016. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Archit Laddha	Chairman	Non Executive Independent director
Mrs. Surabhi Choudhary	Member	Non Executive Independent director
Mr. Anil Kumar Nuwal	Member	Managing director

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

A. Tenure: The Stakeholder Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

B. Meetings: The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

C. Terms of Reference: Redressal of shareholders' and investors' complaints, including and in respect of:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
- Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-

receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.

- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated January 28, 2016. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Surabhi Choudhary	Chairman	Non Executive Independent director
Mr. Archit Laddha	Member	Non Executive Independent director
Mr. Gaurav Bharti	Member	Non Executive Independent director

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

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

B. Meetings: The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on January 28, 2016 have approved and adopted the policy on insider trading in view of the proposed public issue. Mrs. Devika Maheshwari, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 on listing of Equity Shares on the SME platform of NSE. The Board of Directors at their meeting held on January 28, 2016 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of joining	Compensation paid for F.Y. ended 2015 (in ₹ Lacs)	Overall experience (in years)	Previous employment
Mr. Anil Kumar Nuwal Designation – Managing Director Educational Qualification - Bachelor of Science	47 Years	1988	11.07	28	--
Mr. Jagdish Prasad Nuwal Designation – Chairman cum Whole-time Director Educational Qualification - Diploma in Civil & Rural Engineering	72 Years	1987	11.07	52	Public Works Department, Government of Rajasthan
Mr. Madhu Sudan Nuwal Designation – Whole-time Director Educational Qualification - Bachelors in Textile Engineering	45 years	1997	11.07	22	--
Mr. Dinesh kumar Sharma Designation: Production Manager Educational Qualification: 12th Pass	39 Years	2011	4.80	15	Baldeva Synthetics Pvt. Ltd.
Mr. Mahesh Kumar Tailor Designation: Sales Manager Educational Qualification: B. Com	41 years	1998	3.96	15	Basant Synthetics Pvt. Ltd.
Mr. Mahesh Parashar Designation: Purchase Manager Educational Qualification: B. Com, LLB	30 Years	2014	1.68	8	--

Mrs. Devika Maheshwari Designation: Company Secretary and Compliance Officer Educational Qualification: B.Com, LLB, ACS	29 years	2016	--	5	Mangal Electrical Industries Pvt. Ltd.
Mr. Pradeep Kumar Pareek Designation: Chief Financial Officer Educational Qualification: Bachelor of Science	45 Years	1996; Designated as CFO in 2016	5.99	24	Nevtiya Spinners

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Mr. Anil Kumar Nuwal, Managing Director

Mr. Anil Kumar Nuwal, aged 47 years, is the Managing Director of our Company. He holds a Bachelor Degree in Science from the University of Rajasthan. He joined the Company in 1988 and is associated with it since then. He has an overall experience of around 28 years in the business of textile manufacturing and had been a key figure in promoting the business of the Company to the current status. His main role in the Company is to strategise new business plans with industry trends and consumer preference in mind. He has also lead us for all the technical advancements made by our Company in its products and method of manufacturing.

Mr. Jagdish Prasad Nuwal, Chairman cum Whole-time Director

Mr. Jagdish Prasad Nuwal, aged 72 years is a holder of Diploma in Civil & Rural Engineering from National Council for Rural Higher Education. He is the founder Member and Director of the Company and is associated with the Company since its incorporation in September 1987. Before the foundation of the Company, he worked as an engineer on contractor ship basis for 7 years and as a Junior Engineer with Public Works Department, Government of Rajasthan. With an overall experience of around 52 years to his credit, he provides strategic inputs for better materials, new designs and development of our Products and plays the role of a Mentor for the complete organization.

Mr. Madhu Sudan Nuwal, Whole-time Director

Mr. Madhu Sudan Nuwal, aged 45 years is associated with the Company since 1993. Later he was appointed as a Director on June 01, 1997 and his designation was changed to Executive Director w.e.f. June 29, 2001. He holds the degree of Bachelors in Textile Engineering from the University of Rajasthan. He is responsible for internal operations and staff support services of our Company along with sales and purchase activity of our Company.

Mr. Dinesh Chandra Sharma, Production Manager

Mr. Dinesh Chandra Sharma is the Production Manager of our Company. He takes care of manufacturing and related planning for raw material procurement. He has 15 years of overall experience in his manufacturing planning and procurement and associated with us since 2011. He was paid a gross salary of ₹ 4.80 Lacs p.a. in financial year 2014-15.

Mr. Mahesh Kumar Tailor, Sales Manager

Mr. Mahesh Kumar Tailor is Sales Manager of our Company. He had completed Bachelor of Commerce from Ajmer University. He has 15 years of overall experience in his functional area. He was paid a gross salary of ₹ 3.96 Lacs p.a. in financial year 2014-15.

Mr. Mahesh Kumar Parashar, Purchase Manager

Mr. Mahesh Kumar Parashar is the Purchase Manager of our Company. He takes care of raw material procurement and other related raw material requirement of the Company. He has 8 years of overall experience in his manufacturing planning and procurement and associated with us since 2014. He was paid a gross salary of ₹ 1.68 Lacs p.a. in financial year 2014-15.

Ms. Devika Maheshwari, Company Secretary and Compliance Officer

Ms. Devika Maheshwari, aged 29 years, is the Company Secretary and Compliance Officer of our Company. She has qualified her Company Secretary course from the Institute of Company Secretaries of India and holds Bachelor's degrees in Commerce and in law from The University of Rajasthan. Prior to joining our Company, she was working as a Company Secretary in Practice. At present, she looks after the secretarial matters of our Company. She joined our Company on January 28, 2016. Our Company benefits from her knowledge on secretarial and corporate matters.

Mr. Pradeep Kumar Pareek, Chief Financial Officer

Mr. Pradeep Kumar Pareek is the Finance & Accounts Head and Chief Financial Officer of our Company. He holds Bachelor degree of Science. He takes care of all accounts, banking, taxation and financial activities of our Company. He has 24 years of overall experience in his functional area and associated with us since 1996. He has been designated as Chief Financial Officer of our Company vide Board Resolution passed in Board meeting dated January 28, 2016. He was paid a gross salary of ₹ 5.99 Lacs for the financial year 2014-15.

We confirm that:

- Except our Company Secretary cum Compliance Officer and Chief Financial Officer who have been appointed on probation for a period of 6 months, all the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Mr. Jagdish Prasad Nuwal, Mr. Anil Kumar Nuwal and Mr. Madhu Sudan Nuwal, who also form part of Board, is related to our Promoter or our Directors.
- None of the above mentioned Key Managerial Personnel are related to each other except as mention in this section.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2015.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus except as under:-

Sr. No.	Name of KMP	No. of shares
1.	Mr. Anil Kumar Nuwal	17,21,550
2.	Mr. Jagdish Prasad Nuwal	11,21,250
3.	Mr. Madhu Sudan Nuwal	8,29,800

- Presently, we do not have ESOP/ESPS scheme for our employees.
- The turnover of KMPs is not high, compared to the Industry to which our belongs.

Payment of Benefits to Officers of our Company (non-salary related) Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name	Designation	Date of Appointment/Cessation/Promotion/Transfer	Reasons
1.	Mrs. Devika Maheshwari	Company Secretary & Compliance Officer	January 28, 2016	Appointment
2.	Mr. Pradeep Kumar Pareek	Chief Financial Officer	January 28, 2016	Appointment
3.	Mr. Anil Kumar Nuwal	Managing Director	February 03, 2016	Change in Designation
4.	Mr. Jagdish Prasad Nuwal	Whole-Time Director	February 03, 2016	Change in Designation
5.	Mr. Madhu Sudan Nuwal	Whole-Time Director	February 03, 2016	Change in Designation
6.	Mr. Mahesh Parashar	Purchase Manager	July 01, 2014	Appointment

Interest of Our Key Managerial Persons

Sr. No.	Name of Director	Nature of interest
1.	Mr. Anil Kumar Nuwal	<ol style="list-style-type: none"> 1. Extended personal guarantee towards the borrowings of Rs. 5932.00 Lacs , made by the Company 2. Relatives of Promoters have extended personal guarantee against the borrowings made by the Company. 3. Have extended the personal properties of relatives, as collateral securities, against the borrowings made by the Company. 4. Promoters have extended their LIC policy against the borrowing made by the Company. 5. Have extended unsecured loan to the Company. 6. Relatives have extended Unsecured Loans to the Company
2.	Mr. Jagdish Prasad Nuwal	
3.	Mr. Madhu Sudan Nuwal	
		<p>In addition to above, the land at Hyderabad, which was purchased out of the funds of the Company and is standing as stock in trade at Rs. 100.18 Lacs as on September 30, 2015, stands registered in the name of Mr. Anil Kumar Nuwal.</p> <p>Further each of the above directors is interested as relatives of each of the aforementioned directors.</p>

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company and except as mention above our key managerial personal are interested in our Company.

Except as provided in this Draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to “**Annexure R Statement of Related Party Transaction**” page no 209 and Personal Guarantee towards

Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” page no 216 of the Draft Prospectus.



OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL


Except as stated in this Draft Prospectus, there are no other benefits payable to our Key Managerial Personnel.

EMPLOYEES

The details about our employees appear under the Paragraph titled “*Human Resource*” in Chapter titled “*Our Business*” beginning on page 108 of this Draft Prospectus.

OUR PROMOTERS

	Mr. Jagdish Prasad Nuwal – Chairman & Whole-Time Director	
	Age	72 Years
	Address	8, Main Sector, Shastri Nagar, Bhilwara, Rajasthan -311001, India
	Qualification	Diploma in Civil & Rural Engineering
	Experience	52 years
	Occupation	Business
	Permanent Account Number	AAVPN4372P
	Adhaar Card No.	9896 9162 5346
	Passport Number	L3146761
	Name of Bank & Bank Account Details	Bank of Baroda SSI Bhilwara, Rajasthan A/c No. - 25790100002246
	Driving License Number	Not Available
	Voter Identification Card Number	RJ/20/153/498653
	No. of Equity Shares held in SIL [% of Shareholding (Pre Issue)]	11,21,250 Equity Share aggregating to 14.95% of total Capital
	Other Interests	Other Directorship: Sita Software Private Limited HUF: Jagdish Prasad Nuwal HUF
	Mr. Anil Kumar Nuwal – Managing Director	
	Age	47 Years
	Address	8, Main Sector, Shastri Nagar, Bhilwara, Rajasthan -311001, India
	Qualification	Bachelor of Science
	Experience	28 years
	Occupation	Business
	Permanent Account Number	AAVPN4375L
	Adhaar Card No.	2527 1762 6894
	Passport Number	G5202125
	Name of Bank & Bank Account Details	Bank of Baroda SSI Bhilwara, Rajasthan A/c No. - 25790100000439
	Driving License Number	RJ 06 20150005481
	Voter Identification Card Number	LKD/197/9681
	No. of Equity Shares held in SIL [% of Shareholding (Pre Issue)]	17,21,550 Equity Shares aggregating to 22.96% of the total capital
	Other Interests	Other Directorship: Exclusive.Com Private Limited Sitaram Texpark Developers Private Limited HUF: Anil Kumar Nuwal HUF

	Mr. Madhu Sudan Nuwal – Whole-Time Director	
	Age	45 Years
	Address	8, Main Sector, Shastri Nagar, Bhilwara, Rajasthan -311001, India
	Qualification	Bachelors in Textile Engineering.
	Experience	22 years
	Occupation	Business
	Permanent Account Number	ABNPN8591K
	Adhaar Card No.	7665 3526 5452
	Passport Number	G4027364
	Name of Bank & Bank Account Details	Bank of Baroda SSI Bhilwara, Rajasthan A/c No. - 25790100000952
	Driving License Number	RJ08/DLC/07/41485
	Voter Identification Card Number	RJ/20/153/498656
	No. of Equity Shares held in SIL [% of Shareholding (Pre Issue)]	8,29,800 Equity Shares aggregating to 11.07 % of the total capital
	Other Interests	Other Directorship: Seezo Infotech Private Limited HUF: Madhu Sudan Nuwal HUF

Declaration

Our Company confirms that the details of our Promoters viz., Permanent Account Number, Bank Account Number, Passport Number of our Promoters, has been submitted to NSE EMERGE at the time of filing the Draft Prospectus with them.

Undertaking/ Confirmations

None of our Promoters or Promoter Group or Group Companies/entities or person in control of our Company has been (i) prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our Promoters (as defined under the Companies Act) nor our Group Companies/entities have been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

Common Pursuits/ Conflict of Interest

Our Promoters have interest in our Group entities viz. Seezoo Infotech Pvt, Ltd., Sita software Pvt. Ltd. and Exclusive.Com Pvt. Ltd., which are engaged in the line of business similar to our Company.

As on the date of this Draft Prospectus, we cannot assure that our Promoters will not favor the interests of the said Company over our interest or that the said Company will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please see **Risk Factors** on page 14. For details of our Promoter Group and Group entities refer to Section titled “**Our Promoter Group and Group Companies/Entities**” on page 159 of the 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.

Interest of our Promoters

1. Interest in promotion of the Company

Our Company is promoted by Mr. Jagdish Prasad Nuwal, Mr. Anil Kumar Nuwal and Mr. Madhu Sudan Nuwal are interested to the extent that they have promoted our Company and to the extent of their shareholding in our Company and dividend payable thereon and to the extent of their and of their relatives shareholding in our Company. Our Promoters who are also the Executive Directors of our Company may also be deemed to be interested to the extent of their remuneration, as per the terms of their appointment and reimbursement of expenses payable to them and unsecured loan given by them to our Company.

Further except as provided hereunder, our promoter are not interested in our Company in any manner:

Sr. No.	Name of Director	Nature of interest
1	Mr. Anil Kumar Nuwal	1. Extended personal guarantee towards the borrowings of Rs 5932.00 Lacs, made by the Company 2. Relatives of Promoters have extended personal guarantee against the borrowings made by the Company.
2	Mr. Jagdish Prasad Nuwal	3. Have extended the personal properties of relatives, as collateral securities, against the borrowings made by the Company. 4. Promoters have extended their LIC policy against the borrowing made by the Company. 5. Have extended unsecured loan to the Company. 6. Relatives have extended Unsecured Loans to the Company
3	Mr. Madhu Sudan Nuwal	In addition to above, the land at Hyderabad, which was purchased out of the funds of the Company and is standing as stock in trade at Rs. 100.18 Lacs as on 30 th September 2015, stands registered in the name of Mr. Anil Kumar Nuwal. Further each of the above directors are interested as relatives of each of the aforementioned directors.

For transaction in respect of loans and other monetary transaction entered in past please refer Annexure R on “**Related Party Transactions**” on page 209 forming part of “**Financial Information of the Company**” of this Draft Prospectus.

2. Interest in the property of Our Company

Except as disclosed in this Draft Prospectus, 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 Draft Prospectus with ROC.

3. Other Interest of our Promoters

Except as stated in this section and under the section “**Our Promoters and Group Companies/ Entities- Nature and extent of interest of Group Companies/ Entities**” beginning on page 159 of this Draft Prospectus and under the section “**Financial Statements – Related party Transactions**” beginning on page 169 Of this Draft Prospectus, our Promoters are not directly or indirectly interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Further except as provided hereunder, our promoter are not interested in our Company in any manner:

Sr. No.	Interest and nature of interest
1.	All the Promoters of our Company are relative (family members) to each other.
2.	Relatives of our Promoters have charged their Personal Property for availing total borrowings of ₹ 5932.00 Lacs made by our Company from Bank of Baroda.
3.	Our Promoters and Relatives of Promoters have extended their personal guarantee against the total borrowings of ₹ 5932.00 Lacs made by our Company from Bank of Baroda.

Related Party Transactions

For the transactions with our Promoters, Promoter Group members and Promoter Group entities, please refer to section titled “*Annexure - R*” *Related Party Transactions*” on page 209 of this Draft Prospectus.

Payment or Benefit to Promoters of Our Company

For details of payments or benefits paid to our Promoters, please refer to the paragraph “*Compensation of our Managing Director and Whole - time Directors*” in the chapter titled “*Our Management*” beginning on page 140. Also refer Annexure R on “*Related Party Transactions*” on page 209 forming part of “*Financial Information of the Company*” and Paragraph on “*Interest of Promoters*” on page 157 of this Draft Prospectus.

Companies / Firms from which the Promoters have disassociated themselves in the last (3) three years

Except as disclosed in Draft Prospectus, 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.

Other ventures of our Promoters

Save and except as disclosed in this section titled “*Our Promoter Group and Group Companies/ Entities*” beginning on page 159 of this Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 234 of this Draft Prospectus.

OUR PROMOTER GROUP AND GROUP COMPANIES / ENTITIES

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

1. Natural Persons who are part of the Promoter Group

As per Regulation 2(zb) (ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship	Mr. Jagdish Prasad Nuwal	Mr. Anil Kumar Nuwal	Mr. Madhu Sudan Nuwal
Father	Late Mohan Lal Nuwal	Mr. Jagdish Prasad Nuwal	Mr. Jagdish Prasad Nuwal
Mother	Late Sarju Bhai	Mrs. Kanta Devi Nuwal	Mrs. Kanta Devi Nuwal
Spouse	Mrs. Kanta Devi Nuwal	Mrs. Sangeeta Nuwal	Mrs. Mamta Nuwal
Brother	Mr. Ramrichpal Nuwal	Mr. Madhu Sudan Nuwal Mr. Jugal Kishore Nuwal	Mr. Anil Kumar Nuwal Mr. Jugal Kishore Nuwal
Sister	Mrs. Sushila Devi Laddha	Mrs. Sunita Mahesh Laddha	Mrs. Sunita Mahesh Laddha
Son	Mr. Anil Kumar Nuwal Mr. Madhu Sudan Nuwal Mr. Jugal Kishore Nuwal	Mr. Chetanaya Nuwal	Mr. Vedan Nuwal
Daughter	Mrs. Sunita Mahesh Laddha	Ms. Shivani Nuwal	Ms. Paridhi Nuwal Ms. Goury Nuwal
Spouse's Father	Late Sitaram Somani	Mr. Madan Lal Chaparwal	Mr. Om Prakash Totla
Spouse's Mother	Mrs. Sosar Devi Somani	Mrs. Shakuntala Devi Chaparwal	Mrs. Geeta Totla
Spouse's Brother	Late Ramesh Chandra Somani Mr. Badri Lal Somani	Mr. Mukesh Chaparwal Mr. Sandeep Chaparwal	Mr. Rajendra Totla
Spouse's Sister	Mrs. Manju Devi Somani	--	--

2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

Nature of Relationship	Entity
Any Body corporate in which ten percent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	1. Sita Software Private Limited 2. Seezoo Infotech Private Limited 3. Exclusive.Com Private Limited 4. Sitaram Texpark Developers Private Limited
Any Body corporate in which a body corporate as provided above holds ten percent 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 ten percent of the total	<u>HUF:</u> 1. Jagdish Prasad Nuwal HUF 2. Anil Kumar Nuwal HUF 3. Madhu Sudan Nuwal HUF 4. Jugal Kishore Nuwal HUF

OUR GROUP COMPANIES / ENTITIES

As of the date of this Draft Prospectus, none of our Group Entities have any equity shares that are listed on any stock exchange. As of the date of this Draft Prospectus, none of our Group Entities have made any public or rights issue of securities in the three years immediately preceding the date of this Draft Prospectus.

The definition of 'group companies / entities' was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to the resolution of our Board passed at the meeting held on January 28, 2016, our Board formulated a policy with respect to companies which it considered material to be identified as Group Companies/ Entities, pursuant to which the following Companies, are identified as Group Companies of our Company:

Detail of Group Companies:

1. SITA SOFTWARE PRIVATE LIMITED:

Brief Description of Business	<ol style="list-style-type: none"> 1. To develop, assemble, import, export, trade or otherwise deal in computers, software, systems, hardware and in peripherals. 2. To develop, import, export, purchase, sell, distribute, alter and to deal in any other way and to carry out research, in India or outside India software or hardware including micro programming, systems, applications, solutions, used in communication equipments, systems and services, satellites telephonic integrated systems, civil aviation, industries, business any electronic, mechanical and electrical equipment and machinery or used for any other person or company in India or abroad and activities relating to internet, telecommunication and any other technology or industry 3. To buy sell, import, export, assemble, alter develop, take on hire maintain or deal in any other way in all kinds of computers, hardwares, processors, microprocessors, telecommunication equipment and all other peripherals and devices attached therewith or used in relation therewith. 4. To advise and tender services like technical analysis, preparation of project reports, survey and analysis, and to provide management, technical, commercial, and consultancy in relation with software, computers, computerization and computer application internet internet and telecommunication. 5. To hold seminars, courses, business conference in relation with and in training of computers, software, computer programming, systems analysis, operational research computer operations, data entry operation, internet, telecommunication and any other activity related to computer and software within India or abroad, either singly or in collaboration with any other organization, institution, body corporate or any other organization, institution, body corporate, or any other person. 		
Date of Incorporation	October 05, 2000		
CIN	U52392DL2000PTC108045		
PAN.	AAGCS3238P		
Registered Office Address	1749, 4 th Floor, Chira Khana, Nai Sarak, Chandni Chowk, New Delhi – 110006, India		
Board Of Directors*	Jugal Kishore Nuwal Jagdish Prasad Nuwal		
	(Rs. in Lacs, except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Equity Capital	78.50	78.50	78.50
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	(29.94)	(30.56)	(31.05)
Income including other income and exceptional items	1510.78	1194.82	1256.56
Profit/(Loss) after tax	0.63	0.49	0.67
Earnings per share (Face Value of Rs. 10/- each)	0.08	0.06	0.09
Net assets value per share	6.18	6.11	6.04

*As on date of Draft Prospectus

**As per Audited Financial Statements

Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Name of the Equity Shareholder	No. of Equity Shares held	% of Shareholding
Jugal Kishore Nuwal	4,05,010	51.59
Madhu Nuwal	3,80,020	48.41
Total	7,85,030	100.00

Nature and extent of interest of our Promoters:

Name	Number of Shares held	% of Shareholding	Relation
Jugal Kishore Nuwal	4,05,010	51.59	Son & Brother of the promoters
Total	4,05,010	51.59	

Additionally one of our Promoter Mr. Jagdish Prasad Nuwal is also a Director of the Company.

However the above Company is involved in sale and purchase of fabrics which is not a part of main Object of our Group Company. Sita Software Private Limited is an unlisted Company and it has not made any public issue (including any right issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA. Further, Sita Software Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

2. EXCLUSIVE. COM PRIVATE LIMITED

Brief Description of Business	<ol style="list-style-type: none"> 1. To develop, manufacture, import, export, trade or otherwise deal in computers, software, systems, hardware and in peripherals. 2. To develop, import, export, purchase, sell, distribute, alter and to deal in any other way and to carry out research, in India or outside India software or hardware including micro programming, systems, applications, solutions, used in communication equipments, systems and services, satellites telephonic integrated systems, civil aviation, industries, business any electronic, used for any other purpose either individually or in collaboration with any other person or company in India or abroad and activities relating to internet, telecommunication and any other technology or industry. 3. To buy sell, import, export, assemble, alter develop, take on hire and maintain or deal in any other way in all kinds of computers, hardwares, processors, microprocessors, telecommunication equipment and all other peripherals and devices attached therewith or used in relation therewith. 4. To advise and tender services such as technical analysis, preparation of project reports, survey and analysis, and to provide management, technical, commercial, and consultancy in relation with software, computers, computerization and computer application internet internet and telecommunication. 5. To hold seminars, courses, business conference in relation with and in training of computers, software, computer programming, systems analysis, operational research computer operations, data entry operation, internet, telecommunication and any other activity related to computer and software within India or abroad, either singly or in collaboration with any other organization, institution, body corporate or any other organization, institution, body corporate, or any other person.
Date of Incorporation	June 16, 2000

CIN	U72900DL2000PTC106309		
PAN.	AAACE8898H		
Registered Office Address	1749, 4 th Floor, Chira Khana, Nai Sarak, Chandni Chowk, New Delhi – 110006, India		
Board Of Directors*	Jugal Kishore Nuwal Anil Kumar Nuwal		
	(Rs. in Lacs, except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Equity Capital	80.00	80.00	80.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	(5.36)	(5.64)	(5.78)
Income including other income and exceptional items	837.48	76.14	396.33
Profit/(Loss) after tax	0.28	0.14	0.43
Earnings per share (Face Value of Rs. 10 each)	0.03	0.02	0.05
Net assets value per share	9.33	9.29	9.28

*As on date of Draft Prospectus

**As per Audited Financial Statements

Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Name of the Equity Shareholder	No. of Equity Shares held	% of Shareholding
Anil Kumar Nuwal	412500	51.56
Jugal Kishore Nuwal	7500	0.94
Sangeeta Nuwal	380020	47.50
Total	800020	100.00

Nature and extent of interest of our Promoters

Name	Number of Shares held	% of Shareholding	Relation with Promoter
Anil Kumar Nuwal	412500	51.56	Self
Jugal Kishore Nuwal	7500	0.94	Son & Brother of the Promoter
Sangeeta Nuwal	380020	47.50	Wife of promoter
Total	800020	100.00	

Additionally one of our Promoter Mr. Anil Kumar Nuwal is also a Director of the Company.

However the above Company is involved in sale and purchase of fabrics which is not a part of main Object of our Group Company. Exclusive.Com Private Limited is an unlisted Company and it has not made any public issue (including any right issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA. Further, Exclusive.Com Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

3. SEEZOO INFOTECH PRIVATE LIMITED:

Brief Description of Business	<ol style="list-style-type: none"> 1. To develop, Manufacture, import, export, trade or otherwise deal in computer, software, systems, hardware and in peripherals. 2. To develop, import, export, purchase, sell, distribute, alter and to deal in any other way and to carry out research in India or outside India in software or hardware including micro programming, systems, applications, solutions used in communication equipments, systems and services, satellites, telephonic integrated systems, civil aviation, industries, business, any electronic, mechanical and electrical equipment and machinery or used for any other purpose either individually or In collaboration with any other person or company in India or abroad and activities relating to internal, telecommunications and any other technology or industry. 3. To buy, sell, import, export, assemble, alter, develop, take on hire maintain, letout on hire or deal in any other way in all kinds of computers, hard wares, processors, microprocessors, telecommunications equipment and all other peripherals and devices attached therewith or used in relation therewith. 4. To advise and tender services such as technical analysis, preparation of project reports, surveys and analysis for implementation of projects and their progress review, critical path analysis and to provide management, technical, commercial and consultancy in relation with software, computers, computerization and computer application internet and telecommunications. 5. To hold seminars, courses, business conferences in relation with and in training of computers, software, computer programming, systems analysis, operational research computer operations, data entry operations, internet, telecommunications and any other activity related to computers and software within India or abroad either singly or in collaboration with any other organizations, institution, body cooperate or any other person. 		
Date of Incorporation	July 12, 2000		
CIN	U72900DL2000PTC106752		
PAN.	AAFCS5495K		
Registered Office Address	1749, 4 th Floor, Chira Khana, Nai Sarak, Chandni Chowk, New Delhi – 110006, India		
Board Of Directors*	Jugal Kishore Nuwal Madhu Sudan Nuwal		
	(Rs. in Lacs, except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Equity Capital	76.00	76.00	76.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	(11.85)	(12.59)	(13.21)
Income including other income and exceptional items	1343.24	1138.85	1344.32
Profit/(Loss) after tax	0.74	0.62	0.88
Earnings per share (Face Value of Rs. 10/- each)	0.10	0.08	0.12
Net assets value per share	8.44	8.34	8.26

*As on date of Draft Prospectus

**As per Audited Financial Statements

Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Name of the Equity Shareholder	No. of Equity Shares held	% of Shareholding
Madhu Sudan Nuwal	3,90,000	51.31
Mamta Nuwal	3,70,030	48.69
Total	7,60,030	100.00

Nature and extent of interest of our Promoters

Name	Number of Shares held	% of Shareholding	Relation with Promoter
Madhu Sudan Nuwal	3,90,000	50.00	Self
Jugal Kishore Nuwal	3,70,030	50.00	Son & Brother of promoters
Total	7,60,030	100	

Additionally one of our Promoter Mr. Madhu Sudan Nuwal is also a Director of the Company.

However the above Company is involved in sale and purchase of fabrics which is not a part of main Object of our Group Company. Seezoo Infotech Private Limited is an unlisted Company and it has not made any public issue (including any right issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA. Further, Seezoo Infotech Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

LOSS MAKING COMPANIES

1. SITARAM TEXPARK DEVELOPERS PRIVATE LIMITED

Brief Description of Business	<p>1. To undertake, identify, formulate, design, develop, structure, promote, aid, procure, establish, equip, manage, construct, erect, operate, maintain, improve, control, regulate, modify, re-structure, re-organise, participate, and / or assist in the designing, development, construction, implementation, commissioning, operation and maintenance of various infrastructure projects inter alia include in the textile industry and any other sectors, in clusters or otherwise, schemes, facilities programmes or advisory mandates across sectors in India or abroad and ancillary facilities and services by charging, collecting, auctioning, retaining and appropriating tariffs, charges, tolls, fees, prices, rents, user fees from users of infrastructure facilities, projects facilities and to develop integrated textile parks inter alia comprising various stone manufacturing, furnishing and processing units, textile units, textile plant and textile testing and R & D facilities along with centre machinery, training centers and other social infrastructure and associated services of any description and ancillary, facilities including construction of buildings, factory sheds, design centers, warehouses, raw material depot, crèche, canteen, workers hostel, labour rest and recreation facilities, hoardings and other infrastructure facilities as may be required for the purpose in public private sector partnership mode or any other entities. To work for development programme (CDP), awareness programme, organized seminar on benefits of consortia approach, exposure visit to other cluster, exhibition to observe technology in action for automation and cost competitiveness in textile industry formation and registration of special purpose vehicle, preparation of project, appraisal of cfc proposals for exploring the feasibility for selection of machinery and equipment etc. Organising an seminar, conference is class credit rating to create opportunities for projecting an image of cluster and broadening business base through global linkage, organizing workshop for development bids, organizing seminar cum conference to provide opportunity for projection a positive image for cluster and</p>
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	expanding business opportunities of cluster units. Hiring of services of experts for co-ordinating cluster activities, education training, seminar of international trades/ visit to international trade fair to give exposure to cluster enterprises.		
	2. To act as a special purpose vehicle for implementing different schemes of the central, State, Government and other authorities specifically for cluster development schemes of Central Government and other public authorities and to carry on the business of developing, operating, maintaining and upgrading various infrastructure facilities at different industrial locations and to engage in the activities of development of textile industries as may be approved under any of the schemes, present and future and to engage in training and development activities pertaining to textile industries and purchase & sales of Land, Diagnostic, study of Flood level, Air direction & Basic needs of industry, Infrastructure Development, SEZ, Focal point Development (Development of schools, Parks, Yards, Hospitals, common Efficiency Treatment Plant, Hazardous waste Disposal & Management Plant), working as a Non Profit Making Organization, logistics services and sub-contract exchange services/facilities.		
Date of Incorporation	February 02, 2011		
CIN	U45201RJ2011PTC034052		
PAN.	AAQCS3960A		
Registered Office Address	48, Main Sector, Shastri Nagar, Bhilwara, Rajasthan - 311001		
Board Of Directors*	Jugal Kishore Nuwal Anil Kumar Nuwal		
	(Rs. in Lacs, except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Equity Capital	1.00	1.00	1.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any)	(0.49)	(0.34)	(0.21)
Income including other income and exceptional items	0	0	0
Profit/(Loss) after tax	(0.16)	(0.12)	(0.11)
Earnings per share (Face Value of Rs. 10/- each)	(1.57)	(1.25)	(1.12)
Net assets value per share	5.06	6.63	7.88

*As on date of Draft Prospectus.

**As per Audited Financial Statements.

Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Name of the Equity Shareholder	No. of Equity Shares held	% of Shareholding
Anil Kumar Nuwal	5000	50.00
Jugal Kishore Nuwal	5000	50.00
Total	10,000	100.00

Nature and extent of interest of our Promoters

Name	Number of Shares held	% of Shareholding	Relation with Promoter
Anil Kumar Nuwal	5000	50.00	Self
Jugal Kishore Nuwal	5000	50.00	Son & Brother of promoters
Total	10,000	100	

Additionally one of our Promoter Mr. Anil Kumar Nuwal is also a Director of the Company.

Sitaram Texpark Private Limited is an unlisted Company and it has not made any public issue (including any right issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA. Further, Sitaram Texpark Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

Litigations

For details on litigations and disputes pending against the Group Company/Entities, if any, please refer to the section titled ***“Outstanding Litigations and Material Developments”*** on page 234 of the Draft Prospectus.

Companies / Ventures with which the Promoters have disassociated themselves in the last three years

Except as mentioned in the Draft Prospectus, our promoters have not disassociated themselves from any companies, firms or other entities during the last three years preceding the date of this Draft Prospectus.

Undertaking / confirmations

None of our Promoters or Promoter Group or Group Companies/entities or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company or have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Companies /entities have been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

Common Pursuits/Conflict of Interest

Except for as disclose in this Draft Prospectus and common business in the proprietorships of the promoter group members, none of our Promoters/ Group Companies/ Entities have any common pursuits. For details please refer to chapter titled ***“Our Promoters”*** on page 155 of this Draft Prospectus.

As on the date of the Draft Prospectus, we cannot assure that our Promoters, Promoter Group/Group Entities will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Related business transaction within the Group and their significance on the financial performance of the issuer:

For details relating to the business transactions within the Group entities and their significance on the financial performance of the issuer see the chapter titled ***“Financial Information of the Company - Related Party Disclosures”*** on page 210 of the Draft Prospectus.

Sales / Purchase between our Company and Group Entities:

For details relating to sales or purchases between our Company and any of our Group entities exceeding 10% of the sales or purchases of our Company see the chapter titled ***“Financial Information of the Company - Related Party Disclosures”*** on page 210 of the Draft Prospectus.

DIVIDEND POLICY

Under the Companies Act, the Company can pay dividends upon recommendation by the Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares since incorporation. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION V – FINANCIAL INFORMATION OF THE COMPANY

AUDITOR'S REPORT ON STANDALONE RESTATED FINANCIAL STATEMENT

INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL STATEMENT OF SITARAM INDIA LIMITED

(formerly known as 'Swagat Synthetics Private Limited' till 15/10/2015, name was changed to 'Sitaram Fashion Private Limited' on 16/10/2015 & further name was changed to 'Sitaram India Private Limited' on 27/11/2015 and converted to Public Limited company on 28/11/2015)

To,

The Board of Directors,
SITARAM INDIA Limited
F-226,227, G-228, 229
IVTH Phase, RIICO Industrial Area,
Bhilwara – 311001, Rajasthan

Dear Sirs,

1. Report on Restated Financial Statements

We have examined the Restated Financial Statements of **M/s. SITARAM INDIA LIMITED** (formerly known as 'Swagat Synthetics Private Limited' till 15/10/2015, name was changed to 'Sitaram Fashion Private Limited' on 16/10/2015 & further name was changed to 'Sitaram India Private Limited' on 27/11/2015 and converted to Public Limited company on 28/11/2015) (hereinafter referred as "the Company"), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- a) Section 26 of Companies Act, 2013 (hereinafter referred to as the "Act"), read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulation") ("SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;
 - c) The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE Limited ("IPO" or "SME IPO");
 - d) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ("ICAI"); and
 - e) In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We, **M/s Birani & Associates**, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid Certificate No. 007195 dated 12.03.2014 issued by the "Peer Review Board" of the ICAI.
- 2.** The Restated Summary Statements and Financial information of the Company have been extracted/ prepared by the management from the Audited Financial Statements of the Company for the Period ended on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, which have been approved by the Board of Directors.

3. Information of the Company are for the period ended September 30, 2015, March 31, 2015, 2014, 2013, 2012, 2011 which have been audited by M/s S Dad & Co. Chartered Accountant and accordingly reliance has been placed on financial Information examine by them for the said period/ years. The financial report included for these years is based on solely on the report submitted by them. We have carried out re-audit of financial statement for the year ended on March 31, 2015 and stub period ended September 30, 2015 as required by SEBI Regulation.

4. Financial Information as per Audited Financial Statements:

1) We have examined:

- i. The attached Restated Statement of Assets and Liabilities of the Company , as at September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011 (Annexure I);
- ii. The attached Restated Statement of Profits and Losses of the Company for financial Period/Years ended on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011. (Annexure II);
- iii. The attached Restated Statement of Cash Flows of the Company for financial Period/Years ended on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011. (Annexure III);
- iv. The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure IV);

(Collectively hereinafter referred as “Restated Financial Statements” or “Restated Summary Statements”)

2) In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the ‘ICAI’) and the terms of our engagement agreed with you, we report that:

- a) The **“Restated Statement of Assets and Liabilities”** as set out in **Annexure I** to this report, of the Company as at September 30 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- b) The **“Restated Statement of Profit and Loss”** as set out in **Annexure II** to this report, of the Company for financial Years ended on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- c) The **“Restated Statement of Cash Flow”** as set out in **Annexure III** to this report, of the Company for financial Years ended on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.

Based on the above, we are of the opinion that **“Restated Financial Statements”** or **“Restated Summary Statements”** have been made after incorporating:

- (i) Adjustments for any material amounts in the respective financial years have been made to which they relate;
- (ii) There are no Extra-ordinary items except as shown in the Restated Profit & Loss Statement of that need to be disclosed separately in the Restated Summary Statements.
- (iii) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- (iv) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial statements.
- (v) There was no change in accounting policies, which needs to be adjusted in the “Restated Financial Statements” except provision for Gratuity which has not been provided on the accrual basis. These adjustments have been made retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods with consequential impact on related heads of assets, liabilities, income & expense.
- (vi) There are no revaluation reserves, which need to be disclosed separately in the **“Restated Financial Statements”**.
- (vii) The Company has not paid any dividend on its equity shares till September 30, 2015.

5. Other Financial Information:

1. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the Period/Years ended on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Statement of Long Term And Short Term Borrowings	Annexure-B, B(A), B(C)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of Long Term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities and Short Term Provisions	Annexure-F
Restated Statement of Fixed Assets	Annexure-G
Restated Statement of Non-Current Investments	Annexure-H
Restated Statement of Long-Term Loans And Advances & Non Current Assets	Annexure-I
Restated Statement of Inventories	Annexure-J
Restated Statement of Trade Receivables	Annexure-K
Restated Statement of Cash & Cash Equivalents	Annexure-L
Restated Statement of Short-Term Loans And Advances	Annexure-M
Restated Statement of Other Current Assets	Annexure-N
Restated Statement of Other Income	Annexure-O
Restated Statement of Turnover	Annexure-P
Restated Statement of Mandatory Accounting Ratios	Annexure-Q
Restated Statement of Related party transaction	Annexure-R
Restated Statement of Capitalization	Annexure-S
Restated Statement of Tax shelter	Annexure-T
Restated Statement of Contingent liabilities	Annexure-U

2. The Restated Financial Information contain all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under the Companies Act, 1956 of India read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Act.
3. In our opinion, the above financial information contained in Annexure I to Annexure III and Annexure A to U of this report read along with the Restated Statement of Significant Accounting Policies and related Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Act, read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectuses and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you.
4. Consequently the financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
5. The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

6. Auditor's Responsibility

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

7. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

a) In the case of Restated Statement of Assets and Liabilities of the Company as at September 30, 2015 March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011;

b) In the case of the Restated Statement of Profit and Loss, of the profit of the Company for the period ended September 30, 2015 and for the Years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011; and

c) In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the period ended September 30, 2015 and for the Years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011.

For Birani & Associates
Chartered Accountants
FRN: 003616C

R.C.Somani
Partner
M. No. 008107

Place: Bhilwara
Date: 08.02.2016

ANNEXURE – I**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amt in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
I. EQUITY AND LIABILITIES						
Shareholder's Funds						
Share Capital	49,990,000	49,990,000	41,340,000	41,340,000	41,340,000	41,340,000
Reserves and Surplus (excluding Revaluation Reserves, if any)	154,356,698	146,895,982	96,104,581	88,696,868	83,875,187	82,131,209
Non Current Liabilities						
Long-term Borrowings	420,350,115	460,309,017	120,782,983	108,508,508	128,299,130	145,099,193
Deferred tax liabilities (Net)	7,381,740	4,403,170	16,352,541	15,175,838	15,176,104	14,420,862
Other Long Term Liabilities	1,272,956	1,321,500	1,321,500	1,321,500	1,321,500	1,211,691
Long-term Provisions	3,470,337	2,920,375	2,802,920	1,872,301	1,412,201	826,000
Current Liabilities						
Short-term Borrowings	225,645,324	186,481,455	121,719,781	121,357,100	123,152,570	118,373,203
Trade Payables	94,005,640	81,945,176	35,185,500	23,240,523	6,954,428	4,634,087
Other Current Liabilities	47,147,792	27,218,751	20,164,607	23,550,782	16,263,922	18,324,725
Short-term Provisions	2,169,143	3,758,641	2,941,896	1,815,931	2,086,786	721,771
Total	1,005,789,745	965,244,067	458,716,308	426,879,350	419,881,827	427,082,741
II. Assets						
Non Current Assets						
Fixed assets						
(i) Tangible Assets	473,417,417	499,248,269	166,091,688	178,999,901	172,686,855	194,269,159
(iii) Capital Work-In-Progress	-	-	5,028,114	-	16,448,275	5,902,623
Non Current Investments	-	-	-	-	-	-
Long-term Loans and Advances	10,721,734	7,352,522	3,075,535	3,123,810	3,166,335	2,933,283
Other Non Current Assets	78,172,921	95,253,535	650,246	562,455	2,595,610	2,957,610
Current assets						
Inventories	246,220,117	234,704,775	169,319,181	173,998,434	135,909,777	142,901,434
Trade Receivables	134,275,795	90,605,682	73,112,338	58,610,265	75,570,935	64,263,886
Cash and Cash Equivalents	12,984,626	7,758,751	2,288,651	1,417,096	8,929,212	7,400,180
Short-term Loans and Advances	49,820,969	30,045,153	38,981,155	9,982,356	4,430,152	6,322,496
Other Current Assets	176,166	275,380	169,400	185,033	144,676	132,070
Total	1,005,789,745	965,244,067	458,716,308	426,879,350	419,881,827	427,082,741

Note:- The above statement should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexures IV, II and III.

ANNEXURE – II
RESTATED STATEMENT OF PROFIT AND LOSS

(Amt in Rs.)

Particulars		For the Period/Year ended					
		30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Revenue from Operations (Gross)		857,013,078	1,123,193,252	607,147,962	548,281,417	542,307,243	575,399,657
Less: Excise Duty		-	-	-	-	-	-
Net Revenue From Operation		857,013,078	1,123,193,252	607,147,962	548,281,417	542,307,243	575,399,657
Other income		1,335,324	12,360,103	3,278,469	213,083	88,768	210,224
Total Revenue	A	858,348,402	1,135,553,355	610,426,431	548,494,500	542,396,011	575,609,881
Expenses:							
Cost of Material Consumed		133,024,837	268,617,137	227,290,179	184,022,719	154,415,130	191,193,536
Purchases of Stock in Trade		560,270,063	631,966,509	172,032,790	188,311,106	192,787,671	214,706,450
Changes in inventories of finished goods, WIP and Stock-in-Trade		(16,172,289)	(35,804,000)	12,653,252	(18,728,851)	8,883,355	(9,871,191)
Employee benefits expense		29,904,806	42,614,744	37,257,322	32,155,152	28,097,450	22,733,558
Finance costs		29,029,539	39,258,077	32,666,174	33,418,891	29,054,185	26,506,727
Depreciation and amortization expense		33,590,598	44,806,459	14,582,125	17,415,733	21,733,438	21,844,088
Other expenses		78,061,980	125,308,502	102,370,002	104,873,079	102,125,689	104,603,664
Total Expenses	B	847,709,533	1,116,767,428	598,851,844	541,467,828	537,096,918	571,716,831
Profit before exceptional and extraordinary items and tax (A-B)	C	10,638,869	18,785,927	11,574,587	7,026,672	5,299,093	3,893,050
Exceptional/Prior Period item		-	-	-	-	-	-
Profit before extraordinary items and tax		10,638,869	18,785,927	11,574,587	7,026,672	5,299,093	3,893,050
Extraordinary item		-	-	-	-	-	-
Profit Before Tax		10,638,869	18,785,927	11,574,587	7,026,672	5,299,093	3,893,050
Provision for Tax							
- Current Tax		2,169,143	3,758,641	2,941,896	1,815,931	2,086,786	721,771
-Mat Credit Entitlement		(1,969,561)	(3,782,141)	48,275	389,326	6,856	(1,328,448)
- Deferred Tax Liab. / (Asset)		2,978,570	(11,949,371)	1,176,703	(266)	755,242	1,788,014
Short/(Excess) Tax adjustment of prior years		-	-	-	-	-	-
Restated profit after tax for the period from continuing operations		7,460,716	30,758,797	7,407,713	4,821,681	2,450,209	2,711,712
Profit/ (Loss) from Discontinuing operation		-	-	-	-	-	-
Tax expenses of discontinuing operations		-	-	-	-	-	-
Restated profit for the period		7,460,716	30,758,797	7,407,713	4,821,681	2,450,209	2,711,712
Note: The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, and cash flows appearing in Annexures IV, I and III.							

ANNEXURE – III**RESTATED CASH FLOW STATEMENT**

(Amt in Rs.)

Particulars	For the Period/Year ended					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before tax	10,638,869	18,785,927	11,574,587	7,026,672	5,299,093	3,893,050
Adjustment for (Non Cash & Non operating items)						
Less: Interest income/Other Income	(18,576)	(3,449,483)	(2,464,485)	(213,083)	(88,768)	(210,224)
Less: Transfer from Reserve	-	-	-	-	(706,231)	-
Add: Depreciation	33,590,598	44,806,459	14,582,125	17,415,733	21,733,438	21,844,088
Add: Provision of Gratuity	523,562	92,255	930,619	441,360	466,641	525,810
Profit on Sale of Fixed Assets	-	(8,910,620)	(813,984)	-	-	-
Loss on Sale of Fixed Assets	-	-	-	1,542,580	-	-
Add: Finance Cost	29,029,539	39,258,077	32,666,174	33,418,891	29,054,185	26,506,727
Add: Provision for TDS Demand	26,400	25,200	-	18,740	119,560	300,190
Operating profit before working capital changes	73,790,392	90,607,815	56,475,036	59,650,893	55,877,918	52,859,640
Adjustment for :						
(Increase)/Decrease in Inventories	(11,515,342)	(65,385,594)	4,679,253	(38,088,657)	6,991,657	(14,320,657)
(Increase)/Decrease in Trade Receivables	(43,670,113)	(17,493,344)	(14,502,074)	16,960,670	(11,307,049)	9,314,398
(Increase)/Decrease in Other Current Assets	99,214	(105,980)	15,633	(40,357)	(12,606)	-
Increase/(Decrease) in trade payables	12,060,464	46,759,676	11,944,976	16,286,095	2,320,341	239,650
Increase/(Decrease) in provisions	(1,589,497)	816,746	1,125,964	(270,856)	1,365,015	(55,656)
Increase/(Decrease) in other current liabilities	19,929,041	7,054,144	(3,386,175)	7,286,860	(2,060,803)	(53,290,374)
	(24,686,233)	(28,354,352)	(122,422)	2,133,755	(2,703,445)	(58,112,638)
Cash generated from / (used in) operations	49,104,159	62,253,463	56,352,614	61,784,648	53,174,472	(5,252,998)
Income Tax paid	199,582	(23,500)	2,990,171	2,205,257	2,093,642	721,771
Net cash generated from/(used in) operating activities - (A)	48,904,577	62,276,963	53,362,443	59,579,391	51,080,830	(5,974,769)
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of tangible fixed assets/Capital work in progress	(7,759,747)	(402,183,402)	(8,138,041)	(12,831,083)	(10,696,786)	(5,624,176)

Sale of tangible fixed assets	-	37,655,000	2,250,000	4,008,000	-	-
Increase/(Decrease) in Short term loans and advances	(19,775,816)	8,936,002	(28,998,799)	(5,552,204)	1,892,344	4,660,507
Interest Income	18,576	3,449,483	2,464,485	213,083	88,768	210,224
Net cash (used in) Investing Activities - (B)	(27,516,987)	(352,142,918)	(32,422,355)	(14,162,204)	(8,715,674)	(753,445)
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of Share Capital	-	29,186,700	-	-	-	-
Increase/(Decrease) in Long term Borrowing	(39,958,902)	339,526,034	12,274,476	(19,790,622)	(16,800,063)	20,871,040
Increase/(Decrease) in Short term Borrowing	39,163,869	64,761,674	362,681	(1,795,470)	4,779,367	18,674,091
Less: Finance Cost	(29,029,539)	(39,258,077)	(32,666,174)	(33,418,891)	(29,054,185)	(26,506,727)
(Increase)/Decrease in Long Term Loans & Advances	(3,369,212)	(4,276,987)	48,275	42,525	(233,052)	-
(Increase)/Decrease in Other Long Term Liabilities	(48,544)	-	-	-	109,809	-
(Increase)/Decrease in Non Current Assets	17,080,614	(94,603,289)	(87,791)	2,033,155	362,000	-
Net cash(used in) / from financing activities - (C)	(16,161,714)	295,336,055	(20,068,533)	(52,929,303)	(40,836,124)	13,038,404
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	5,225,876	5,470,100	871,555	(7,512,116)	1,529,032	6,310,189
Cash and cash equivalents at the beginning of the year	7,758,751	2,288,651	1,417,096	8,929,212	7,400,180	1,089,991
Cash and cash equivalents at the end of the year	12,984,626	7,758,751	2,288,651	1,417,096	8,929,212	7,400,180

Cash and cash equivalents at the end of year comprise:

1. Components of cash and cash equivalents:

Particulars	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Cash on hand	2896548	1121961	1120712	247800	971723	1338782
Balances with scheduled banks:						
In current accounts	10088078	6636790	1167939	1169296	7957489	6061398
Total Cash and cash equivalents	12984626	7758751	2288651	1417096	8929212	7400180

2. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

3. Figures in Brackets represents outflow.

4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures IV, I and II.

ANNEXURE-IV**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS****A. BACKGROUND**

SITARAM INDIA LIMITED was incorporated as Swagat Synthetics Private Limited on September 27, 1987 under the provisions of Companies Act, 1956 with Registrar of Companies, Rajasthan, Jaipur vide registration no. (Company was incorporated with registration no. U24304RJ1987PLC004101 upon conversion of the Company the CIN no. changed to CIN: U24304RJ1987PTC004101). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on December 07, 2015, Company was converted into a Public Limited Company and the name of Company was changed to Sitaram India Limited” vide a fresh Certificate of Incorporation, issued by the Registrar of Companies, Rajasthan, and Jaipur

Sitaram India Limited is engaged in manufacturing of fabrics from yarn majorly covering suiting manufacturing. Along with above objects, it is also involved in real estate and toll collection business

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Summary Statement of Assets and Liabilities of the Company as on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011, and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the period ended on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011 and the annexure thereto (collectively, the “**Restated Financial Statements**” or “**Restated Summary Statements**”) have been extracted by the management from the Financial Statements of the Company for the period ended September 30, 2015 and year ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31 2011.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014)

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

3. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to projects.

Intangible assets are stated at acquisition cost, Net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit & Loss.

4. DEPRECIATION

Tangible Fixed Assets

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

In accordance with AS-6 "Depreciation", depreciation on tangible fixed assets is computed on considering useful life provided in the Schedule - II of the Act. During the preceding years, the Company was providing depreciation on Straight Line basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate, it requires an adjustment to the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on March 31, 2014, 2013, and 2012 and 2011. The Company has consistently calculated depreciation based on SLM method.

In respect of assets whose useful life had already exhausted as on 1 April 2014, has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Part C of Schedule II of the Act. Such assets which do not have useful life as on 01.04.2014 were having WDV of Rs.504096/-

5. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

6. IMPAIRMENT OF ASSETS

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(ii) After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

7. INVENTORIES

Inventories are stated at cost or net realizable value whichever is lower. Cost is calculated based on FIFO basis. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present condition and location.

8. REVENUE RECOGNITION

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii. Sale is recognized on dispatch to goods from point of sales.
- iii. Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

9. FOREIGN CURRENCY TRANSACTIONS

Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction and any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of profit and Loss except in case where they relate to acquisition of fixed assets in which case they are adjusted with the carrying cost of such assets.

10. ACCOUNTING FOR GOVERNMENT GRANTS

A. Grants/subsidy is recognized unless reasonably assured to be realized and the Company had complied with the conditions attached to the grant.

B. Grant/subsidy towards specific assets is treated as deferred income in the statement of profit and loss on rational basis over the useful life of the depreciable assets. Grant related to non depreciable asset is credited capital reserve unless it stipulates fulfillment of certain obligations.

C. Grants of revenue nature is recognized in the statements of profit and loss over the period to match with the related cost, which are intended to be compensated. Such grant is reduced from the related cost.

11. EMPLOYEE BENEFITS**Defined-contribution plans:**

i) Retirement benefit in the form of provident fund and Employees state Insurance fund is a defined contribution scheme. The contributions to the provident fund and Employees state Insurance fund are charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligation, other than the contribution payable to the provident fund and Employees state Insurance fund.

(ii) The company operates one defined benefit plan for its employees, viz. gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

(iii) Compensated absences which accrue to employees and which is expected to be utilized or encashed within the next 12 months from reporting date, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

12. SEGMENT REPORTING**(i) BUSINESS SEGMENT**

Sitaram India Limited is engaged/operates in three segments i.e. Textile, Toll Plaza & Real Estate. Textile segment of the company comprises production of fabric on Power looms. Toll Plaza segment of the Company comprises of collection of user fees by the Company in accordance with the contracts entered into by the company with the National Highway Authorities of India. Real Estate segment of the company comprises of purchases, development, construction and sale of residential/commercial. Hence there are three reportable segment of Company.

(ii) GEOGRAPHICAL SEGMENT

The Company operates in one Geographical Segment namely “within India” and hence no separate information for geographic segment wise disclosure is required.

13. ACCOUNTING FOR TAXES ON INCOME**13. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- (i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- (ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

14. CONTINGENT LIABILITIES AND PROVISIONS**14. CONTINGENT LIABILITIES AND PROVISIONS**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

16. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

C. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARSS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies except for

- a) Provision for Gratuity which has been accounted on cash basis by the management rather than based on the actuarial valuation.
- b) Provision for TDS Demand has been made which is pending against the Company.

D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

2. The current maturities of the Secured Long Term Borrowings have been correctly reclassified as Short Term Borrowings and Long Term Borrowings, to that extent, Audited Balance Sheet figures has been restated.

3. Interest and other finance charges in respect of acquisition of fixed asset has been transferred from Statement of Profit & Loss account to current assets and capitalized along with fixed assets when the asset was put to use. Further cost of bringing assets to factory and incidental cost connected with installation of fixed assets also have been capitalized.

4. In Restated financials the Company has recalculated the depreciation based on the rates given in Schedule XIV of the Companies Act. In respect of assets whose useful life had already exhausted as on 1 April 2014, has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Part C of Schedule II of the Act. Such assets which do not have useful life as on 01.04.2014 were having WDV of Rs.504096/-

5. Based on the actuarial Valuation, provision of gratuity has been done in the Restated financial Statement of respective year. As informed Company does not have any earned leave balance as on year ends.

6. The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

7. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:-

Particulars	30-09-15	31-03-15	31-03-14	31-03-13	31-03-12	31-03-11
1.The amounts recognised in the Balance Sheet are as follows:						
Present value of unfunded obligations recognised	2,980,247	2,456,685	2,364,430	1,433,811	992,451	525,810
Net Liability	2,980,247	2,456,685	2,364,430	1,433,811	992,451	525,810
2.The amounts recognised in the Profit & Loss A/c are as follows:						
Current Service Cost	491,379	817,879	831,631	626,719	454,564	525,810
Interest on Defined Benefit Obligation	98,537	189,154	114,705	79,396	42,065	-
Net Actuarial Losses / (Gains)	(66,354)	(914,778)	(15,717)	(264,755)	(29,988)	-
Recognized in Year	523,562	92,255	930,619	441,360	466,641	525,810
Past Service Cost						-
Total, Included in "Salaries, Allowances & Welfare"	523,562	92,255	930,619	441,360	466,641	525,810
3.Changes in the present value of defined benefit obligation:						
Defined benefit obligation as at the beginning of the year/period	2,456,685	2,364,430	1,433,811	992,451	525,810	-
Service cost	491,379	817,879	831,631	626,719	454,564	525,810
Interest cost	98,537	189,154	114,705	79,396	42,065	-
Actuarial Losses/(Gains)	(66,354)	(914,778)	(15,717)	(264,755)	(29,988)	-
Past Service Cost	-	-	-	-	-	-
Defined benefit obligation as at the end of the year/period	2,980,247	2,456,685	2,364,430	1,433,811	992,451	525,810
Benefit Description						
Benefit type:	Gratuity Valuation as per Act					
Retirement Age:	60	60	60	60	60	60
Vesting Period:	5 Years of Service	5 Years of Service	5 Years of Service	5 Years of Service	5 Years of Service	5 Years of Service
The principal actuarial assumptions for the above are:						
Future Salary Rise:	5% P.A	5% P.A	5% P.A	5% P.A	5% P.A	5% P.A
Discount rate per annum:	8% P.A	8% P.A	8% P.A	8% P.A	8% P.A	8% P.A
Attrition Rate:						

Mortality Rate:	LIC 94-96 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
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8. Segment Reporting (AS 17)

The Company is required to disclose the information required by Accounting Standard- 17. No separate segments have, however, been reported as the company does not have more than one business Segments within the meaning of Accounting standard -17, which differ from each other in risk and reward.

Particulars	30th September 2015				31st March 2015			
	Textile	Toll Plaza	Real Estate	Total	Textile	Toll Plaza	Real Estate	Total
Primary Segment								
Segment Revenue								
External Sales	7,738.86	4,902.75	-	12,641.62	4,902.75	3,493.07	-	8,395.82
Other Income	13.35	-	-	13.35	123.60	-	-	123.60
Total Revenue	7,752.22	4,902.75	-	12,654.97	5,026.36	3,493.07	-	8,519.43
Segment Result								
Profit or Loss Before Tax & Interest	267.51	129.17	-	396.68	487.13	96.04	(2.73)	580.44
Interest expense (Net)	210.20	80.10	-	290.30	324.00	68.58		392.58
Profit or Loss Before Tax	57.32	49.07	-	106.39	163.13	27.46	(2.73)	187.86
Less: Tax Expenses	-	-	-	(31.78)	-	-	-	119.73
Net Profit	-	-	-	74.61	-	-	-	307.59
Other Information	-	-	-	-	-	-	-	-
Segment Assets	4,700.92	814.99	-	5,515.90	4,952.49	992.53	-	5,945.02
Segment Liabilities	469.42	952.44	-	1,421.86	658.45	942.66	-	1,601.11
Capital Employed	-	-	-	4,094.04	-	-	-	4,343.91
Capital Expenditure Incurred During the year	77.60	-	-	77.60	4,029.67	-	-	4,072.12
Depreciation (included in Segment Expenses)	329.17	6.74	-	335.91	445.61	2.45	-	448.06

9. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on September 30, 2015 except as mentioned in Annexure -U, for any of the years covered by the statements.

10. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – R of the enclosed financial statements.

11. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under:

Particulars	(Amount in Rs.)					
	As at					
Deferred Tax Liability	30-09-15	31-03-15	31-03-14	31-03-13	31-03-12	31-03-11
Gross Block as per Books on 31st March	612,324,302	604,564,555	308,014,583	317,484,067	334,722,112	334,570,978
Less: Accumulated Depreciation as per Companies Act, 1956	138,906,884	105,316,285	141,922,895	138,484,167	162,035,257	140,301,819
Less: Gross Value of Fixed Assets Where no timing Difference arises due to same rate of Depreciation	1,487,981	1,487,981	1,487,981	1,487,981	1,487,981	1,487,981
Net WDV as Per Companies Act	471,929,437	497,760,288	164,603,707	177,511,919	171,198,874	192,781,178
Net WDV as per Income Tax	296,091,333	356,172,626	110,752,244	127,957,816	121,618,629	142,494,364
Timing difference- Depreciation	175,838,104	141,587,662	53,851,463	49,554,103	49,580,245	50,286,814
Deferred Tax Liability (a)	54,333,974	43,750,588	16,640,102	15,312,218	15,320,296	15,538,625
Incremental Depreciation						
Gratuity Expenses charged to Profit and Loss	523,562	92,255	930,619	441,360	466,641	525,810
Business loss	24,179,747	127,245,667	-	-	-	-
Timing Difference Due to Brought Forward Losses	127,245,667					3,091,545
DTA @ 30.90%	46952234	39347418	287561	136380	144192	1117763
Cumulative Deferred Tax Assets						
Deferred Tax Assets (B)	46952234	39347418	287561	136380	144192	1117763
Cumulative Balance of Deferred Tax Liability/(Assets) (A-B)	7381740	4403170	16352541	15175838	15176104	14420862

12. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the Annexure –Q of the enclosed financial statements.

13. MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 1956, and as replaced by Company Act 2013 after 01st April 2014 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (losses) and assets and liabilities of the Company is as under.

Statement of adjustments in the Financial Statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & losses of the company.

1. Statement of Profit and Loss after Tax

Particulars	As on					
	30-09-15	31-03-15	31-03-14	31-03-13	31-03-12	31-03-11
Net Profit After Tax as per audited accounts but before adjustments for restated accounts:	8,076,987	31,111,808	8,571,801	5,882,924	4,066,738	3,222,096
Less/ (Add) (a) Recognition of Gratuity Expense not provided earlier	(523,562)	(92,255)	(930,619)	(441,360)	(466,641)	(525,810)
Add/(Less) (b) Short (Excess) Depreciation(net) charged in Books	-	-	-	(375,213)	-	-
Add/(Less):(c) Deferred tax Liability (Assets) on Depreciation/ Gratuity	133,273	(259,056)	151,182	83,332	(64,982)	162,475
Add/(Less) (d): Excess / (short) Provision for Income Taxes - Current	(199,582)	23,500	(384,652)	(309,262)	(965,346)	153,141
(e) Liability of TDS Defaults not accounted earlier	(26,400)	(25,200)	-	(18,740)	(119,560)	(300,190)
Net Increase/ (Decrease)	(616,271)	(353,011)	(1,164,089)	(1,061,243)	(1,616,529)	(510,384)
Net Profit After Tax as per Restated Accounts:	7,460,716	30,758,797	7,407,712	4,821,681	2,450,209	2,711,712

14. Realizations:

In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

15. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

16. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest rupees. Figures in brackets indicate negative values.

For Birani & Associates
Chartered Accountants
FRN 003616C

R C Somani
Partner
Membership No. 008107

Date: Feb 08, 2016
Place: Bhilwara

ANNEXURE – A
STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

(Amt. in Rs.)

	Particulars	As at					
		30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1	Equity Share Capital						
	Authorised Share Capital	49,990,000	49,990,000	42,500,000	42,500,000	42,500,000	42,500,000
	Equity shares of Rs.10 each						
	Share Capital						
	Issued, Subscribed and Paid up Share Capital - Equity Shares of Rs. 10 each fully paid up Share Capital (in Rs.)	49,990,000	49,990,000	41,340,000	41,340,000	41,340,000	41,340,000
		49,990,000	49,990,000	41,340,000	41,340,000	41,340,000	41,340,000
	2. Reserves and Surplus						
	Particulars	As at					
		30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
A)	Securities Premium						
	Opening Balance	55,096,700	34,560,000	34,560,000	34,560,000	34,560,000	34,560,000
	Add: Addition during the year	-	20,536,700	-	-	-	-
	Sub total (a)	55,096,700	55,096,700	34,560,000	34,560,000	34,560,000	34,560,000
B)	Capital Reserve						
	Opening Balance	788,522	788,522	788,522	788,522	788,522	788,522
	Add: Addition during the year	-	-	-	-	-	-
	Less: Utilized for Share Capital	-	-	-	-	-	-
	Sub total (b)	788,522	788,522	788,522	788,522	788,522	788,522
C)	Surplus in Profit and Loss account						
	Opening Balance	91,010,760	60,756,059	53,348,346	48,526,665	46,782,687	44,070,975
	Add: Profit for the year	7,460,716	30,758,797	7,407,713	4,821,681	2,450,209.22	2,711,712
	Less: TDS no more receivable	-	-	-	-	(706,231)	-
	Sub total (c)	98,471,476	91,010,760	60,756,059	53,348,346	48,526,665	46,782,687
	Total (a+b+c)	154,356,698	146,895,982	96,104,581	88,696,868	83,875,187	82,131,209

1. Terms/rights attached to equity shares:

(i) The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.

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

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. Company does not have any Revaluation Reserve.
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
5. The reconciliation of the number of shares outstanding as at: -

Particulars	As at					
	9/30/2015	3/31/2015	3/31/2014	3/31/2013	3/31/2012	3/31/2011
Number of shares at the beginning	4,999,000	4,134,000	4,134,000	4,134,000	4,134,000	4,134,000
Add: Shares issued during the year	-	865,000	-	-	-	-
Less: Shares bought back during the Year	-	-	-	-	-	-
Number of shares at the end	4,999,000	4,999,000	4,134,000	4,134,000	4,134,000	4,134,000

7. The detail of shareholders holding more than 5% of Shares as at: -

Name of Share Holder	As at (No of Shares)					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Jagdish Prasad Nuwal	747,500	747,500	602,500	602,500	602,500	602,500
Anil Nuwal	1,147,700	1,147,700	933,700	933,700	933,700	933,700
Jugal Kishore Nuwal	350,500	350,500	300,500	300,500	300,500	300,500
Madhu Sudan Nuwal	553,200	553,200	497,100	497,100	497,100	497,100
Sita Software Private Limited	385,950	340,450	340,450	340,450	340,450	340,450
Seezoo Infotech Private Limited	619,850	619,850	619,850	619,850	619,850	619,850
Exclusive.com Pvt. Ltd.	555,000	555,000	555,000	555,000	555,000	555,000

ANNEXURE – B
STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS

(Amt. in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Long Term Borrowings						
From Banks/Financial Institutions						
Term Loans	306416536	315066536	37100000	70167480	65000000	80346133
Vehicle Loans	3991530	3154741	1876120	-	234189	468644
From Promoters/ Directors/ Related Parties	46941868	65844753	90602020	35959390	58161258	71728276
From Others	95244101	94266059	4024411	14781638	17537872	8136728
Total	452594035	478332089	133602551	120908508	140933319	160679781
Current portion of long-term borrowings, included under other current liabilities						
Term Loans and Car Loan	32243920	18023072	12819568	12400000	12634189	15580588

Short Term Borrowings

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Bank Working Capital Loan	225,645,324	186,481,455	121,719,781	121,357,100	123,152,570	118,373,203
From Promoters/Directors/Related Parties	-	-	-	-	-	-
Total	225,645,324	186,481,455	121,719,781	121,357,100	123,152,570	118,373,203

The above amount includes:

Secured Borrowings	536053390	504702732	160695901	191524580	188386759	199187979
Unsecured Borrowings	142185969	160110812	94626431	50741028	75699130	79865004

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
4. The terms and conditions and other information in respect of Secured Loans are given in Annexure -B (A)
5. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure - B (B)

ANNEXURE - B (A)
STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Amount in Rs. Lacs

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary Security	Collateral/Other Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30.09.2015 as per Books	Outstanding amount as on 31.03.2015 as per Books
Term Loan 1	For acquiring the Plant & Machinery	930 Lakhs	12.25%	Term Loans :- Term Loan facility from Bank of Baroda Comprises of 4 term loans. All the four term loans including current maturities are secured by way of first charge over entire Fixed assets (Present & Future) of the company	a) Equitable Mortgage of vacant residential plot situated at B-27, Bapu Nagar Bhilwara, Measuring 3150 Sq Ft standing in the name of Smt Sangeeta Nuwal.	Repayable in 30 equal quarterly installments of Rs. 31 Lacs. The 1st installment will commence from 01.04.2010	-	21259486	27459486
Term Loan 2		2780 Lakhs	12.45%	including Equitable Mortgage of Factory Land & Building Situated at G-13,14 RIICO Industrial, Bhilwara and at F-226,227 & G-228,229, 4th Phase, RIICO Industrial area, Bhilwara in the name of M/s Swagat Synthetics Private Limited & personally guaranteed by all the 3 Directors & 5 Relatives of the Directors of the Company, viz Jagdish Prasad Nuwal, Anil Kumar Nuwal, Madhusudan Nuwal, Jugal Kishore Nuwal, Kanta Devi Nuwal, Mamta Nuwal, Sangeeta Nuwal & Madhu Nuwal. Personal Guarantee of relatives of the Directors are restricted to the value of their property/security mortgaged to the bank.	b) Equitable Mortgage of vacant residential plot situated at B-28, Bapu Nagar Bhilwara, Measuring 5400 Sq Ft standing in the name of Smt Sangeeta Nuwal, Kanta Devi Nuwal, Mamta Nuwal & Madhu Nuwal. c) Assignment of LIC Policy standing in the name of Anil Nuwal & Madhu Suan Nuwal having Surrender Value of Rs. 8.18 Lacs as on 25.07.2013 Charge over entire current assets of the company present &	Repayable in 29 equal quarterly ballooning installments starting from 01/06/2016. First 14 installments of Rs. 70.00 Lacs each & next 15 installments of Rs. 120.00 Lacs each.	-	274137050	274137050
Term Loan 3		120 Lakhs	12.40%			Repayable in 20 equal quarterly installments of Rs. 6 Lacs each. The 1st installment will commence from 01.10.2014	-	6700000	7900000

Term Loan 4		120 Lakhs	12.40%		future.	Repayable in 19 quarterly installments. First 18 installments of Rs. 6.25 Lacs each & last installment of Rs. 7.50 Lacs. The 1st installment will commence from 01.04.2015	-	4320000	5570000
Cash Credit - Working Capital Loan	For Working Capital Purposes	2300 Lakhs (including 300 Lacs of adhoc limit)	12.25%	1) Working Capital Facility worth Rs. 23 crore (Rs. 20 Crores) taken from Bank of Baroda is secured by way of first charge over entire current assets of the company. Eg. Raw materials, semi finished & finished goods, stores and spares parts, book debts & other current assets of the company lying in factory premises or elsewhere in the name of M/s Swagat Synthetics Private Limited, Present & Future. & personally guaranteed by all the 3 Directors & 4 Relatives of the Directors of the Company, viz Jagdish Prasad Nuwal, Anil Kumar Nuwal, Madhusudan Nuwal, Jugal Kishore Nuwal, Kanta Devi Nuwal, Mamta Nuwal, Sangeeta Nuwal & Madhu Nuwal. Personal Guarantee of relatives of the Directors are restricted to the value of their property/security	In addition to the above security, extension of charge over entire Fixed assets of the company (Present & Future)		-	225645324	169756989

				mortgaged to the bank. The Loan is Repayable on demand					
Vehicle Loans-SBI	Car Loan	7 Lakhs	-	Hypothecation over respective asset	NIL	Repayable in 84 equal monthly installments of Rs. 11,881	-	516990.00	571013.00
Vehicle Loans-SBI	Car Loan	13.60 Lakhs	-	Hypothecation over respective asset	NIL	Repayable in 84 equal monthly installments of Rs. 23,083	-	1004422.00	1109384.00
Vehicle Loans-BOB	Car Loan	15.50 Lakhs	-	Hypothecation over respective asset	NIL	Repayable in 84 equal monthly installments of Rs. 26,135	-	1397340.00	1474344.00
Vehicle Loans-BOB	Car Loan	11 Lakhs	-	Hypothecation over respective asset	NIL	Repayable in 84 equal monthly installments of Rs. 18,404	-	1072778.00	0.00

ANNEXURE - B (B)
STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

Details of Unsecured Loans outstanding as at the end of the respective year from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities

Unsecured Loans from Promoters/Directors are carrying interest @ 12% and all are taken without any preconditions attached towards repayments.

1	Anil Kumar Nuwal		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance Cr/(DR)	5,760,873	10,168,087
	Amount Received/credited	19,550,330	39,847,186
	Amount repaid/adjusted	24,621,039	44,254,400
	Outstanding Amount	690,164	5,760,873
2	Anil Kumar Nuwal HUF		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	1,976,590	8,995,908
	Amount Received/credited	117,887	770,682
	Amount repaid/adjusted	33,310	7,790,000
	Outstanding Amount	2,061,167	1,976,590
3	Jagdish Prasad Nuwal		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	1,991,709	7,347,666
	Amount Received/credited	3,030,489	3,024,043
	Amount repaid/adjusted	4,675,000	8,380,000
	Outstanding Amount	347,198	1,991,709
4	Jagdish Prasad Nuwal HUF		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	1,723,650	1,650,847
	Amount Received/credited	93,230	172,803
	Amount repaid/adjusted	1,272,310	100,000

	Outstanding Amount	544,570	1,723,650
5	Jugal Kishore Nuwal		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	734,391	1,047,821
	Amount Received/credited	1,101,313	3,875,570
	Amount repaid/adjusted	606,000	4,189,000
	Outstanding Amount	1,229,704	734,391
6	Jugal Kishore Nuwal HUF		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	167,213	2,192,931
	Amount Received/credited	9,061	924,282
	Amount repaid/adjusted	82,090	2,950,000
	Outstanding Amount	94,184	167,213
7	Kanta Devi Nuwal		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	801,169	392,099
	Amount Received/credited	47,938	661,070
	Amount repaid/adjusted	-	252,000
	Outstanding Amount	849,107	801,169
8	Madhu Nuwal		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	2,453,783	1,111,341
	Amount Received/credited	769,345	1,503,442
	Amount repaid/adjusted	114,210	161,000
	Outstanding Amount	3,108,918	2,453,783
9	Madhu Sudan Nuwal		

	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	4,872,644	4,414,747
	Amount Received/credited	2,764,675	4,705,197
	Amount repaid/adjusted	7,379,000	4,247,300
	Outstanding Amount	258,319	4,872,644
10	Madhu Sudan Nuwal HUF		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	3,046,620	9,364,085
	Amount Received/credited	133,648	382,535
	Amount repaid/adjusted	1,937,770	6,700,000
	Outstanding Amount	1,242,498	3,046,620
11	Mamta Nuwal		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	1,245,964	381,014
	Amount Received/credited	145,697	1,166,950
	Amount repaid/adjusted	1,035,610	302,000
	Outstanding Amount	356,051	1,245,964
12	Sangeeta Nuwal		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	2,022,790	954,589
	Amount Received/credited	1,350,594	5,409,795
	Amount repaid/adjusted	2,924,000	4,341,594
	Outstanding Amount	449,384	2,022,790
13	Seezoo Infotech Private Limited		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	20,015,558	23,475,312

	Amount Received/credited	1,114,307	4,993,633
	Amount repaid/adjusted	2,720,000	8,453,387
	Outstanding Amount	18,409,865	20,015,558
14	Sita Software Private Limited		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	18,042,140	18,374,833
	Amount Received/credited	1,000,494	6,259,563
	Amount repaid/adjusted	2,600,000	6,592,256
	Outstanding Amount	16,442,634	18,042,140
15	Sunita Laddha		
	Rate of Interest- 12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	809,659	730,740
	Amount Received/credited	48,446	78,919
	Amount repaid/adjusted	-	-
	Outstanding Amount	858,105	809,659
16	Ankit Agarwal		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	-	500,000
	Amount Received/credited	-	51,150
	Amount repaid/adjusted	-	551,150
	Outstanding Amount	-	-
17	Sharad Agarwal		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	-	1,500,000
	Amount Received/credited	-	153,450
	Amount repaid/adjusted	-	1,653,450

	Outstanding Amount	-	-
18	Nutan Textile Agency		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	-	2,024,411
	Amount Received/credited	-	265,000
	Amount repaid/adjusted	-	2,289,411
	Outstanding Amount	-	-
19	Pushpa Munna Lal Sonigra		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	76,376	3,500,000
	Amount Received/credited	-	84,863
	Amount repaid/adjusted	-	3,508,487
	Outstanding Amount	76,376	76,376
20	Saroj Textile		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	-	10,000,000
	Amount Received/credited	-	13,973
	Amount repaid/adjusted	-	10,013,973
	Outstanding Amount	-	-
21	Sneha Garments		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	12,576	1,000,000
	Amount Received/credited	-	13,973
	Amount repaid/adjusted	-	1,001,397
	Outstanding Amount	12,576	12,576

22	Sonigra BROS		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	12,576	1,000,000
	Amount Received/credited	-	13,973
	Amount repaid/adjusted	-	1,001,397
	Outstanding Amount	12,576	12,576
23	Aditya Fashion Pvt. Ltyd		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	10,828,660	5,000,000
	Amount Received/credited	647,940	5,828,660
	Amount repaid/adjusted	-	-
	Outstanding Amount	11,476,600	10,828,660
24	Alaska Commerce Pvt. Ltd.		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	10,327,329	5,000,000
	Amount Received/credited	617,942	5,327,329
	Amount repaid/adjusted	-	-
	Outstanding Amount	10,945,271	10,327,329
25	Cholmandalam Investment & Fin. Ltd.		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	23,097,107	21,414,686
	Amount Received/credited	1,461,845	7,284,632
	Amount repaid/adjusted	3,561,474	5,602,211
	Outstanding Amount	20,997,478	23,097,107
26	Arrow Exim Pvt. Ltd.		
	Rate of Interest -12%		

	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	10,335,429	4,000,000
	Amount Received/credited	618,427	6,335,429
	Amount repaid/adjusted	-	-
	Outstanding Amount	10,953,856	10,335,429
27	Astha mangal Projects Pvt Ltd		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	10,320,006	2500000
	Amount Received/credited	617,504	7,820,006
	Amount repaid/adjusted	-	-
	Outstanding Amount	10,937,510	10,320,006
28	Fortune Future Pvt. Ltd.		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	2,579,890	2,500,000
	Amount Received/credited	154,369	79,890
	Amount repaid/adjusted	-	-
	Outstanding Amount	2,734,259	2,579,890
29	Kolahal Trading Pvt. Ltd.		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	10,330,657	5,000,000
	Amount Received/credited	618,141	5,330,657
	Amount repaid/adjusted	-	-
	Outstanding Amount	10,948,798	10,330,657
30	MR Weaving Mills Pvt. Ltd.		
	Rate of Interest -12%		
	Particulars	As at	
		30/09/2015	31/03/2015

	Opening Balance	4,000,000	2,000,000
	Amount Received/credited	239,342	2,012,600
	Amount repaid/adjusted	-	12,600
	Outstanding Amount	4,239,342	4,000,000
31	Sona Tex Fab Pvt. Ltd.		
	Rate of Interest -12 %		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	1,000,000	(2,000,000)
	Amount Received/credited	59,836	7,235,441
	Amount repaid/adjusted	-	4,235,441
	Outstanding Amount	1,059,836	1,000,000
32	Venkateshwar Bunglow Pvt. Ltd.		
	Rate of Interest -12 %		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	10,332,877	5,000,000
	Amount Received/credited	618,274	5,332,877
	Amount repaid/adjusted	-	-
	Outstanding Amount	10,951,151	10,332,877
33	Vimal mallspin Pvt. Ltd.		
	Rate of Interest -12 %		
	Particulars	As at	
		30/09/2015	31/03/2015
	Opening Balance	1,000,000	1,000,000
	Amount Received/credited	24,600	33,597
	Amount repaid/adjusted	1,024,600	33,597
	Outstanding Amount	-	1,000,000

ANNEXURE – C
STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(Amt. in Rs.)

Particulars	For the Period/year ended					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Opening Balance (A)						
Opening Balance of Deferred Tax (Asset) / Liability	4,403,170	16,352,541	15,175,838	15,176,104	14,420,862	12,632,848
Current Year Provision (B)						
(DTA) / DTL on Depreciation	54,333,974	43,750,588	16,640,102	15,312,218	15,320,296	15,538,625
(DTA) / DTL on Provision for Gratuity/Carry Forward Losses	46,952,234	39,347,418	287,561	136,380	144,192	1,117,763
Closing Balance of Deferred Tax (Asset) / Liability (A+B)	7,381,740	4,403,170	16,352,541	15,175,838	15,176,104	14,420,862

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, II and III .

ANNEXURE – D
STATEMENT OF OTHER LONG TERM LIABILITIES AND LONG TERM PROVISION

(Amt. in Rs.)

Other Long Term Liabilities						
Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Security Deposit	1,272,956	1,321,500	1,321,500	1,321,500	1,321,500	1,211,691
TOTAL	1,272,956	1,321,500	1,321,500	1,321,500	1,321,500	1,211,691
Long Term Provision						
Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Provision for TDS Demand	490,090	463,690	438,490	438,490	419,750	300,190
Gratuity Provision	2,980,247	2,456,685	2,364,430	1,433,811	992,451	525,810
TOTAL	3,470,337	2,920,375	2,802,920	1,872,301	1,412,201	826,000

ANNEXURE – E
STATEMENT OF TRADE PAYABLES

(Amt. in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<u>Trade Payables</u>						
For Goods & Services (including advance from debtors)	94,005,640	81,945,176	35,185,500	23,240,523	6,954,428	4,634,087
Total	94,005,640	81,945,176	35,185,500	23,240,523	6,954,428	4,634,087

Notes

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

ANNEXURE – F
STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS

(Amt. in Rs.)

Other Current Liabilities

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Current maturities of long-term borrowings						
- Term Loan/Car Loan	32,243,920	18,023,072	12,819,568	12,400,000	12,634,189	15,580,588
Statutory Dues	177,528	2,007,950	1,583,905	1,222,751	1,136,422	1,206,112
Other Payables	14,726,344	7,187,729	5,761,134	9,928,031	2,493,311	1,538,025
Total	47,147,792	27,218,751	20,164,607	23,550,782	16,263,922	18,324,725

Short-Term Provisions

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Provision for Income Tax	2,169,143	3,758,641	2,941,896	1,815,931	2,086,786	721,771
Total	2,169,143	3,758,641	2,941,896	1,815,931	2,086,786	721,771

Notes

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

ANNEXURE – G
STATEMENT OF FIXED ASSETS

(Amt. in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
(i) Tangible Assets						
Land	1,487,981	1,487,981	1,487,981	1,487,981	1,487,981	1,487,981
Office Building	25,529,217	25,741,982	26,166,349	26,603,640	908,376	16,621,197
Factory Building	24,986,259	25,515,037	14,382,983	15,129,055	15,875,126	477,862
Office Equipment	1,480,957	1,021,502	818,011	485,647	438,971	926,538
Plant and Machinery	409,752,993	435,805,766	119,473,257	132,897,626	151,918,938	171,942,634
Furniture and Fixtures	546,912	596,128	726,258	679,675	332,824	390,191
Vehicles	5,487,708	4,000,564	2,620,197	1,155,654	1,608,905	2,062,156
Computers	4,145,388	5,079,307	416,649	560,623	115,735	360,600
Total Tangible Assets	473,417,415	499,248,268	166,091,686	178,999,901	172,686,856	194,269,159
Capital Work-in-Progress	-	-	5,028,114	-	16,448,275	5,902,623
Grand Total	473,417,415	499,248,268	171,119,800	178,999,901	189,135,131	200,171,782

Notes

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

ANNEXURE – H
STATEMENT OF NON-CURRENT INVESTMENTS

(Amt. in Rs.)

Particulars	As at											
	30/09/2015		31/03/2015		31/03/2014		31/03/2013		31/03/2012		31/03/2011	
	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares
Non Current Investment												
(Other Than Trade, at Cost)												
NSC												
Total	-		-		-		-		-		-	
Aggregate Value of Quoted Investment												
Aggregate Value of Un Quoted Investment												

ANNEXURE – I
STATEMENT OF LONG-TERM LOANS AND ADVANCES & NON CURRENT ASSETS

(Amt. in Rs.)

Long Term Loans and advances

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Unsecured, Considered Good unless otherwise stated						
Security Deposit	4,086,041	2,686,390	2,191,544	2,191,544	1,844,743	1,604,835
Other Advances	6,635,693	4,666,132	883,991	932,266	1,321,592	1,328,448
Total	10,721,734	7,352,522	3,075,535	3,123,810	3,166,335	2,933,283

Note:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

Other Non Current Assets

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Fixed Deposits (Pledged with Bank)	78172921	95253535	650246	562455	2595610	2957610
Total	78172921	95253535	650246	562455	2595610	2957610

ANNEXURE – J
STATEMENT OF INVENTORIES

(Amt. in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Raw Material	68,967,445	73,279,501	47,760,719	40,928,040	21,432,664	19,377,376
Stock-in-Process and Semi Finished Goods	26,201,345	34,828,718	24,115,471	34,468,083	25,920,359	21,412,854
Finished Goods	145,292,087	120,492,424	95,401,671	97,702,311	87,521,184	100,912,044
Consumable items, Stores & Spares Parts	5,759,240	6,104,132	2,041,320	900,000	1,035,570	1,199,160
Total	246,220,117	234,704,775	169,319,181	173,998,434	135,909,777	142,901,434

Note:-

Inventory has been physically verified by the management of the Company at the end of respective year.

ANNEXURE – K
STATEMENT OF TRADE RECEIVABLES

(Amt. in Rs.)

Sr. No.	Particulars	As At					
		30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
	Outstanding for a period exceeding six months (Unsecured and considered Good)						
	From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-	-	-
	Others	14,430,732	6,406,020	4,060,200	2,575,193	3,789,022	552,547
	Outstanding for a period not exceeding 6 months (Unsecured and considered Good)						
	From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-	-	-
	Others	119,845,063	84,199,662	69,052,138	56,035,072	71,781,913	63,711,339
	Total	134,275,795	90,605,682	73,112,338	58,610,265	75,570,935	64,263,886

Notes:-

The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.3

ANNEXURE – L
STATEMENT OF CASH & CASH EQUIVALENTS

(Amt. in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Cash in Hand (As Certified by Management)	2896548	1121961	1120712	247800	971723	1338782
Balances with Banks						
- In Current Accounts	10088078	6636790	1167939	1169296	7957489	6061398
Total	12984626	7758751	2288651	1417096	8929212	7400180

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

ANNEXURE – M
STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Amt. in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Unsecured, Considered Good unless otherwise stated						
Advance Recoverable in Cash or Kind	457,000	550,604	2,781,589	3,273,836	893,481	668,507
Capital Advances	-	3,377,869	33,263,600	-	-	-
Balance with Revenue Authorities	13,923,984	7,244,603	2,349,732	6,311,094	2,590,644	3,383,842
Other Advances	35,439,985	18,872,077	586,234	397,426	946,027	2,270,147
Total	49,820,969	30,045,153	38,981,155	9,982,356	4,430,152	6,322,496

Notes:-

1. None of the Short term loans and advances is recoverable from Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
4. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete

ANNEXURE – N
STATEMENT OF OTHER CURRENT ASSETS

(Amt. in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
	-	-	-	-	-	-
Preliminary Expenses	-	-	-	-	-	-
Prepaid Expenses	176,166	275,380	169,400	185,033	144,676	132,070
Total	176,166	275,380	169,400	185,033	144,676	132,070

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

ANNEXURE – O
STATEMENT OF OTHER INCOME

(Amt. in Rs.)

Particulars	For the year ended					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Related and Recurring Income:						
Interest Income	1,316,748	3,432,347	2,373,294	213,083	67,393	102,438
Other non Operating Income (net of Expenses directly attributable to such income)	18,576	8,927,756	905,175	-	21,375	107,786
Total	1,335,324	12,360,103	3,278,469	213,083	88,768	210,224

Notes:

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

ANNEXURE –P
STATEMENT OF TURNOVER

(Amt. in Rs.)

Particulars	For the year ended					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
(i) Turnover of Products Manufactured by the Issuer Company	366,737,606	773,886,287	607,147,962	548,281,417	542,307,243	575,399,657
(iv) Turnover in respect of sale of services	490,275,472	349,306,965	-	-	-	-
Total	857,013,078	1,123,193,252	607,147,962	548,281,417	542,307,243	575,399,657

ANNEXURE – Q
STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Amt. in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Net Worth (A)	204,346,698	196,885,982	137,444,581	130,036,868	125,215,187	123,471,209
Restated Profit after tax	7,460,716	30,758,797	7,407,713	4,821,681	2,450,209	2,711,712
Less: Prior Period Item	-	-	-	-	-	-
Adjusted Profit after Tax (B)	7,460,716	30,758,797	7,407,713	4,821,681	2,450,209	2,711,712
Number of Equity Share o/s as on the End of Year/Period (C)	4,999,000	4,999,000	4,134,000	4,134,000	4,134,000	4,134,000
Weighted average no of Equity shares at the time of end of the year (D)	7,498,500	7,127,994	6,201,000	6,201,000	6,201,000	6,201,000
Current Assets (G)	443,477,673	363,389,741	283,870,725	244,193,184	224,984,752	221,020,066
Current Liabilities (H)	368,967,899	299,404,023	180,011,784	169,964,336	148,457,706	142,053,786
Face Value per Share (in Rs.)	10	10	10	10	10	10
Restated Basic and Diluted Earning Per Share (Rs.) (B/D) Refer Note 1 given below	0.99	4.32	1.19	0.78	0.40	0.44
Return on Net worth (%) (B/A)	3.65	15.62	5.39	3.71	1.96	2.20
Net asset value per share (A/C)	40.88	39.39	33.25	31.46	30.29	29.87
Adjusted Net asset value per share based on Weighted average number of share (A/D)	27.25	27.62	22.16	20.97	20.19	19.91
Current Ratio (G/H)	1.20	1.21	1.58	1.44	1.52	1.56

Notes:-

1. Earnings per share = Profit available to equity shareholders/ weighted average number of outstanding of equity shares during the year. For the purpose of calculating of weighted average number of shares outstanding prior to Bonus Shares, for the earlier years, Ratio of bonus applied on closing number of share outstanding as on the end of respective years.
2. Diluted Earnings per share = Profit available to equity shareholders/ weighted average number of potential equity shares outstanding during the year.
3. Weighted Average number of outstanding Equity Shares has been calculated in terms of the requirement of Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.
4. Return on Net worth (%) = Profit available for Equity shareholders/Net worth X 100.
5. Current Ratio= Current Assets/ Current Liabilities
6. The company does not have any revaluation reserves or extraordinary items
7. As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
8. Net Profit, before extra ordinary items as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.
9. Net asset value per share (Face value of Rs. 10 Each) has been computed considering the outstanding number of share as at the end of year.
10. Net worth for ratios mentioned represent equity share capital and reserves and surplus. Refer Annexure A for components of Reserves and Surplus.

11. The Company has allotted bonus shares in the ratio 1:2 in January 2016; effect thereof has been taken in all earlier years as required by the Accounting Standard.

ANNEXURE – R
STATEMENT OF RELATED PARTY TRANSACTION

(Amt. in Rs.)

a)	Names of the related parties with whom transaction were carried out during the years and description of relationship:	
1)	Company/entity owned or significantly influenced by directors/ KMP	Sita Software Private Limited, Seezo Infotech Private Limited, Exclusive.Com Private Limited
2)	Key Management Personnels:	Jagdish Prasad Nuwal, Anil Kumar Nuwal, Madhu Sudan Nuwal, Devika Maheshwari, Pradeep Kumar Pareek
3)	Relative of Key Management Personnels:	Jugal Kishore Nuwal, Sangeeta Nuwal, Madhu Nuwal, Mamta Nuwal, Sunita Laddha, Kanta Devi Nuwal, Harshit Nuwal
4)	Directors:	Jagdish Prasad Nuwal, Anil Kumar Nuwal, Madhu Sudan Nuwal

1. Transaction with Companies/Entity owned or Significantly influenced by Director/KMP

Key Management Personnels:

a		Anil Kumar Nuwal					
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	176,130	736,237	1,325,194	55,144	8,376	141,540
2.	Loan Repaid	24,015,039	36,554,000	-	3,550,310	6,990,500	15,669,267
3.	Loan Taken	18,665,000	38,200,000	26,425,000	3,424,630	4,949,376	16,610,849
4.	Director Remmuneration	720,000	1,107,000	996,000	996,000	996,000	996,000
b		Madhu Sudan Nuwal					
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	134,475	424,108	241,512	23,499	38,808	62,742
2.	Loan Repaid	6,673,000	2,396,000	987,000	861,500	3,669,864	15,912,606
3.	Loan Taken	1,921,000	3,333,000	6,142,000	534,289	2,504,808	16,742,000
4.	Director Remmuneration	720,000	1,107,000	996,000	996,000	996,000	996,000
c		Jagdish Prasad Nuwal					
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	80,489	357,826	205,578	46,661	83,586	167,177
2.	Loan Repaid	4,060,000	3,595,000	1,456,000	13,000	8,481,500	12,823,340
3.	Loan Taken	2,230,000	1,695,000	7,130,000	301,745	1,629,586	18,193,000
4.	Director Remmuneration	720,000	1,107,000	996,000	996,000	996,000	996,000

Relative of Key Managerial Presonnels

a	Jugal Kishor Nuwal						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	56,113	38,967	79,319	80,220	37,399	128,797
2.	Loan Repaid	-	2,539,000	1,537,500	1,658,838	2,933,939	14,672,240
3.	Loan Taken	336,000	2,850,000	1,042,240	1,421,750	6,843,770	17,342,000
4.	Salary	720,000	1,107,000	996,000	996,000	996,000	996,000
b	Mamta Nuwal						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	55,697	56,611	60,404	10,153	28,351	24,514
2.	Loan Repaid	1,035,610	302,000	846,000	444,000	647,000	1,871,000
3.	Loan Taken	-	936,000	775,610	498,138	797,804	1,558,303
4.	Rent Paid	90,000	180,000	-	-	-	-
c	Madhu Nuwal						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	159,345	149,380	130,651	24,579	12,379	65,745
2.	Loan Repaid	114,210	161,000	473,810	71,000	989,000	2,193,000
3.	Loan Taken	520,000	1,189,000	774,000	739,121	947,580	1,596,043
4.	Rent Paid	90,000	180,000	-	-	-	-
d	Sangeeta Nuwal						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	68,594	154,217	52,771	84,726	15,220	62,647
2.	Loan Repaid	2,924,000	392,000	2,118,640	379,000	1,043,000	1,349,000
3.	Loan Taken	1,012,000	5,011,000	2,148,690	793,253	1,245,416	905,727
4.	Rent Paid	90,000	180,000	-	-	-	-
e	Kanta Devi Nuwal						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	47,938	63,411	69,266	173,641	99,964	47,328
2.	Loan Repaid	-	252,000	1,043,810	863,000	1,396,718	926,000
3.	Loan Taken	-	604,000	265,000	1,084,277	572,964	2,250,840
f	Sunita Laddha						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011


Sitaram India Limited

1.	Interest	48,446	87,688	-	88,755	61,194	64,551
2.	Loan Repaid		-	27,125	29,200	29,545	29,883
3.	Loan Taken		-		79,880	61,194	
g	Anil Nuwal- HUF						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	117,887	418,535	129,393	70,788	43,709	43,049
2.	Loan Repaid	33,310	1,190,000	262,290	587,680	24,900	607,250
3.	Loan Taken	-	394,000	9,059,000	63,709	333,709	271,000
h	Jagdish Prasad Nuwal-HUF						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	93,230	192,003	113,439	107,045	57,943	46,199
2.	Loan Repaid	1,272,310	-	564,110	1,311,340	171,350	478,700
3.	Loan Taken	-	-	1,353,000	1,187,520	347,943	487,000
i	Madhusudan Nuwal -HUF						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	133,648	425,039	245,223	63,242	58,046	73,398
2.	Loan Repaid	1,937,770	100,000	261,200	1,162,520	223,000	1,279,440
3.	Loan Taken	-	-	8,675,000	1,306,918	348,046	987,000
j	Jugal Kishor Nuwal-HUF						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	9,061	138,091	107,032	41,950	24,321	75,732
2.	Loan Repaid	82,090	2,950,000	1,190,170	187,680	713,420	1,054,660
3.	Loan Taken	-	800,000	2,416,210	837,755	317,321	887,000
k	Harshit Nuwal						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Salary	498,000	480,000	-	-	-	-
l	Pradeep Kumar Pareek						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
	Salary	323,400	439,512	403,292	298,077	233,847	223,077

Company/entity owned or significantly influenced by directors/ KMP

a	Sita Software Pvt. Ltd						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	1,000,494	2,203,637	1,859,923	2,569,827	2,430,412	1,667,951
2.	Loan Repaid	2,600,000	6,592,256	14,288,189	17,338,802	15,681,678	12,590,000
3.	Loan Taken	-	3,572,851	16,550,000	3,081,844	18,957,371	25,562,000
4.	Purchase	10,750,697	95,878,401	78,689,971	122,148,153	119,389,629	120,203,439
5.	Sales	31,589,632	73,284,540	37,861,500	-	4,811,489	-
b	Seezoo Infotech Pvt. Ltd.						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	1,114,307	2,078,573	2,445,717	1,612,835	2,161,060	1,750,247
2.	Loan Repaid	2,720,000	4,108,000	4,709,000	17,025,298	8,609,000	14,052,000
3.	Loan Taken	-	2,799,425	21,369,761	7,204,655	9,944,954	25,550,000
4.	Purchase	-	21,633,574	30,896,426	23,267,537	5,175,553	57,136,906
5.	Sales	35,399,573	129,753,157	60,395,750	106,986,656	115,708,627	64,007,890
b	Exclusive.com Private Limited						
Sr. No.	Nature of Transaction	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
1.	Interest	-	-	-	-	-	233,803
2.	Loan Repaid	-	-	-	-	-	-
3.	Loan Taken	-	-	-	-	3,944,784	1,786,000
4.	Purchase	5,377,704	75,591,073	-	30,954,209	50,766,963	-
5.	Sales	1,275,025	28,204,125	7,078,200	8,828,127	72,600	66,341,921

ANNEXURE – S
STATEMENT OF CAPITALISATION

(Amt. in Rs.)

Particulars	Pre-Issue	Post-Issue
	30/09/2015	
Debt :-		
Short Term Debt	336,723,979	336,723,979
Long Term Debt	464,719,068	464,719,068
Total Debt	801,443,047	801,443,047
Shareholders' Fund (Equity) :-		
Share Capital	49,990,000	101,985,000
Reserves & Surplus	154,356,698	157,761,698
Less: Miscellaneous Expenses not w/off	-	
Total Shareholders' Fund (Equity)	204,346,698	259,746,698
Long Term Debt/Equity	2.27	1.79
Total Debt/Equity	3.92	3.09

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/03/2015
4. The Company has issued Bonus shares in the ratio 1:2 by Capitalising Free Reserves on 30.09.2015
5. For calculation of post issue Capitalization Statement, The figure of Short term/long term debt as appearing on 30/09/2015 has only been considered. Further Equity share capital and Security premium has been increased on account of bonus share in the ratio of 1:2 on existing shares of 49,99,900 as on 30th September 2015. Based on the information provided by the management Issue Related Expenses of Rs. 40 Lacs approx has been deducted from Security premium Account as shown in post issue capital. No verification of accounts post 30/09/2015 has been done by us.

ANNEXURE - T
STATEMENT OF TAX SHELTER

(Amt. in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Net Profit/(Loss) before taxes (A)	10638869	18785927	11574587	7026672	5299093	3893050
Tax Rate Applicable %	33.06%	32.45%	32.45%	30.90%	30.90%	30.90%
Minimum Alternate Taxes (MAT)	20.39%	20.01%	20.01%	19.06%	19.06%	18.54%
Adjustments						
Add: Depreciation as per companies act 1956	33,590,598	44,806,459	14,582,125	17,415,733	21,733,438	21,844,088
Add: Expenditure on Account of Interest on Delay payment of TDS and non Payment/Short payment of TDS	26,400	25,200	-	18,740	119,560	300,190
Add: Donation Paid not Allowed Under Income Tax (Net of Deduction Available if any)	8,500	50,100	45,500	57,600	10,356	42,556
Add: Provision for Gratuity - Disallowed u/s 43B (b)	523,562	92,255	930,619	441,360	466,641	525,810
Less: Depreciation as per Income Tax Act 1961	67,841,040	124,136,136	18,065,499	19,083,305	20,875,735	24,526,580
Net Adjustments (B)	(33,691,980)	(79,162,122)	(2,507,255)	(1,149,872)	1,454,260	(1,813,936)
Business Income (A+B)	(23,053,111)	(60,376,195)	9,067,332	5,876,800	6,753,353	2,079,114
Total Taxable Income	(23,053,111)	(60,376,195)	9,067,332	5,876,800	6,753,353	2,079,114
Tax Payable as per Normal Rate	(7,622,050)	(19,589,057)	2,941,896	1,815,931	2,086,786	642,446
Tax Payable as per Special Rate	-	-	-	-	-	-
Tax as per Income Tax (C)	(7,622,050)	(19,589,057)	2,941,896	1,815,931	2,086,786	642,446
Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act 1961 (D)	2,169,143	3,758,641	-	1,338,932	1,009,742	721,771
Net Tax (Higher of C & D)	2,169,143	3,758,641	2,941,896	1,815,931	2,086,786	721,771
Current tax as per restated Statement of Profit & Loss	2,169,143	3,758,641	2,941,896	1,815,931	2,086,786	721,771

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

ANNEXURE – U
RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES

(Amt. in Rs.)

Particulars	As at					
	30/09/2015	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Contingent liabilities in respect of:						
Claims against the company not acknowledged as debts	1,193,390	1,193,390	-	-	-	-
Guarantees given on Behalf of the Company			447,417	447,417	1,816,000	2,046,000
Commitments (to the extent not provided for)	-	-	1,918,372	1,918,372	29,907,000	32,200,000
Total	1,193,390	1,193,390	2,365,789	2,365,789	31,723,000	34,246,000

STATEMENT OF FINANCIAL INDEBTEDNESS

To,

The Board of Directors,
SITARAM INDIA LIMITED,
F – 226, 227, G – 228, 229, IV TH Phase
RIICO Industrial Area,
Bhilwara – 311001, Rajasthan

Dear Sirs,

The principal terms of loans and assets charged as security as on 31st January, 2016 is as given below:

A. Secured Loan

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Amount in Rs.)

Name of Lender	Purpose	Sanction Amount/ Takeover amount	Rate of interest	Securities offered (Primary Security)	(Collateral & Other Security)	Re-payment	Mortatorium	Outstanding amount as on 31.01.2016 as per Bank Statement
Term Loan 1	For acquiring the Plant	930 Lakhs	12.25 %	Term Loans :- Term Loan facility from Bank of Baroda Comprises of 4 term loans. All the four term loans including current maturities are secured by way of	a) Equitable Mortgage of vacant residential plot situated at B-27, Babu Nagar Bhilwara,	Repayable in 30 equal quarterly installments of Rs. 31 Lacs. The 1st installment will commence from 01.04.2010	--	15059486

Term Loan 2	& Machinery	2780 Lakhs	12.45 %	first charge over entire Fixed assets (Present & Future) of the company including Equitable Mortgage of Factory Land & Building Situated at G-13,14 RIICO Industrial, Bhilwara and at F-226,227 & G-228,229, 4th Phase, RIICO Industrial area, Bhilwara in the name of M/s Swagat Synthetics Private Limited & personally guaranteed by all the 3 Directors & 5 Relatives of the Directors of the Company, viz Jagdish Prasad Nuwal, Anil Kumar Nuwal, Madhusudan Nuwal, Jugal Kishore Nuwal, Kanta Devi Nuwal, Mamta Nuwal, Sangeeta Nuwal & Madhu Nuwal. Personal Guarantee of relatives of the Directors are restricted to the value of their property/security mortgaged to the bank.	Measuring 3150 Sq Ft standing in the name of Smt Sangeeta Nuwal. b) Equitable Mortgage of vacant residential plot situated at B-28, Bapu Nagar Bhilwara, Measuring 5400 Sq Ft standing in the name of Smt Sangeeta Nuwal, Kanta Devi Nuwal, Mamta Nuwal & Madhu Nuwal. c) Assignment of LIC Policy standing in the name of Anil Nuwal & Madhu Suan Nuwal having Surrender Value of Rs. 8.18 Lacs as on 25.07.2013. Charge over entire current assets of the company present & future.	Repayable in 29 equal quarterly ballooning installments starting from 01/06/2016. First 14 installments of Rs. 70.00 Lacs each & next 15 installments of Rs. 120.00 Lacs each.	--	274137050
Term Loan 3		120 Lakhs	12.40 %			Repayable in 20 equal quarterly installments of Rs. 6 Lacs each. The 1st installment will commence from 01.10.2014	--	5500000
Term Loan 4		120 Lakhs	12.40 %			Repayable in 19 quarterly installments. First 18 installments of Rs. 6.25 Lacs each & last installment of Rs. 7.50 Lacs. The 1st installment will commence from 01.04.2015	--	3070000
Cash Credit - Working Capital Loan	For Working Capital Purposes	2000 Lakhs	12.25 %	1) Working Capital Facility worth Rs. 20.00 crore taken from Bank of Baroda is secured by way of first charge over entire current assets of the company. Eg. Raw materials, semi finished & finished goods, stores and spares parts, book debts & other current assets of the company lying in factory premises, godown, and office premises and or elsewhere in the name of M/s Swagat Synthetics Private Limited, Present & Future. & personally guaranteed by all the 3 Directors & 4 Relatives of the Directors of the Company, viz Jagdish	In addition to the above security, extension of charge over entire Fixed assets of the company (Present & Future)		--	153319024

				Prasad Nuwal, Anil Kumar Nuwal, Madhusudan Nuwal, Jugal Kishore Nuwal, Kanta Devi Nuwal, Mamta Nuwal, Sangeeta Nuwal & Madhu Nuwal. Personal Guarantee of relatives of the Directors are restricted to the value of their property/security mortgaged to the bank. The Loan is Repayable on demand				
Vehicle Loans-SBI	Car Loan	7 Lakhs	--	Hypothecation over respective asset	NIL	Repayable in 84 equal monthly installments of Rs. 11,881.	--	487541
Vehicle Loans-SBI	Car Loan	13.60 Lakhs	--	Hypothecation over respective asset	NIL	Repayable in 84 equal monthly installments of Rs. 23,083.	--	947205
Vehicle Loans-BOB	Car Loan	15.5 Lakhs	--	Hypothecation over respective asset	NIL	Repayable in 84 equal monthly installments of Rs. 26135.	--	1341860
Vehicle Loans-BOB	Car Loan	11 Lakhs	--	Hypothecation over respective asset	NIL	Repayable in 84 equal monthly installments of Rs. 18,404.	--	1034303

B. Un Secured Loan

(Amount in RS.)

Sr No..	Name and Relationship of Lender	Purpose	Rate of Interest	Repayment	Outstanding Amount in Lacs as per Books as on 30.09.2015
From Promoters/Directors/Related Parties :-					
1.	Anil Kumar Nuwal	Working Capital Requirement	12%	Repayable on demand	690,164
2.	Anil Kumar Nuwal-HUF	Working Capital Requirement	12%	Repayable on demand	2,061,167
3	Jagdish Prasad Nuwal	Working Capital Requirement	12%	Repayable on demand	347,198
4	Jagdish Prasad Nuwal-HUF	Working Capital Requirement	12%	Repayable on demand	544,570
5	Jugal Kishore Nuwal	Working Capital Requirement	12%	Repayable on demand	1,229,704

6	Jugal Kishore Nuwal-HUF	Working Capital Requirement	12%	Repayable on demand	94,184
7	Kanta Devi Nuwal	Working Capital Requirement	12%	Repayable on demand	849,107
8	Madhu Nuwal	Working Capital Requirement	12%	Repayable on demand	3,108,918
9	Madhu Sudan Nuwal	Working Capital Requirement	12%	Repayable on demand	258,319
10	Madhu Sudan Nuwal -HUF	Working Capital Requirement	12%	Repayable on demand	1,242,498
11	Mamta Nuwal	Working Capital Requirement	12%	Repayable on demand	356051
12	Sangeeta Nuwal	Working Capital Requirement	12%	Repayable on demand	449,384
13	Seezoo Infotech Private Limited	Working Capital Requirement	12%	Repayable on demand	18,409,865
14	Sita Software Private Limited	Working Capital Requirement	12%	Repayable on demand	16,442,634
15	Sunita Laddha	Working Capital Requirement	12%	Repayable on demand	858105
From Others/ Corporates:-					
16	Bodhraj subhash Chandra	Working Capital Requirement	12%	Repayable on demand	530,539
17	Rajendra Traders	Working Capital Requirement	12%	Repayable on demand	158,975
18	Kumar Enterprises-HUF	Working Capital Requirement	12%	Repayable on demand	530,450
19	Navkar Textile Agency	Working Capital Requirement	12%	Repayable on demand	52,992
20	Pushpa Munna Lal Sonigra	Working Capital Requirement	12%	Repayable on demand	76,376
21	Sneha Garments	Working Capital Requirement	12%	Repayable on demand	12,576
22	Sonigra BROS	Working Capital Requirement	12%	Repayable on demand	12,576
23	Aditya Fashion Pvt. Ltd.	Working Capital Requirement	12%	Repayable on demand	11,476,600
24	Alaska Commerce Pvt. Ltd.	Working Capital Requirement	12%	Repayable on demand	10,945,271
25	Cholmandalam Investment & Fin. Ltd.	Working Capital Requirement	12%	Repayable on demand	20,997,478
26	Arrow Exim Pvt. Ltd.	Working Capital Requirement	12%	Repayable on demand	10,953,856
27	Astha mangal Projects Pvt Ltd	Working Capital Requirement	12%	Repayable on demand	10,937,510
28	Fortune Future Pvt. Ltd.	Working Capital Requirement	12%	Repayable on demand	2,734,259
29	Kolahal Trading Pvt. Ltd.	Working Capital Requirement	12%	Repayable on demand	10,948,798
30	MR Weaving Mills Pvt. Ltd.	Working Capital Requirement	12%	Repayable on demand	4,239,342

31	Sona Tex Fab Pvt. Ltd.	Working Capital Requirement	12%	Repayable on demand	1,059,836
32	Venkateshwar Bunglow Pvt. Ltd.	Working Capital Requirement	12%	Repayable on demand	10,951,151

Apart from general restrictive covenants prevailing in Banking Industry, specific restrictive covenants attached to secured loan are as under:-

1. No borrowing from other banks/financial Institution on the security of assets mortgaged/hypothecated to Bank of Baorda without prior permission of the Bank of Baroda.
2. Not to undertake any change in the shareholding/directorship/ownership before obtaining prior permission of Bank of Baroda.
3. No payment of dividend and director remuneration if repayment of credit facilities given by bank/financial institution is defaulted.
4. Not to appoint director, a person who has been declared as defaulter by RBI
5. Not to grant loans to subsidiary /associate company(s) without any interest. (Interest Free)

For: Birani & Associates
Chartered Accountants
FRN: 003616C

R.C. Somani
Partner
Membership No. 008107

Date: 08th Feb, 2016
Place: Bhilwara

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

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “Risk Factors” beginning on page 14 and “Forward Looking Statements” beginning on page 13., which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for 6 months period ended September 30, 2015 and as of & for the fiscal years ended March 31, 2015, 2014, 2013, 2012 and 2011, including the schedules and notes thereto and the reports thereto, which appear in the section titled “Financial Information of the Company” on page 169 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.

Overview

Our Company is a vertically integrated textile company having its operations mainly in Bhilwara, Rajasthan and is promoted by Mr. Jagdish Prasad Nuwal, Mr. Anil Kumar Nuwal and Mr. Madhu Sudan Nuwal. Our Company is in the entire value chain right from manufacturing of fabrics, begins from yarn twisting upto weaving and packing of the finished product which basically involves cotton, polyester, viscose, denim, linen and other allied fabrics specifically for men's wear under the brand name of “Sitaram”, “Stardom” and “Swiss Arrow”.

Our Company commenced its operations in the year 1987 and was incorporated on September 24, 1987 as a private limited company under the provisions of Companies Act, 1956 with Registrar of Companies, Rajasthan, Jaipur. Our Company is engaged in the business of manufacturing of all types of fabrics which involve the weaving of yarn to production of fabrics. Further the processing of the fabric is outsourced by our Company. Additionally, our Company purchase shirting Fabrics from suppliers available in market which is in form of finish fabric and are marketable together with Suitings.

Further, our on-going manufacturing units are equipped with all equipment and facilities for manufacturing of fabrics from power looms along with all the other allied equipments. Our Company is also engaged in trading of fabrics and performs job work of weaving for many clients. Our Company based on its experience and its standards, conforms to major specifications and customer requirements. We firmly believe in benchmark product quality, customer centric approach, people focus, ethical business practices and good corporate citizenship. We draw our strength from an age old tradition of quality products in men's segment

Our Company's manufacturing activities are undertaken at two different units with total installation of 108 looms in both the units:

- i. Unit I is located at G – 13, 14, RIICO Industrial Area, Pur Road, Bhilwara – 311001, Rajasthan; and
- ii. Unit II is located at F-226,227, G-228,229, IVTH Phase RIICO Industrial Area, Bhilwara – 311001, Rajasthan

Initially in the year 1987, our Company has established the project of 28 CIMMCO Looms and which was replaced by 24 RUTI C Looms. Further in the year 2000, our Company has installed 10 PU and 6 Sulzer high speeds looms to enhance the manufacturing capacity. To improve production efficiency in weaving division, our Company has further discarded outdated old technologies CIMMCO, RUTI C looms, which had become uneconomic and unviable to operate upon and instead decided to install 72 automatic shuttle less rapier looms which was installed in three phases. These looms will improve the quality of fabric and will also consume less power.

In order to become more self-sufficient, support the existing operations and to further integrate, our Company has signed a Memorandum of Understanding dated August 06, 2015 with Commissioner Industries and Secretary, CSR on behalf of Government of Rajasthan in Resurgent Rajasthan Partnership summit held at Jaipur for setting of composite textile unit for manufacturing of Suiting's/shirting with 100 airjet/rapier looms, eco-friendly process house to process capacity 40 lacs metres fabrics per month and also 26000 spindles of PV yarn manufacturing. Also our Company through above Memorandum of Understanding will make an investment of Rs. 275 Crore for producing suiting's/shirting, processing of cotton and synthetics fabrics and manufacturing of PV yarn along with employment of 600 employees by the end September, 2017. Also the land and other facilities will be provided by the Government of Rajasthan.

Other Segments:-

Our Company is also engaged in construction of building and purchase of assets held for the purpose of stock in trade apart from textiles manufacturing. Our Company has successfully completed its projects for building construction of flats in Hyderabad, Andhra Pradesh. Along with construction business, Our Company is also engaged in toll business in which we have received a tender for toll collection from National Authority of India (NHAI) for National Highway-76 at toll Plaza located Narayanpura, Rajasthan which covers the distance from 113.83 km to 213 km from Rithola to Udaipur. NH-76 links Mirzapur in Uttar Pradesh to Pindwara in Rajasthan. The toll road of the Company has location advantage being satiated between Udaipur to Chittorgarh. Our Company has signed a Contract agreement with National Highway Authority of India dated November 07, 2014 for the period of one year which was successfully completed on November, 2015. Apart from above tender our Company has not filed any tender for toll collection as on the date of this Draft Prospectus. Both the businesses are part of the main Object of our Company along with textile business and which may carry by our Company in future.

SALIENT FEATURES OF OUR PRODUCTS:-

- Blended fabrics i.e. Cotton, Polysters and Viscose
- Excellent comfort
- Eco-friendly Products
- Wide range of Fabric Varieties
- Color Balance for Suiting's
- Latest technology for weaving
- Non-allergenic natural Fibre
- Structured/ Knit look Denim

OUR PRODUCTS PORTFOLIO:-

Our Product portfolio consists of the following:-

1. Suiting's
2. Denim
3. Linen Fabrics

OUR LOCATION:-

Registered Office	F-226,227, G-228,229, IVTH Phase RIICO Industrial Area, BHILWARA – 311001, Rajasthan
Factory	Unit I – G – 13, 14, RIICO Industrial Area, Pur Road, Bhilwara – 311001, Rajasthan
	Unit II - F-226,227, G-228,229, IVTH Phase RIICO Industrial Area, Bhilwara – 311001, Rajasthan

OUR BUSINESS STRENGTH:-**1. Integrated Manufacturing Facility:-**

We believe that our manufacturing unit is integrated and self sufficient in manufacturing of fabrics. The raw materials and consumables are readily available in the area from where we operate. All the equipments which is required for manufacturing the fabrics from yarn are placed in our factory except processing which are outsourced from local market. Our manufacturing unit undertakes the entire process of manufacturing the fabrics, which begins from yarn twisting upto weaving and packing of the finished product. For further details on the list of equipments owned by our Company, please refer the section “*Plant and Machinery*” under chapter titled “*Our Business*” beginning on page 108 of this Draft Prospectus.

2. Existing relationship with suppliers:-

We manufacture fabrics for our customers. We have acquired raw materials basically yarn from several suppliers and have maintained relationship with them for a long time. Although we do not have any contract for supply of yarn but we believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of raw materials. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn have enabled us to generate repeat business.

3. Management Expertise:-

Our Promoters are engaged in the Textiles business, which also form part of Board of Directors of our Company, have a proven background and rich experience of more than 25 years in the Textile industry. Also, our Company is managed by a team of experienced personnel. The team comprises of personnel having operational and business development experience. We believe that our management team’s experience and their understanding of the textile industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business, including significant competition, the global economic crisis and fluctuations in fuel prices.

4. Established Marketing Setup:-

Our Company was incorporated in the year 1987 and we are engaged in the manufacturing of fabrics since our incorporation in Bhilwara, Rajasthan. Over the years we have established a strong customer base and an unyielding marketing setup. We have separate divisions for marketing different types of products including combos of suiting and shirting for different geographical locations. We have dealers all over India covering major states which provide a platform to sell our Product and increase marketability of our Products.

5. Strategic Location of Manufacturing Unit / Locational Advantage:-

Our Company is situated at Bhilwara, Rajasthan where we have set up our registered office and manufacturing units, which is strategically located and is well connected by rail, roads and air with the rest of the country. Also Bhilwara is well known for textile industry which gives an advantage for easy availability of raw material. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Additionally the processing which is outsourced by our Company is easily available due to availability of many processing mills in Bhilwara. Further it also provides easy marketing to our Products. Hence the location of the site is advantageous to the company in transportation of Raw materials as well as the finished products.

6. Cost effective production and timely fulfillment of orders:-

Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve greater cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality yarn, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers of yarns which is the primary raw material for our products and as a consequence we have the benefit of timely supplies of the raw materials

which has been one of the major reasons why we have been able to achieve timely fulfillment of orders of our customers. Our Company constantly endeavors to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

OUR BUSINESS STRATEGIES:-

1. Leveraging our Market skills and Relationships:-

This 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. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

2. To build-up a professional organization:-

As an organization, we believe in transparency and commitment in our work and with our customers and dealers. We have an experienced team for taking care of our manufacturing process and our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

3. Optimal Utilization of Resources:-

Our Company constantly endeavors to improve our service process, and will increase manufacturing process to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

4. Backward Integration:-

Presently, we are purchasing yarn from outside parties for weaving of fabric. In future we intend to enter into spinning of yarns which will enable us to have a meet our raw material requirement internally thereby reducing our dependence on outsiders and thereby becoming fully integrated ranging from fibre to fabric.

5. Enhance customer base by entering new geographies to establish long-term relationships:-

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. Our Company operates from Bhilwara Rajasthan with having dealers all over India. We propose to increase our marketing and sales team which can focus in different regions and also maintain cordial relationship with our customer. Enhancing our presence in additional region will enable us to reach out to a larger population. Further our Company believes in maintain long term relationship with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovations, quality assurance and timely delivery of our products.

6. Creativity:-

Our Company has always been driven by the quest to develop something new and constantly strives to develop better products which appeal to our constantly growing customer base. Also our company provides mix and match combos to attract our customers and dealers. This spirit has helped us to evolve as a trendsetter in our field of operations. Our Company's forte lies in its ability to translate its vision into realities using, technology and personnel who successfully supervise each new venture undertaken.

SWOT ANALYSIS:-

STRENGTHS <ul style="list-style-type: none"> ➤ Experienced Management Team ➤ State of Art Manufacturing Facility ➤ Strong Promoter Background ➤ Quality Products 	WEAKENESS <ul style="list-style-type: none"> ➤ Working Capital Intensive Business ➤ High Labour Turnover of Workers
OPPORTUNITIES <ul style="list-style-type: none"> ➤ Favorable Consumer Demographics ➤ Huge Growth Potential in Domestic and International Market 	THREATS <ul style="list-style-type: none"> ➤ Increased Competition from Local & Big Players. ➤ Unorganized Sector ➤ Volatile Markets depending upon availability of Supply of Raw Material

SALES AND MARKETING:-

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our Group for a long period. Our promoters, Mr. Anil Kumar Nuwal and Mr. Madhu Sudan Nuwal, through their vast experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, we regularly interact with them and focus on gaining an insight into the designs and other additional needs of such customers. With large sales potential, low infrastructure costs, raw material proximity and the availability of professional expertise of our Promoters, we plan to grow geographically.

Marketing Strategy:

We intend to focus on following marketing strategies:

1. Focus on existing markets and increasing our customer base.
2. Appointment of Dealers & Wholesaler in new market.
3. Emphasizing on providing Value Added Services.
4. Continuously holding markets Trends.

COMPETITION:-

Much of the market in which we operate is unorganized and fragmented with many small and medium-sized entities. We face substantial competition for our products from other manufacturers in domestic market. Our competition varies for our products and regions. We compete with other manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our major competitors are:-

- Sangam (India) Limited
- RSWM Limited

SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST FINANCIAL YEAR:-

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Draft Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. The authorized capital of the Company was increased from ₹ 49,990,000/- divided into 49,99,000 Equity Shares of ₹ 10/- each to ₹ 15,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹10/- each vide shareholders Resolution dated November 20, 2015.
2. Company has allotted 2,499,500 Bonus Shares in the ratio of 1:2 to existing shareholders by capitalization ₹ 24,995,000 from Reserve and surplus vide shareholder resolution dated January 04, 2016.
3. Company name was converted from Swagat Synthetics Private Limited to Sitaram Fashion Private Limited vide shareholders resolution dated September 30, 2015 and received a fresh Certificate of Incorporation dated October 16, 2015, further name of our Company changed from Sitaram Fashion Private Limited to Sitaram India Private Limited vide shareholder resolution dated November 20, 2015 and received a fresh Certificate of Incorporation dated November 27, 2015 and further company was converted from Private Limited to Public Limited Company vide shareholder resolution dated December 07, 2015 received a fresh Certificate of Incorporation dated December 28, 2015 upon conversion to Public Limited Company.
4. We have passed a special resolution in shareholders meeting dated January 04, 2016 authorizing the Board of Directors to raise funds by making an Initial Public Offering up to Rs. 800.00 Lacs.
5. We have appointed Mr. Archit Laddha as Independent Director of the Company with effect from January 27, 2016 for a period of five years.
6. We have appointed Mr. Gaurav Bharti as Independent Director of the Company with effect from January 27, 2016 for a period of five years.
7. We have appointed Mrs. Surabhi Choudhary as Independent Director of the Company with effect from January 27, 2016 for a period of five years.
8. We have changed the designation of Mr. Anil Kumar Nuwal from Managing Director to Managing Director in shareholders meeting dated February 03, 2016 for a period of five years w.e.f. February 03, 2016.
9. We have changed the designation of Mr. Jagdish Prasad Nuwal from Director to Chairman & Whole-Time Director in shareholders meeting dated February 03, 2016 for a period of three years w.e.f. February 03, 2016.
10. We have changed the designation of Mr. Madhu Sudan Nuwal from Director to Whole-Time Director in shareholders meeting dated February 03, 2016 for a period of five years w.e.f. February 03, 2016.
11. Registered Office of the Company was changed from 48, main sector, shastri nagar, Bhilwara-31100, Rajasthan to F-226,227, G-228-229, IVTH phase, RIICO Industrial Area, Bhilwara-311001, Rajasthan vide Board Resolution dated September 29, 2015.
12. We have appointed Mr. Pradeep Kumar Pareek as Chief Financial Officer of the Company with effect from January 28, 2016.
13. We have appointed Mrs. Devika Maheshwari as Company Secretary & Compliance officer of the Company with effect from from January 28, 2016.
14. Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated January 28, 2016, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of the Company’s Equity shares on SME platform of NSE (“NSE Emerge”).
15. Our Company has formed the Stakeholders Relationship Committee vide Board Resolution dated January 28, 2016.

16. Our Company has formed the Nomination and Remuneration Committee vide Board Resolution dated January 28, 2016

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-

Our results of operations could potentially be affected by the following factors amongst others:

1. Disruption in our fabric manufacturing facilities.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
5. Disruption in supply of Raw Materials.
6. Changes in laws and regulations relating to the industries in which we operate;
7. Effect of lack of infrastructure facilities on our business;
8. Increased in prices of Raw Material
9. Occurrence of Environmental Problems & Uninsured Losses;
10. Intensified competition in industries/sector in which we operate;
11. Our ability to successfully implement our growth strategy and expansion plans;
12. Our ability to meet our capital expenditure requirements;
13. Our ability to attract, retain and manage qualified personnel;
14. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
15. Changes in political and social conditions in India or in countries that we may enter, 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;
16. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. The performance of the financial markets in India and globally;
19. Any adverse outcome in the legal proceedings in which we are involved;
20. Our ability to expand our geographical area of operation;
21. Concentration of ownership among our Promoters.

Our Significant Accounting Policies:

Our significant accounting policies are described in the section entitled “*Financial Information of the Company*” on page 169 of this Draft Prospectus.

Change in accounting policies in previous 3 (three) years

Except as mentioned in chapter “*Financial Information of the Company*” on page 169 , there has been no change in accounting policies in last 3 (three) years.

Summary of the Results of Operations

The following table sets forth financial data from restated profit and loss account for the Period ended September 30, 2015 and financial Year ended on March 31, 2015, 2014, 2013, 2012 the components of which are also expressed as a percentage of total income for such periods.

(₹ in Rs.)

Particulars (For the Year ended)	30th September 2015	% of Total Income	31st March 2015	% of Total Income	31st March 2014	% of Total Income	31st March 2013	% of Total Income	31st March 2012	% of Total Income
Revenue from Operation	857,013,078	99.84	1,123,193,252	98.91	607,147,962	99.46	548,281,417	99.96	542,307,243	99.98
Other Income	1,335,324	0.16	12,360,103	1.09	3,278,469	0.54	213,083	0.04	88,768	0.02
Total Income	858,348,402	100.00	1,135,553,355	100.00	610,426,431	100	548,494,500	100.00	542,396,011	100.00
Expenditure:										
Cost of Material Consume	133,024,837	15.50	268,617,137	23.66	227,290,179	37.23	184,022,719	33.55	154,415,130	28.47
Purchases of Traded Goods	560,270,063	65.27	631,966,509	55.65	172,032,790	28.18	188,311,106	34.33	192,787,671	35.54
Changes in inventories	(16,172,289)	-1.88	(35,804,000)	(3.15)	12,653,252	2.07	(18,728,851)	-3.41	8,883,355	1.64
Employee benefits expense	29,904,806	3.48	42,614,744	3.75	37,257,322	6.10	32,155,152	5.86	28,097,450	5.18
Finance costs	29,029,539	3.38	39,258,077	3.46	32,666,174	5.35	33,418,891	6.09	29,054,185	5.36
Depreciation and amortization expense	33,590,598	3.91	44,806,459	3.95	14,582,125	2.39	17,415,733	3.18	21,733,438	4.01
Administrative & Other exp.	78,061,980	9.09	125,308,502	11.04	102,370,002	16.77	104,873,079	19.12	102,125,689	18.83
Total Expenses	847,709,533	98.76	1,116,767,428	98.35	598,851,844	98.10	541,467,828	98.72	537,096,918	99.02
Net Profit before tax, exceptional & extra-ordinary items:	10,638,869	1.24	18,785,927	1.65	11,574,587	1.90	7,026,672	1.28	5,299,093	0.98
Exceptional E.ordinary items	-	-	-	-	-	-	-	-	-	-
Net Profit before tax	10,638,869	1.24	18,785,927	1.65	11,574,587	1.90	7,026,672	1.28	5,299,093	0.98
Provision for Tax:										
- Current Tax	21,69,143	0.25	3,758,641	0.33	2,941,896	0.48	1,815,931	0.33	2,086,786	0.38
-MAT Credit (Entitlement) /Set-Off	(19,69,561)	-0.23	(3,782,141)	(0.33)	48,275	0.01	389,326	0.07	6,856	0.00
- Deferred Tax Liability / (Asset)	29,78,570	0.35	(11,949,371)	(1.05)	1,176,703	0.19	(266)	0.00	755,242	0.14
-Short/(Excess) Provision of Earlier Years	-	-	-	-	-	-	-	-	-	-
Restated profit after tax from continuing operations	7,460,716	0.87	30,758,797	2.71	7,407,713	1.21	4,821,681	0.88	2,450,209	0.45

Key Components of Company's Profit And Loss Statement

Revenue from Sale of Service: Revenue from operations mainly consists of manufacturing and sale of fabrics i.e. suiting, denim and linen.

Other Income: Other income primarily comprises of Interest Income.

Expenses: Company's expenses consist of cost of raw material consumed, employee benefits expense, finance costs, depreciation and amortization expense and Administration & other expenses.

Change in inventories of finished Goods, WIP and Stock-in-Trade:- It includes inventory, WIP & finished goods of fabrics

Employee Benefits Expense: Employee benefit expense includes Salaries and Wages and Staff Welfare Expenses, Contribution to ESIC & PF, Bonus to Employees and Provision for Gratuity.

Finance Costs: Finance cost comprises interest on Indebtedness, Bank and other Finance charges.

Depreciation and Amortization Expense: We recognize Depreciation and Amortization expense on a Straight Line Method (SLM method) as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

Administration & Other Expenses: Other expenses include rent, electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc.

Financial Performance Highlights for the half year ended 30th September, 2015

Total Income:

The company's total income during the half year ended September 30, 2015 was ₹ 8583.48 Lacs. The revenue from Sale of fabrics was ₹ 8570.13 Lacs which comprised 99.84 % of company's total income for the half year ended September 30, 2015.

Total Expenses:

The total expenditure during the half year ended September 30, 2015 was ₹ 8477.10 Lacs. The total expenditure represents 98.76% of the total revenue. The total expenses are represented by Cost of Service, Employee Benefits Expense, Finance Costs, Depreciation and Amortization Expense, Other Expenses for Administrative and Selling. The main constituent of total expenditure is Purchase of stock in trade, which is ₹ 5602.70 Lacs.

Profit/ (Loss) after tax:

The restated net profit during the half year ended September 30, 2015 was ₹ 74.60 Lacs representing 0.87% of the total revenue of the Company.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014

Total Income:

During the year 2014-15 the total revenue of the company increased to ₹ 11355.53 Lacs as against ₹ 6104.26 Lacs in the year 2013-14, representing an increase of 86.03% of the total revenue. This increase was mainly due to increase in sale of fabrics

Other Income:

Other income of the Company for the year 2014-15 was ₹ 123.60 Lacs in comparison with ₹ 32.78 Lacs for F.Y. 2013-14.

Total Expenses:

The total expenditure for the year 2014-15 increased to ₹ 11167.67 Lacs from ₹ 5988.52 Lacs in year 2013-14, representing an increase of 86.48% to the previous year. This was due to surge in volume of business, which resulted in increase in expenses viz. Cost of purchase of Stock and raw material and other expenses.

Cost of Material Consumed

The Cost of Material Consumed for the year 2014-15 increased to ₹ 2686.17 Lacs from ₹ 2272.90 Lacs, representing an increase of 18.18% to the 2013-14. This was due to surge in volume of business, which resulted in increase in the amount of Cost of Material Consumed.

Employee Benefits Expense:

The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increase to ₹ 426.15 Lacs during the F.Y. 2014-15 from ₹ 372.57 Lacs in the previous year 2013-14.

Finance Costs:

Finance cost for the year 2014-15 decreased to ₹ 392.58 Lacs as against ₹ 326.66 Lacs of the year 2013-14. This increase in amount was due to increase in borrowings of the Company.

Depreciation and Amortization Expense:

Depreciation for the year 2014-15 stood at ₹ 448.06 Lacs calculated at SLM method as per companies Act. For the year 2013-14 the same was ₹ 145.82 Lacs.

Other Expenses:

Other expenses include rent, electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc. These expenses were for the year 2014-15 increased to ₹ 1253.09 Lacs as against ₹ 1023.70 Lacs of the year 2013-14.

Profit/ (Loss) Before Tax

The company's profit before tax for F.Y. 2014-15 increase to ₹ 187.86 Lacs from ₹ 115.75 Lacs in the year 2013-14 representing a increase of 62.30% to the previous year.

Profit/ (Loss) After Tax

For the year 2014-15 the profit stood at ₹ 307.59 Lacs as against the profit of ₹ 74.08 Lacs for the year 2013-14, representing an increase of 315.21 % to the previous year.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2014 WITH FISCAL 2013**Total Income:**

During the F.Y. 2013-14 the total income of the Company decreased to ₹ 6104.26 Lacs as against previous financial year 2012-13 of ₹ 5484.94 Lacs representing an increase of 11.29 %. This increase was mainly due to increase in revenue from sale of fabric in FY 2013-14 which has increased to ₹ 6071.47 Lacs from ₹ 5482.81 Lacs in FY 2012-13.

Total Expenses:

Total expenditure for the F.Y. 2013-14 decreased to ₹5988.52 Lacs from ₹ 5414.68 Lacs in FY 2012-13 an increase of 10.60%. This was due to decrease in volume of business, which resulted in decrease in expenses viz. Cost of material sold, employees benefit expenses, changes in inventory of Finished Goods and other expenses.

Employee benefits expense:

Employee benefits expense decreased to ₹ 372.57 Lacs in the year F.Y 2013-14 from ₹ 321.55 Lacs in FY 2012-13, i.e. a increase of 15.87% This was also due to decrease in business activities and employee turnover in the Company.

Finance Costs:

Finance costs increased to ₹ 326.66 Lacs in F.Y 2013-14 as compared to F.Y 2012-13 in which it was ₹ 334.19 Lacs

Depreciation and amortization expense:

Depreciation and amortization expense decreased in FY 2013-14 to ₹ 145.82 Lacs from ₹ 174.16 Lacs compare to previous year FY 2012-13.

Other expenses:

Other expenses for the F.Y 2013-14 decreased to ₹ 1023.70 Lacs whereas it was ₹ 1048.73 Lacs in previous F.Y. 2012-13.

Net Profit before tax:

Net Profit before tax for the F.Y 2013-14 increased to ₹ 115.75 Lacs as against ₹ 70.27 Lacs of the previous year 2012-13. The increase in profit was 64.72 % due to the decreased expenses during the year.

Profit after tax:

The Restated profit after tax for the F.Y 2013-14 increased to ₹ 74.08 Lacs as against ₹ 48.22 Lacs in the previous year 2012-13, and increase of 53.62%

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2013 WITH FISCAL 2012**Total Income:**

During the F.Y. 2012-13 the total income of the Company increased to ₹ 5484.95 Lacs as against previous F.Y. 2011-12 of ₹ 5423.96 Lacs representing an increase of 1.12%. This increase was mainly due to increase in revenue from sale of fabrics in FY 2012-13 which has increased to ₹ 5482.81 Lacs from ₹ 5423.07 Lacs in FY 2011-12.

Total Expenses:

Total expenditure for the F.Y. 2012-13 increased to ₹ 5414.68 Lacs from ₹ 5370.97 Lacs in FY 2011-12 an increase of 0.81%. This was due to increase in volume of Sales.

Employee benefits expense:

Employee benefits expense increased to ₹ 321.55 Lacs in the year F.Y 2012-13 from ₹ 280.97 Lacs in its previous year 2011-12, i.e. an increase of 14.44%. This was also due to increase in business activities and rise in revenue of the Company.

Finance Costs:

Finance costs decreases to ₹ 334.19 Lacs in F.Y 2012-13 as compared to F.Y 2011-12 in which it was ₹ 290.54 Lacs

Depreciation and amortization expense:

Depreciation and amortization expense decreased in FY 2012-13 to ₹ 174.16 Lacs from ₹ 217.33 Lacs compare to previous year FY 2011-12.

Other expenses:

Other expenses for the F.Y 2012-13 increased to ₹ 1048.73 Lacs whereas it was ₹ 1021.26 Lacs in previous F.Y. 2011-12.

Net Profit before tax:

Net Profit before tax for the F.Y 2012-13 increases to ₹ 70.27 Lacs as against ₹ 52.99 Lacs of the previous year 2011-12. The increase in profit was 32.60% due to the increased exceptional and prior period income during the year.

Profit after tax:

The Restated profit after tax for the F.Y 2012-13 increases to ₹ 48.22 Lacs as against profit of ₹ 24.50 Lacs in the previous year 2011-12, and increase of 96.81%

Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that may materially affect or likely to affect income 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.

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 14 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Our Company’s future costs and revenues will be determined by demand/supply situation in Textile sector, government policies and prices quoted by our suppliers.

5. Total turnover of each major industry segment in which our Company operates

The Company is in the business of the manufacturing of fabrics. Relevant industry data, as available, has been included in the chapter titled “**Industry Overview**” beginning on page 98 of this Draft Prospectus.

6. Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of our fabrics business.

7. Status of any publicly announced New Products or Business Segment

Our Company has not announced any new product.

8. Seasonality of business

Our Company's business is not seasonal in nature.

9. Dependence on few customers/ clients

The percentage of contribution of our Company's Top Customers/Clients for the year ended September 30th, 2015 is as follows:

	Customer/Client	Suppliers
Top 10(%)	25.56%	16.24%

10. Competitive conditions

Competitive conditions are as described under the Chapters "**Industry Overview**" and "**Our Business**" beginning on pages 98 and 108 respectively of the Draft Prospectus.

11. Details of material developments after the date of last balance sheet i.e. September 30th, 2015

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing the Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company. Significant developments since the last audited balance sheet as on September 30th, 2015 till the date of the Draft Prospectus is as follows:-

The authorized capital of the Company was increased from ₹ 4,99,90,000/- divided into 49,99,000 Equity Shares of ₹ 10/- each to ₹ 15,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 10/- each vide shareholder Resolution dated November 20, 2015.

Our Company has issued Bonus Shares in the ratio of 1:2 to our equity shareholder dated January 4, 2016 for further details of the same, please see chapter Titled "**Capital Structure**" beginning on Page 50 of this Draft Prospectus.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT

Except as stated in this Draft Prospectus, there are no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding initiated for economic offences or civil offences or litigation for tax liabilities against our Company, our Directors or our Promoters or companies promoted by our Promoters and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters or Directors, no legal action has been pending or taken by Ministry or Department of the Government or a statutory authority against our Promoters during the last five years immediately preceding the year of the issue of this Draft Prospectus. Further, except as stated in this Draft Prospectus, there are no past cases in which penalties have been imposed on our Company or our Promoters, Directors or companies promoted by our Promoters or our Subsidiary by concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company.

The Listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India. Neither our Company nor its Promoters, members of the Promoter Group, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this Section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

For details of Contingent Liabilities of our Company, please refer to “Notes to Financial Statements” as restated” under the Section titled “*Financial Information of the Company*” beginning on page no. 169 of this Draft Prospectus.

The details of the relevant proceedings have been classified as follows:

- A. Proceedings Initiated Against our Company (Criminal, Civil and Tax);
- B. Proceedings Initiated By our Company (Criminal, Civil and Tax);
- C. Proceedings Initiated Against Promoters and Directors of our Company;
- D. Proceedings Initiated by Promoters and Directors of our Company;
- E. Proceedings Initiated Against Our Group Companies;
- F. Proceedings Initiated by Our Group Companies;
- G. Details of past cases where penalties were imposed on our Company, Promoters, Directors, an Firm where any Promoter is a Partner, any HUF where any Promoter is a Karta, and any Trust where any Promoter is a Trustee, and details of Past Defaults of our Company;
- H. List of creditors to whom the Company owes a sum exceeding Rs. One Lac, outstanding for more than thirty days;
- I. Material Developments

A. PROCEEDINGS INITIATED AGAINST OUR COMPANY

1. Litigation involving Civil Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Securities and Economic Laws

Nil

4. Litigation involving Labour Laws

Nil.

5. Litigation involving Taxation

1. A Demand notice was issued to our Company Sitaram India Limited formally known as Swagat Synthetics Pvt. Ltd. (hereinafter referred to as the "Company") for Assessment Year 2012-2013 under section 156, Income-Tax Act, 1961 by the Deputy Commissioner of Income Tax Circle, Bhilwara, dated 27.03.2015. In furtherance of the same an Assessment Order under section 143 (2) of the Act of 1961 came to be passed on the same date wherein it was stated that assessee has filed its e-return of income on 11.09.2012, declaring the income at Rs. 36,51,450/-. After scrutiny through CASS, Notice u/s 143(2), dated 24.09.2013 was issued. In compliance of the same, the assessee has filed copies of accounts and audit reports u/s 44AB in form No. 3CA and 3CD, dated 01.08.2012. Notice u/s 142(1) & query letter dated 13.05.2014 was issued fixing the hearing date as 21.05.2014. However, it was found in the proceedings that some expenses claimed in the P&L Account are wrongly claimed or are non-incidental to the business the disallowances are made such as (i) The Id. A.O. has made an addition of Rs 24,44,000/- on account of Unexplained Money u/s 69A of the Income Tax Act 1961, being the difference of the fair market value (FMV) of the flats sold as per the valuation report of the Valuation Officer-II, Hyderabad & transaction value at which transaction held between the assessee i.e. seller & the buyer of the property, (ii) Out of Sales Commission Expenses of Rs. 2,00,000/- and (iii) Out of Sales Incentive of Rs. 1,80,000/-. The total income after the addition of inadmissible items and additions as per order and after deduction of depreciation and set off of unabsorbed depreciation out of brought forwarded depreciation is Rs.66,33,520/-. Similarly, out of the total Income by deducting taxes and interest, it has been determined that the demand of Rs 11,93,390/- has to be given by the assessee and further penalty notice u/s 271 (1)(c) of IT Act, 1961 was also directed to be issued. The Company has filed an appeal against the aforesaid order before Commissioner of income Tax (Appeals). At present the matter is still pending with authorities.
2. A Show Cause Notice dt.03.11.2015 was received by our Company Sitaram India Limited formally known as M/S Swagat Synthetics Pvt. Ltd. (hereinafter referred to as the "Company") with regard to recovery of lapse of Cenvat balance amounting to Rs. 34,72,048/- and why this amount should not be ordered to have lapsed under the provisions of Rule 11 (3)(i) & (ii) of the Cenvat Credit Rules , 2004 and the same also proposed penalty under Rule 15 (i) of aforesaid rules. The Company replied to the aforesaid show cause notice vide their reply dt.28.11.2015 inter-alia stating that the balance of input credit has been rightly carried forward as the Rule 11 (3) were not in existence at the time of opting exemption under Notification no. 30/2004-CE and the same was substantiated alongwith relevant case laws. After submission of the reply of the Company there has been no further communication from the concerned department.
3. A notice u/s 143(2) of the Income Tax Act, 1961 was received by our Company Sitaram India Limited formally known as Swagat Synthetics Pvt. Ltd. (hereinafter referred to as the "Company"), issued by the Office of the DCIT Circle, Bhilwara dated 02.09.2014 wherein it is mentioned that further information on certain points in connection with the return of income submitted by you on 21.08.2013 for the assessment year 2013-14 was required by the authority. The matter is still pending with authorities for final assessment.
4. A notice u/s 143(2) of the Income Tax Act, 1961 was received by our Company Sitaram India Limited formally known as Swagat Synthetics Pvt. Ltd. (hereinafter referred to as the "Company"), issued by the Office of the DCIT Circle, Bhilwara dated 01.09.2015 wherein it is mentioned that further information on certain points in connection

with the return of income submitted by you on 24.09.2014 for the assessment year 2014-15 was required by the authority. The matter is still pending with authorities for final assessment.

5. The Company had outstanding demand on account of short deduction of TDS, Interest and late filing of TDS Return cumulative amounting Rs. 490090/- . The Demand of Rs. 27010 related to financial year 2008-09 and further demand of Rs.19870/-, Rs. 253310/-, Rs. 119560/-, Rs. 18740/-, Rs. 25200/- and Rs. 26400/- related to financial year 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 respectively. Hence the cumulative demand of total amounting Rs. 490090/- is due as per the current status. The matter is still pending before the Competent Authorities.

B. PROCEEDINGS INITIATED BY OUR COMPANY**1. Litigation involving Civil Laws**

Nil

2. Litigation involving Company Laws

Nil

3. Litigation involving Criminal Laws

Nil

4. Litigation involving Securities and Economic Laws

Nil

5. Litigation involving Labour Laws

Nil

6. Litigation involving Taxation

Nil

7. Notices from Statutory Authorities

Nil

C. PROCEEDINGS INITIATED AGAINST PROMOTERS AND DIRECTORS OF OUR COMPANY**1. Litigation involving Civil/Statutory Laws**

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Economic Offenses

Nil

4. Litigation involving Tax Liabilities

Nil

D. PROCEEDINGS INITIATED BY PROMOTERS AND DIRECTORS OF OUR COMPANY

1. Litigation involving Civil/Statutory Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Economic Offenses

Nil

4. Litigation involving Tax Liabilities

E. PROCEEDINGS INITIATED AGAINST OUR GROUP COMPANIES/ENTITIES

1. Litigation involving Civil/Statutory Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Economic Offenses

Nil

4. Litigation involving Tax Liabilities

1. A Demand notice was issued to our Group Company Sita Software Pvt. Ltd. (hereinafter referred to as 'Company') for Assessment Year 2012-2013 under section 156, Income-Tax Act, 1961 by the Income Tax Officer, Ward-23(4), C.R.Bldg, New Delhi-2, dated 25/03/2015. In furtherance of the same an Assessment Order under section 143 (2) of the Act of 1961 came to be passed on the same date wherein it was stated that assessee has filed its return of income declaring the income of Rs. 1,27,550/- which was then scrutinized and a notice was issued for compliance. Further, the expenditure incurred on dividend earning investment, is calculated as under as per the provisions of Section 14A of I.T. Act, 1961 read with rule 8D of the Act, 1961 wherein the value of investment in dividend earning Scripps as on 31.03.2011 is Rs. 78,00,560/- and one-half percent of the average value of investment where dividend income earned is added, which is Rs 39,003/-, which is disallowed u/s 14A of the Act of 1961. Therefore, the total income accumulated to Rs. 1,66,553/- and thereafter the interest will be charged as per law. Similarly, out of the Total Income by deducting taxes and interest, it has been determined that the Demand of Rs.15,690/- has to be submitted by the assessee.
2. A notice u/s 142(1) of the Income Tax Act, 1961 was received by our Group Company Sita Software Pvt. Ltd. (hereinafter referred to as the "Company"), issued by the Office of the ITO Company Ward 23(4), New Delhi dated 27.01.2016 wherein it is mentioned that further information on certain points in connection with the return of

income submitted by the Company for the assessment year 2013-14 was required. The matter is still pending with authorities

3. A notice u/s 143(2) of the Income Tax Act, 1961 was received by our Group Company Sita Software Pvt. Ltd. (hereinafter referred to as the "Company"), issued by the Office of the ITO Company Ward 8(1), New Delhi dated 08.09.2015 wherein it is mentioned that further information on certain points in connection with the return of income submitted by the Company for the assessment year 2014-15 was required. The matter is still pending with authorities
4. A notice under section 221(1) of the Income Tax Act, 1961 was received by our Group Company Seezoo Infotech Pvt. Ltd. (hereinafter referred to as the "Company"), issued by the Office of the ITO Company Ward 23(1), New Delhi dated 18.05.2015 for outstanding demand related to A.Y 2012-13 amounting Rs. 13740/- was due as on the date of the notice. The Company in reply of above letter stated that refund of Rs. 229480/- was claim in return filed for A.Y 2012-13 dated 22.08.2012 and the demand of Rs. 13740/- can be adjusted from refund amount due as per Income Tax Return. The matter is still pending with authorities.
5. A notice u/s 143(2) of the Income Tax Act, 1961 was received by our Group Company Seezoo Infotech Pvt. Ltd. (hereinafter referred to as the "Company"), issued by the Office of the ITO Company Ward 8(1), New Delhi dated 02.09.2014 wherein it is mentioned that further information on certain points in connection with the return of income submitted by the Company on 21.08.2013 for the assessment year 2013-14 was required. The matter is still pending with authorities
6. A notice u/s 143(2) of the Income Tax Act, 1961 was received by our Group Company Seezoo Infotech Pvt. Ltd. (hereinafter referred to as the "Company"), issued by the Office of the ITO Company Ward 8(1), New Delhi dated 28.08.2015 wherein it is mentioned that further information on certain points in connection with the return of income submitted by the Company on 06.09.2014 for the assessment year 2014-15 was required. The matter is still pending with authorities
7. A notice u/s 143(2) of the Income Tax Act, 1961 was received by our Group Entity i.e. M/s Anil Kumar Nuwal HUF, issued by the Office of the DCIT Circle, Bhilwara dated 18.09.2015 wherein it is mentioned that further information on certain points in connection with the return of income submitted by you on 30.07.2014 for the assessment year 2014-15 was required by the authority. The matter is still pending with authorities for final assessment.
8. A notice u/s 143(2) of the Income Tax Act, 1961 was received by our Group Entity i.e. M/s Madhu Sudan Nuwal HUF, issued by the Office of the DCIT Circle, Bhilwara dated 18.09.2015 wherein it is mentioned that further information on certain points in connection with the return of income submitted by you on 30.07.2014 for the assessment year 2014-15 was required by the authority. The matter is still pending with authorities for final assessment.

F. PROCEEDINGS INITIATED BY OUR GROUP COMPANIES/ENTITIES

1. Litigation involving Civil Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Securities and Economic Laws

Nil

4. Litigation involving Labour Laws

Nil.

5. Litigation involving Taxation

Nil

G. PAST CASES IN WHICH PENALTIES HAVE BEEN IMPOSED ON OUR COMPANY OR OUR PROMOTERS, DIRECTORS OR COMPANIES PROMOTED BY OUR PROMOTERS OR OUR SUBSIDIARY BY CONCERNED AUTHORITIES

Except the as disclosed in chapter above, there are no past cases in which penalties have been imposed on our Company or our Promoters, Directors or companies promoted by our Promoters or our Subsidiary by concerned authorities.

H. SUNDRY CREDITORS

Following is the list of creditors as on September 30, 2015 to whom the Company owes a sum exceeding Rs. One Lac, outstanding for more than thirty days in terms of Regulation no. X (A) (1) (i) of the SEBI Regulations:

Names	Amount (Rs)
Durotech Engineers	350517.00
Nhai Payable	16014092.00
Prashant Ferber Logistic Automation P Ltd	430693.00
Calvintex (India) Ltd.	174768.00
Prime Suitings Pvt Ltd	5726943.00
Revati Texwinka Pvt. Ltd	25389598.00
S. Kevin kumar	105021.00
Sona Polyspin Pvt. Ltd	14438568.00
Sona Styles Ltd	519556.00
Vertex Sulz Pvt. Ltd	5404748.00
Harshit Nuwal	446310.00
Kent Intelligent Transportation Systems.	154390.00
Mogu Engineers	309500.00
New Manu Engeeniring	103020.00
Armani Industries (India) Pvt Ltd.	382826.00
Sona Processors (India) Limited	1955395.00

Tpl Industries Ltd	3764767.00
Bharat & Brothers	112236.00
Jain Trad. Co. (Store)	753020.00
Karanpur Impex	168206.00
Karanpur Impex	567185.00
Mahaveer Chem Tex	247944.00
Mumba Arts	132435.00
Simna Tex Marketing	197579.00
Ashutosh Textiles Pvt Ltd	230535.00
Chenab Textile Mills.	1278680.00
Damoshree Impex	478570.00
Jahnvi Enterprises	247217.00
Kanchan India Limited	497262.00
Kanu Enterprises	910096.00
Maheswar Yarn Agency	470213.00
Maruti Yarn	150586.00
Raj Filaments	177985.00
Royal Art Impex (India) Pvt Limited.	163670.00
Sangam (India) Ltd	5575895.00
Siddheswar Textiles	318025.00
Siyaram Silk Mills Ltd.	231926.00
Tirupati Enterprises	647479.00

I. MATERIAL DEVELOPMENTS

Except as mentioned in Chapter Titled “*Management Discussion and Analysis of Financial Condition and result of operation.*” beginning at the page 221 of this Draft Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor’s Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

WE CERTIFY THAT EXCEPT AS STATED HEREIN ABOVE:

- a. There are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the promoters/ directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the promoters / Directors in their personal capacity.
- g. The Company, its promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. As per the audited Balance Sheet as 30.09.2015 there are no SSI units to whom, our Company owns any sum which is outstanding for more than 30 days.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

Approvals In Relation to Our Company's incorporation

1. Certificate of incorporation dated September 24, 1987 from the Registrar of Companies, Rajasthan, Jaipur under the Companies Act, 1956 as 'Swagat Synthetics Private Limited' (Corporate Identification No. - U24304RJ1987PTC004101);
2. Certificate of Incorporation dated October 16, 2015 from the Registrar of Companies, Rajasthan, Jaipur under the Companies Act, 2013 pursuant to change in name from 'Swagat Synthetics Private Limited' to 'Sitaram Fashion Private Limited' (Corporate Identification No. - U24304RJ1987PTC004101);
3. Certificate of Incorporation dated November 27, 2015 from the Registrar of Companies, Rajasthan, Jaipur under the Companies Act, 2013 pursuant to change in name from 'Sitaram Fashion Private Limited' to 'Sitaram India Private Limited' (Corporate Identification No. - U24304RJ1987PTC004101);
4. Certificate of Incorporation dated December 28, 2015 from the Registrar of Companies, Rajasthan, Jaipur consequence to conversion of Company 'Sitaram India Private Limited' to 'Sitaram India Limited' (Corporate Identification No. - U24304RJ1987PLC004101).

Approvals in relation to the Issue

Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on December 29, 2015 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated January 04, 2016, under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated February 17, 2016 and [●] authorized our Company to take necessary action for filing the Draft Prospectus and Prospectus respectively with NSE EMERGE.

Approvals from Stocks Exchange

1. Our Company has received in- principle listing approval from the SME Platform of NSE dated [●] for listing of Equity Shares issued pursuant to the issue.

Other Approvals

1. The Company will entered into a tripartite 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. The Company will 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.

Approvals/Licenses/Permissions in relation to our Business

Tax Related Approvals

S.No	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number	AABCS9860L	Commissioner of Income Tax, Jodhpur	September 24, 1987	Valid till Cancelled
2.	Tax Deduction Account Number	JDHS01346C	Commissioner of Income Tax	May 17, 2004	Valid till Cancelled
3.	Certificate of Registration and Allotment of TIN (RVAT)	08761003841 issued on September 07, 2005	Department of Commercial Tax, Govt. of Rajasthan	Amended on March 10, 2014	Valid till Cancelled
4.	Central Excise Registration Certificate (Unit I) G-13,14, RIICO Industrial Area, Pur Road, Bhilwara, Rajasthan	AABCS9860LXM 001	Superintendent Central Excise, Range - II, Bhilwara	May 10, 2002	Valid till Cancelled
5.	Central Excise Registration Certificate (Unit II) F-225,226 G-227,228, RIICO Industrial Area, Bhilwara – 311001, Rajasthan	AABCS9860LXM 002	Asst. Commissioner, Central Excise Division, Bhilwara	October 23, 2002	Valid till Cancelled
6.	Service Tax Registration Certificate F-226,227, G-228,229, 4 th Phase, RIICO Industrial Area, Pur Road, Bhilwara – 311001, Rajasthan	AABCS9860LST0 01	Superintendent Central Excise, Range-II, Bhilwara	May 27, 2005	Valid till Cancelled
7.	Central Sales Tax Registration Certificate	08761003841 (Central) issued on September 07, 2005	Department of Commercial Tax, Govt. of Rajasthan.	Amended on October 31, 2009 and further on March 10, 2014	Valid till Cancelled

Other Approvals

S.No.	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC) Unit I - G-13,14, RIICO Industrial Area, Pur Road, Bhilwara, Rajasthan Unit II - F-226,227, G-228,229, 4TH Phase, RIICO Industrial Area, Pur Road, Bhilwara - 311001, Rajasthan	1300000589	Ministry of Commerce, Rajasthan	May 03, 2000	Valid till Cancelled
2.	Registration under the Employees Provident fund (EPF) Unit I - G-13,14, RIICO Industrial Area, Pur Road, Bhilwara, Rajasthan	RJUDR0006256000	Regional Provident Fund Commissioner, Rajasthan	Since Incorporation	Valid till Cancelled
3.	Registration under the Employees Provident fund (EPF) Unit II - F-226,227, G-228,229, 4TH Phase, RIICO Industrial Area, Pur Road, Bhilwara - 311001, Rajasthan	RJUDR0012164000	Regional Provident Fund Commissioner, Rajasthan	Januray 25, 2001	Valid till Cancelled
4.	Registration under State Insurance Act (ESI)	16000103600000199	Assistant Director, ESIC	Since Incorporation	Valid till Cancelled
5.	Consent to Operate under Water (Prevention and Control of Pollution) Act, 1974 for F-226-227-G-228-229, Phase IV, RIICO Bhilwara, Rajasthan	F(Tech)/Bhilwara(Bhilwara)/692(1)/2011-2012/5310-5312/2768	Regional Officer, Rajasthan State Pollution Control Board	September 8, 2014	August 31, 2016
6.	Consent to Operate under Air (Prevention and Control of Pollution) Act, 1981 for F-226-227-G-228-229, Phase IV, RIICO, Bhilwara, Rajasthan	F(Tech)/Bhilwara(Bhilwara)/692(1)/2011-2012/5313-5315/2768	Regional Officer, Rajasthan State Pollution Control Board	September 8, 2014	August 31, 2016
7.	Industrial Entrepreneur's Memorandum No.(IEM) Department of Industries and Commerce Unit I - G-13,14, RIICO Industrial Area, Pur Road, Bhilwara, Rajasthan	349/SIA/IMO/97	The Secretary, Government of India	Januray 29, 1997	Valid upto Renewal
8.	Industrial Entrepreneur's Memorandum No.(IEM) Department of Industries and Commerce	916/SIA/IMO/2014	The Secretary, Government of India	February 10, 2015	Valid upto Renewal

	Unit II - F-226,227, G-228,229, 4TH Phase, RIICO Industrial Area, Pur Road, Bhilwara - 311001, Rajasthan				
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Certificates Received:

S.No	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration cum Membership Certificate of Synthetic & Rayon Textiles Export Promotion Council, Mumbai	SR/MFG/11575/2014-15	Joint Director, Export Promotion Council	May 29, 2014	March 31, 2019

APPROVALS/LICENSES/PERMISSIONS APPLIED FOR

S.No	Description	Application Number	Issuing Authority	Date of Application
1.	Factory License for F-226,227 G-228,229, Phase IVTH, RIICO Industrial Area, Bhilwara - 311001, Rajasthan	RJ - 24531	Deputy Chief Inspection, Factories and Boiler Inspection	January 19, 2015
2.	Factory License for 1974 for G-13,14, RIICO Industrial Area, Pur Road, Bhilwara - 311001, Rajasthan	RJ - 19226	Deputy Chief Inspection, Factories and Boiler Inspection	January 19, 2015

Intellectual Property**Trademarks registered/Objected/Abandoned in the name of our company**

S. No	Brand Name/Logo Trademark	Class	Nature of Trademark	Owner	Number/ Date of Application	Authority	Current Status
1.	Trademark	24		Swagat Synthetics Pvt. Ltd.	1267740 17/02/2004	Registrar of Trademark	Registered Valid upto 17/02/2024
2.	Trademark	24		Swagat Synthetics Pvt. Ltd.	836831 15/01/1999	Registrar of Trademark	Abandoned
3.	Trademark	24		Swagat Synthetics Pvt. Ltd.	2490731 06/03/2013	Registrar of Trademark	Objected

Domain Name

S.No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	www.sitaramindia.com Domain Id – 1979634974_DOMAIN_COM - VRSN	GoDaddy.com, LLC IANA ID - 146	Sitaram India F-226, 227, G 228-229 RIICO Bhilwara, Rajasthan - 311001	14.11.2015	14.11.2016

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors, pursuant to a resolution passed at their meeting held on December 29, 2015 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a special resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on January 04, 2016 authorized the Issue.

Our Company has obtained in-principle approval from the SME Platform of NSE for using its name in the Draft Prospectus/Prospectus pursuant to an approval letter dated [●] NSE is the Designated Stock Exchange.

Prohibition by SEBI, RBI or governmental authorities

Our Company, Promoter, natural person in control of Promoter, Promoter Group, Directors, Group Entities or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Association with Securities Market

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

Prohibition by RBI

Neither our Company, our Promoter, our Directors, Group Entities, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter *“Outstanding Litigations and Material Development”* beginning on page 234 of the Draft Prospectus.

Eligibility for the Issue

Our Company is not ineligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital will be more than ₹ 10 crore and upto twenty five crore rupees, we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the *“SME Platform of NSE”*).

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the LM to the Issue Shall underwrites minimum 15% of the Total Issue Size. For further details pertaining to said

underwriting please refer to section titled **"General Information – Underwriting"** beginning on page 47 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 shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working 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 (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any of this Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the LM and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE. For further details of the arrangement of market making please refer to section titled **"General Information – Details of the Market Making Arrangements for this Issue"** beginning on page 47 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 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.

1. Our Company has Net Tangible Assets of at least ₹ 1 Crore as per the latest audited financial results (as restated).

As on September 30, 2015 the Company has **Net Tangible Assets*** of ₹ **13.35 Crore** which satisfies the criteria of having Net Tangible Assets of at least ₹ 1.00 Crore.

**Net tangible assets are defined as the sum of all net assets of the Company, excluding intangible assets and Net Deferred Tax as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India*

2. The Net worth (excluding revaluation reserves) of the Company is at least ₹ 1 Crore as per the latest audited financial results

As at September 30, 2015 , the Company had Net Worth of ₹ 20.43 Crores as per the latest audited financial results

**Net worth includes Equity Share Capital and Reserves (excluding revaluation reserves, Miscellaneous Expenditure not written off, if any & Debit Balance of Profit and Loss Account not written off, if any)*

3. Track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least ₹ 3 Crores.

The Company's distributable profits in terms of sec. 123 of Companies Act, 2013 (as restated) in last three financial years are detailed below:

in Rs.)

Particulars	For 6 months period ended September 30, 2015	For F.Y. 2013-14	For F.Y. 2012-13	For F.Y. 2011-12
Net Profit (as restated)	74,60,716	3,07,58,797	74,07,712	48,21,681

5. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated [●] and National Securities Depository Limited dated [●] for establishing connectivity
6. Our Company has a website i.e. www.sitaramindia.com
7. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
8. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
9. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
10. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE)

Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED 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 THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE 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, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE 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.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE 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.
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 ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.
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.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR 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.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION 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 SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER – NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE 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, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or 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 LM 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, Rajasthan, Jaipur in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Hem Securities Limited:

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	ADCC Infocad Limited	9.60	40.00	October 22, 2014	43.50	60.00% [4.65%]	40% [4.98%]	55% [4.10%]
2.	Captain Pipes Ltd.	4.40	40.00	December 11, 2014	41.90	2.5% [-2.23%]	-5.00% [4.50%]	0% [-1.50%]
3.	O.P. Chains Ltd.	2.035	11.00	April 22, 2015	11.25	40.91% [-2.29%]	38.63% [-0.39%]	36.36% [-1.88%]
4.	Junction Fabrics and Apparels Ltd	1.60	16.00	July 10, 2015	17.50	14.06% [-0.54%]	3.125% [-7.39%]	NA
5.	Loyal Equipments Ltd.	3.24	18.00	July 16, 2015	20.05	5.56% [-3.28%]	-9.72 [-5.42%]	NA
6.	Emkay Taps and Cutting Tools Limited	15.55	330.00	August 13, 2015	334.00	-1.21% [-5.79%]	-1.51% [6.35%]	NA
7.	Universal Autofoundry Limited	3.24	15.00	September 04, 2015	16.00	5% [7.28%]	73.33% [3.74%]	NA
8.	Bella Casa Fashion & Retail Limited	3.43	14.00	October 15, 2015	14.30	72.85% [-5.18%]	NA	NA
9.	Vishal Bearings Limited	3.24	25.00	October 15, 2015	26.00	22.00% [-4.69%]	NA	NA
10.	Cawasji Behramji Catering Services Limited	1.862	14.00	October 19, 2015	15.25	103.57% [-5.48%]	NA	NA

Source: Price Information www.bseindia.com & www.nseindia.com, Issue Information from respective Prospectus.

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 th calendar days from listing			No. of IPOs trading at Premium- 30 th calendar days from listing			No. of IPOs trading at discount- 180 th calendar days from listing			No. of IPOs trading at Premium- 180 th calendar days from listing		
			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%

Sitaram India Limited

											%			
2013-14	3*	10.66	-	-	1	1	1	-	-	-	-	2	-	1
2014-15	7**	38.25	-	-	-	2	-	5	-	-	-	3	-	4
2015-16	8***	34.20	-	-	1	2	2	3	-	-	-	-	1	-

*The scripts of Samruddhi Realty Limited, Captain Polyplast Limited and Tentiwal Wire Products Limited were listed on April 12, 2013, December 11, 2013 and December 31, 2013 respectively.

**The scripts of R&B Denims Limited, Bansal Roofing Products Limited, Atishay Infotech Limited, Dhabriya Polywood Limited, Vibrant Global Capital Limited, ADCC Infocad Limited and Captain Pipes Limited were listed on April 22, 2014, July 14, 2014, October 16, 2014, October 17, 2014, October 21, 2014, October 22, 2014, and December 11, 2014 respectively.

***The scripts of O.P. Chains Limited, Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited, Universal Autofoundry Limited, Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited were listed on April 22, 2015, July 10, 2015, July 16, 2015, August 13, 2015, September 4, 2015, October 15, 2015, October 15, 2015 and October 19, 2015 respectively.

Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited and Universal Autofoundry Limited have not completed 180th days from the listing day.

Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited have not completed 90th days and 180th days from the listing day.

Note:

- BSE SENSEX and CNX NIFTY has been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

Track Record of past issues handled by Hem Securities Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.hemonline.com

Disclaimer from our Company and the Lead Manager

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the MOU entered between the LM (Hem securities Limited) and our Company on February 04, 2016 and the Underwriting Agreement dated February 04, 2016 entered into between the Underwriters and our Company and the Market Making Agreement dated February 04, 2016 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager 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, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Caution

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters 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 of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters 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 the Equity Shares in the Issue.

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 majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative 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 the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity 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 jurisdiction of the competent court(s) in Jaipur, Rajasthan, India 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. 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "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 under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the 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 Bids 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 and legislations in each jurisdiction, including India.

Filing

The Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra

A copy of this Draft Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, SEBI Western Regional Office, SEBI Unit No. 002, Ground Floor SAKAR I near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad-380009, Gujarat for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Corporate Bhawan, G/6-7, Second Floor, Residency Area, Civil Lines, Jaipur-302001, Rajasthan.

Listing

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within eight (8) 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 (8) days, be liable to repay such application money, with interest at the rate as prescribed under the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

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 to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s S Dad & Co., Chartered Accountants, Statutory Auditor and M/s. Birani & Associates, Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

Experts Opinion

Except for the reports in the section “*Financial information of the Company*” and “*Statement of Tax Benefits*” on page 169 and page 84 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ 35.75 Lacs, which is 6.02 % of the Issue size. The estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSB’s commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our company.

The Estimated Issue expenses are as under:-

No.	Particulars	Amount (₹ in Lacs)	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
1.	Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Bankers etc and other out of pocket expenses	29.50	82.51%	4.97%
2.	Printing and Stationery and postage expenses, Advertising and Marketing expenses	4.25	11.89%	0.71%
3.	Regulatory fees and expenses	2.00	5.60%	0.34%
	Total estimated Issue Expenses	35.75	100.00%	6.02%

**Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA’s and CDPs*

Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the Lead Manager will be as per the (i) Memorandum of Understanding dated February 04, 2016 with

the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated February 04, 2016 with Underwriter Hem Securities Limited and (iii) the Market Making Agreement dated February 04, 2016 with Market Maker Hem Finlease Private Limited, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated February 04, 2016 a copy of which is available for inspection at our Company's 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 to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Draft Prospectus or send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled "*Capital Structure*" beginning on page 50 of this Draft Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company

Except as stated in the chapter titled "*Capital Structure*" beginning on page 50 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

All of our Group / Associate are unlisted and have not made a public issue of shares.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

Option to Subscribe

Equity Shares being offered through the Draft Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on January 28, 2016 For further details on the Stakeholders Relationship Committee, please refer to section titled "**Our Management**" beginning on page 140 of this Draft Prospectus.

Our Company has appointed Mrs. Devika Maheshwari, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Mrs. Devika Maheshwari
Sitaram India Limited
F-226,227, G-228-229 IV TH Phase,
RIICO Industrial Area,
Bhilwara-311001, Rajasthan, India

E-mail: cs@sitaramindia.com

Website: www.sitaramindia.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “**SCORES**”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Change in Auditors during the last three (3) years

Except for appointment of M/s. Birani & Associates, Chartered Accountants, as peer review auditor in addition to the existing auditors, there have been no changes in our Company’s auditors in the last three (3) years.

Capitalization of Reserves or Profits

Except as disclosed under section titled “**Capital Structure**” beginning on page 50 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “**Statement of Tax Benefits**” beginning on page 84 of this Draft Prospectus.

Purchase of Property

Other than as disclosed in Section “**Our Business**” on page 108 of the 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 the Draft Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behavior

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “Our Management” beginning on page 140 and “Related Party Transactions” beginning on page 210 of the Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The present Public Issue of Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on December 29, 2015 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on January 04, 2016 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being offered / issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "**Main Provisions of Articles of Association of the Company**" on page 312 of the Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, for further details, please refer to "**Dividend Policy**" on page 168 of the Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a Face Value of ₹ 10.00 each are being offered in terms of the Draft Prospectus at the price of ₹ 22/- 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**" on page 81 of the Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

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 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 or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled **"Main Provisions of Articles of Association of the Company"** beginning on page 312 of the Draft Prospectus.

Minimum Application Value, Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996 & the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only.

The trading of the Equity Shares will happen in the minimum contract size of 6000 Equity Shares and the same may be modified by the SME platform of NSE 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 6000 Equity Shares is subject to a minimum allotment of 6000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

The minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed.

As per section 39 of the new Companies Act, if the “**stated minimum amount**” has not been subscribed and the sum payable on Bid is not received within a period of 30 days from the date of issue of 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 60 (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 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 40 of 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 collected shall be refunded within 15 days of closure of issue.

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.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106 Q of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of 6,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

Application by Eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent 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, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "**Capital Structure**" beginning on page 50 of the Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details please refer sub-heading "**Main Provisions of the Articles of Association of the Company**" on page 312 of the Draft Prospectus.

Option to receive Equity Shares in Dematerialized Form

As per section 29(1) of the Companies Act 2013, every company making public offer shall issue securities only in dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 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 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), we shall have to apply to NSE for listing our shares

on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board or

- If the Paid-Up Capital of our Company is more than ₹ 10.00 Crores and up to ₹ 25.00 Crores, our company may still apply for migration to the Main Board If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and 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 NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SMS platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "**General Information - Details of the Market Making Arrangements for this Issue**" on page 47 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹ 20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

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 (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Jaipur, Rajasthan.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being

offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital exceed ₹ 10 Crores and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the SME Platform of NSE). 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 262 and 270 of the Draft Prospectus.

The Issue is being made by way of Fixed Price method.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	25,56,000 Equity Shares of Face Value ₹ 10/-	1,44,000 Equity Shares of Face Value ₹ 10/-
Percentage of Issue Size available for allocation	94.67% of the Issue Size (50% to Retail Individual Investors and the balance 50% to other investors).	5.33% of the Issue Size Firm allotment
Basis of Allotment	Proportionate subject to minimum allotment of 6000 Equity Shares and further allotment in multiples of 6000 Equity Shares each. For further details please refer to " Issue Procedure - Basis of Allotment " on page 302 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Minimum Application Size	<u>For Other than Retail Individual Investors:</u> Such number of Equity Shares in multiples of 6000 Equity Shares at an Issue price of ₹ 22 each, such that the Application Value exceeds ₹ 2,00,000/- <u>For Retail Individuals Investors:</u> 6000 Equity Shares at an Issue prices of ₹ 22 Each	1,44,000 Equity Shares of Face Value ₹ 10/-
Maximum Application Size	<u>For Other than Retail Individual Investors:</u> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. <u>For Retail Individuals Investors:</u> Such number of Equity Shares in multiples of 6000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000/-.	1,44,000 Equity Shares of Face Value ₹ 10/-
Trading Lot	6000 Equity Shares	6000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to "**Issue Structure**" on page 268 of the Draft Prospectus.

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

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to Investors other than retail Individual Investors; and
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

Withdrawal of the Issue

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Issue Programme

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

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 (“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 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. 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 2015 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 Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1, 2016.

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. 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.

Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PART A

Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

Application Form

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue are as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. 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 this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “**Designated Intermediaries**”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
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’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary 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 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 the stock exchange. 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.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA 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 NSE i.e. www.nseindia.com.

Who can apply?

In addition to the category of Applicants as 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:

- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

MAXIMUM AND MINIMUM APPLICATION SIZE**1. For Retail Individual Applicants**

The Application must be for a minimum of 6000 Equity Shares and in multiples of 6000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 6000 Equity Shares thereafter. An Application cannot be submitted for more than the Net 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 ₹ 2, 00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the LMs may deem fit.

The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Participation by Associates /Affiliates of LM and the Syndicate Members

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- 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 Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

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 a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs 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.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. 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 participating 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.

10. 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 Designated 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.

Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

Applications by eligible NRIs/ FPI's on Repatriation Basis

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for 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 (thirty) days from the date of issue of shares of 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 the 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 a 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' (IFC) 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 SEBI (Foreign Portfolio Investors) Regulations, 2014, hold 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 from 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:
 - ❖ Any transactions in derivatives on a recognized stock exchange;
 - ❖ Short selling transactions in accordance with the framework specified by the Board;
 - ❖ 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
 - ❖ 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 of Disinvestment of shares of 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 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 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 regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
 5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
 6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
 7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

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 Application made by 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 LLP 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.

Applications by Insurance Companies

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) 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 by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted 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 therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA 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 therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged 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 the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Application by Provident Funds/Pension Funds

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

Method and Process of Applications

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. 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.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

9. 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 Applicant on request.
10. 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 withdraw/ 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

The entire Issue price of 22.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will 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, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism

The applicants shall specify the bank account number in their 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 finalization 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 SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions 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) with respect to applications by Applicants, applications accepted and uploaded by any Designated 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.

4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) The applications accepted by any Designated Intermediaries
 - (ii) The applications uploaded by any Designated Intermediaries or
 - (iii) The applications accepted but not uploaded by any Designated 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 Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated 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 Designated 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 Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated 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;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.

8. 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 ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the 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 as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. 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 Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. 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.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the 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.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Allocation of Equity shares

- 1) The Issue is being made through the Fixed Price Process wherein 1,44,000 Equity Shares shall be reserved for Market Maker. 25,56,000 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 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, Eligible QFIs, 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 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 February 04, 2016.
- b) A copy of Prospectus will be filled with the RoC in terms of Section 26 of Companies Act, 2013.

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 the Depository Participant and the 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 the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to not release the funds blocked in the ASBA Account under the ASBA process;
- 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 the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for 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 SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- 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 Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up 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 color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

Undertakings by Our Company

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That the our Promoters' 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 unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our 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 the 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 SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company will sign the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an 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. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the 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 the 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**”) as amended.

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.

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 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 its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

2.2 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 and the Companies Act, 2013 as may be applicable (“the Companies Act”), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, 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 SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, 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) Regulation, 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 atleast Rs. 1 crore as per the latest audited financial result.
- f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 1 crore as per the latest audited financial result.
- g) The issuer should have a tract record of distributable profits in terms of Section 123 of Companies Act, 2013 for two out of immediately preceding three financial years.
- h) The post –issue paid up capital of the issuer shall be at least Rs. 1 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 of competent jurisdiction against the Issuer.
- 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(s) of the company in the 1 year preceding the date of filing application to NSE for listing on SME segment.

Issuer shall also comply 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) Regulation, 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 the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital exceed Rs.1,000 Lacs and upto twenty five crore rupees. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this 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 Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

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 may 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.

2.5 Migration To Main Board

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

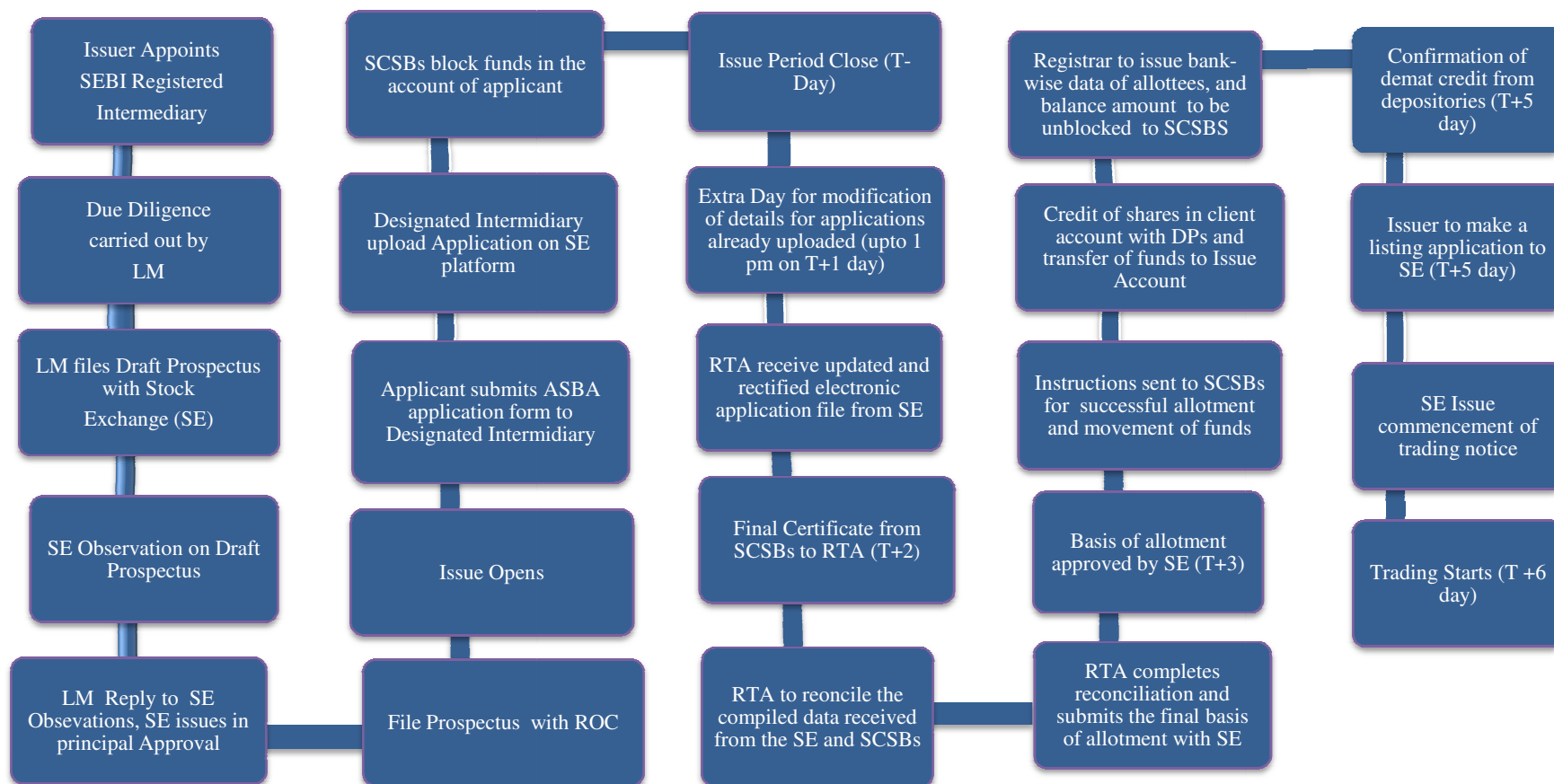
- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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.

2.6 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 Bidders/Applicants, such as NRIs, FII's, 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:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/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 may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

Section 4: Applying in the Issue

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the 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 color of the Application Form for various categories of Applicants is as follows:

Category	Color of the Application
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 Instructions For Filing Application Form/ 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 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:

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	<p>COMMON BID CUM APPLICATION FORM</p>	<p align="center">XYZ LIMITED - INITIAL PUBLIC ISSUE - R</p> <p>Address : Contact Details: CIN No.</p>	<p align="center">FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</p>																											
	<p>LOGO</p>	<p>TO, THE BOARD OF DIRECTORS XYZ LIMITED</p>	<p align="center">FIXED PRICE ONE ISSUE INE00000000000</p>																											
			<p>Bid cum Application Form No.</p>																											
	<p>SYNDICATE MEMBER'S STAMP & CODE</p>	<p>BROKER/SCSB/DP/RTA STAMP & CODE</p>	<p>1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER</p> <p>Mr. / Ms.</p> <p>Address Email</p> <p>Tel. No (with STD code) / Mobile</p>																											
	<p>SUB-BROKER'S / SUB-AGENT'S STAMP & CODE</p>	<p>ESCROW BANK/SCSB BRANCH STAMP & CODE</p>	<p>2. PAN OF SOLE / FIRST BIDDER</p> <p>.....</p>																											
	<p>BANK BRANCH SERIAL NO.</p>	<p>SCSB SERIAL NO.</p>																												
	<p>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</p> <p>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</p>		<p>4. INVESTOR STATUS</p> <p><input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH</p> <p><small>* HUF should apply only through Karta (Application by HUF would be treated as per with Individual)</small></p>																											
	<p>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Option:</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹): "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>8 7 6 5 4 3 2 1</td> <td>5 0 1</td> <td>5 0 1</td> <td>5 0 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		Bid Option:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹): "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price	Option 1	8 7 6 5 4 3 2 1	5 0 1	5 0 1	5 0 1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	<p>5. CATEGORY</p> <p><input type="checkbox"/> Retail Investor Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB</p>
Bid Option:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹): "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																									
		Bid Price	Retail Discount	Net Price																										
Option 1	8 7 6 5 4 3 2 1	5 0 1	5 0 1	5 0 1	<input type="checkbox"/>																									
(OR) Option 2					<input type="checkbox"/>																									
(OR) Option 3					<input type="checkbox"/>																									
	<p>7. PAYMENT DETAILS</p> <p>Amount paid (₹ in figures) (₹ in words)</p> <p>ASBA Bank A/c No.</p> <p>Bank Name & Branch</p>			<p>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></p>																										
	<p><small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABSTRACT PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS 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 BID CUM APPLICATION FORM GIVEN OVERLEAF.</small></p>																													
	<p>8A. SIGNATURE OF SOLE / FIRST BIDDER</p> <p>.....</p> <p>Date :</p>	<p>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</p> <p>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</p> <p>1)</p> <p>2)</p> <p>3)</p>	<p>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</p>																											
	<p>TEAR HERE</p>																													
	<p>LOGO</p>	<p align="center">XYZ LIMITED INITIAL PUBLIC ISSUE - R</p>	<p align="center">Acknowledgement Slip for Broker/SCSB/DP/RTA</p>	<p>Bid cum Application Form No.</p>																										
	<p>DPID / CLID</p>	<p>PAN of Sole / First Bidder</p>																												
	<p>Amount paid (₹ in figures)</p> <p>ASBA Bank A/c No.</p> <p>Received from Mr./Ms.</p> <p>Telephone / Mobile Email</p>	<p>Bank & Branch</p>	<p>Stamp & Signature of SCSB Branch</p>																											
	<p>TEAR HERE</p>																													
	<p>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> </thead> <tbody> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bank & Branch</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				ASBA Bank A/c No.				Bank & Branch				<p>Stamp & Signature of Broker / SCSB / DP / RTA</p>	<p>Name of Sole / First Bidder</p> <p align="center">Acknowledgement Slip for Bidder</p> <p>Bid cum Application Form No.</p>		
	Option 1	Option 2	Option 3																											
No. of Equity Shares																														
Bid Price																														
Amount Paid (₹)																														
ASBA Bank A/c No.																														
Bank & Branch																														

COMMON BID CUM APPLICATION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - NR		For Eligible NRI, FI, FVCI, applying on Re-registration Basis			
Address : _____ Contact Details: _____ CIN No. _____				Bid cum Application Form No. _____			
LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED		FIXED PRICE GME ISSUE INE00000000000					
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER			
				Mr. / Ms. _____			
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		Address _____			
				Email _____			
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		Tel. No (with STD code) / Mobile _____			
				2. PAN OF SOLE / FIRST BIDDER _____			
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL							
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID							
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")							
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			5. CATEGORY		
		Bid Price	Retail Discount	Net Price			
Option 1					<input type="checkbox"/> Retail Investor Bidder		
(OR) Option 2					<input type="checkbox"/> Non-Institutional Bidder		
(OR) Option 3					<input type="checkbox"/> QIB		
6. Investor Status							
<input type="checkbox"/> Non-Resident Indian (Repatriation Basis) NRI							
<input type="checkbox"/> Foreign Institutional Investor FI							
<input type="checkbox"/> Foreign Venture Capital Investor FVCI							
<input type="checkbox"/> FI Sub Account Corporate/Individual FI SA							
<input type="checkbox"/> Others (Please Specify) OTH							
7. PAYMENT DETAILS							
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 BID CUM APPLICATION FORM AND THE ATTACHED ADDENDUMS, PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS 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 BID CUM APPLICATION FORM GIVEN OVERLEAF.							
8A. SIGNATURE OF SOLE / FIRST BIDDER		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)			
Date : _____ _____		I/We authorize the SCSB to do all acts as are necessary to make the Application in the name					
		1) _____					
		2) _____					
		3) _____					
TEAR HERE							
LOGO		XYZ LIMITED INITIAL PUBLIC ISSUE - NR		Acknowledgement Slip for Broker/SCSB/DP/RTA			
				Bid cum Application Form No. _____			
DPID / CLID		PAN of Sole / First Bidder					
Amount paid (₹ in figures)		Bank & Branch		Stamp & Signature of SCSB Branch			
ASBA Bank A/c No.							
Received from Mr./Ms.							
Telephone / Mobile		Email					
TEAR HERE							
XYZ LIMITED - INITIAL PUBLIC ISSUE - NR		Option 1		Option 2			
		Option 3					
		No. of Equity Shares		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder	
		Bid Price					
Amount Paid (₹)				Acknowledgement Slip for Bidder			
ASBA Bank A/c No.				Bid cum Application Form No. _____			
Bank & Branch							

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 (including letters notifying the unblocking of the bank accounts of \Applicants) 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,
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **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 Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders 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.
- d) **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.”**
- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE FIRST APPLICANT

- a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. A 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 unblocking of ASBA Account or 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 as per 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 6,000 equity shares. As the application price payable by the retail individual applicants cannot exceed Rs. 200000 they can make Application for only minimum Application size i.e for 6,000 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. 200000 and in multiples of 6,000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 200000 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 prescribed law or regulation or as specified in this Draft Prospectus.

- c) **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries 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 PFI 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. Application 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 Application clearly indicates the scheme for which the application has been made.
 - iii. Application 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

- a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 as amended for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009 as amended. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) 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, FIIs, 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 NUMBER 7: PAYMENT DETAILS

- a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.1.7.1 Payment instructions for Applicants

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicant 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) Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (h) ASBA Applicant 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.
- (i) Upon receipt of 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.
- (j) 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 may upload the details on the Stock Exchange Platform.
- (k) 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.
- (l) Upon submission of a completed Application Form each 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.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation 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 or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is 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, if any, 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/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, 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 Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, 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) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

4.1.8.2 Additional 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 Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

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 authorization 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 the Designated Intermediary, 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, the Applicants should contact the Registrar to the Issue.
 - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case maybe.
 - 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 Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - ii. name and address of the Designated Intermediary, where the Application was submitted; or
 - iii. 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 upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount 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 same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS	
Address :		Contact Details:		CIN No.	
LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED		BOOK BUILT ISSUE		Bid cum Application Form No.	
		ISIN :			
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. Address Tel. No (with STD code) / Mobile Email	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		2. PAN OF SOLE / FIRST BIDDER	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	
PLEASE CHANGE MY BID					
4. FROM (AS PER LAST BID OR REVISION)					
Bid Options: Option 1 (OR) Option 2 (OR) Option 3	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)		
	8 7 6 5 4 3 2 1		Bid Price Retail Discount Net Price "Cut-off" (Please tick)		
Option 1	8 7 6 5 4 3 2 1		3 2 1 3 2 1 3 2 1 <input checked="" type="checkbox"/>		
(OR) Option 2	8 7 6 5 4 3 2 1		3 2 1 3 2 1 3 2 1 <input type="checkbox"/>		
(OR) Option 3	8 7 6 5 4 3 2 1		3 2 1 3 2 1 3 2 1 <input type="checkbox"/>		
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")					
Bid Options: Option 1 (OR) Option 2 (OR) Option 3	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)		
	8 7 6 5 4 3 2 1		Bid Price Retail Discount Net Price "Cut-off" (Please tick)		
Option 1	8 7 6 5 4 3 2 1		3 2 1 3 2 1 3 2 1 <input checked="" type="checkbox"/>		
(OR) Option 2	8 7 6 5 4 3 2 1		3 2 1 3 2 1 3 2 1 <input type="checkbox"/>		
(OR) Option 3	8 7 6 5 4 3 2 1		3 2 1 3 2 1 3 2 1 <input type="checkbox"/>		
6. PAYMENT DETAILS					
Additional Amount Paid (₹ in figures) (₹ in words)			PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>		
ASBA Bank A/c No. Bank Name & Branch					
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ASB/SCSB/DP/RTA AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING/UP THE BID REVISION FORM GIVEN OVERLEAF.					
7A. SIGNATURE OF SOLE / FIRST BIDDER Date :		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the law 1) 2) 3)		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
TEAR HERE					
LOGO XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Acknowledgement Slip for Broker/SCSB/DP/RTA		Bid cum Application Form No.	
DPID / CLID		PAN of Sole / First Bidder	
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.		Received from Mr./Ms.		Telephone / Mobile	
Telephone / Mobile		Email	
TEAR HERE					
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Option 1 Option 2 Option 3 No. of Equity Shares Bid Price Additional Amount Paid (₹) ASBA Bank A/c No. Bank & Branch		Stamp & Signature of Broker / SCSB / DP / RTA Name of Sole / First Bidder Acknowledgement Slip for Bidder Bid cum Application Form No.	

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: BID OPTIONS REVISION 'FROM' AND 'TO'

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share 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 not exceed Rs.200,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

4.2.3 FIELD 6: PAYMENT DETAILS

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the 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

Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Investor Applications	To the Designated 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

SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

5.1 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 Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing 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.

5.2 GROUNDS FOR TECHNICAL REJECTIONS

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.

- Applications for lower number of Equity Shares than the minimum 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 6,000;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application 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;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- 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 of GID.

APPLICANT 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 EXCHANGE BY THE BROKERS 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 the 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 SME Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- 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 6,000 Equity Shares the allotment will be made as follows:
 - i. Each successful applicant shall be allotted 6,000 Equity Shares;
 - ii. The successful applicants out of the total applicants for that category shall be determined by the drawal 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 6,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 Equity Shares subject to a minimum allotment of 6,000 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 for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 6,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
 - i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
 - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the 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 SME Platform of NSE.

The Executive Director/ Managing Director of the SME Platform of NSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

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 5 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 5 Working Days of the Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

8.2 GROUNDS FOR UNBLOCKING OF FUNDS

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 finalized.

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 initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the 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 Companies Act, and 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 Companies Act, 2013 if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty 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 SEBI Regulations and the Companies Act, 2013.

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 amounts in the ASBA Account shall be unblocked within 6 working days of closure of the 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.100000/- (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 without the applicable laws of such jurisdiction.

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 unblocked forthwith.

8.3 Mode of Unblocking of Funds

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 for Applicants

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

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working 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
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 Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB

Term	Description
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	A Application made by an ASBA Applicant
Applicant	Prospective Applicants in the Issue who apply through ASBA
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	An indication to make an offer during the Issue Period by a prospective Applicant 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 within the Price Band, including all revisions and modifications thereto.
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 may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) 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
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Draft Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes a Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centres	Broker Centres notified by the Stock Exchanges, where Applicants can submit the Application Form 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 websites of the Stock Exchanges.

Term	Description
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	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
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
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 Applicants including the 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 Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries .
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus of the Issuer
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	This Draft Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price

Term	Description
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 promoters 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
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
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
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
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 Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion

Term	Description
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than ₹ 200,000 (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, FIIs, FPIs and FVCIs
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 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
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, 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	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009

Term	Description
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
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 indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement dated entered into between the Underwriters and our company.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, "Working Days" 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 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.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by Consolidated FDI Policy Circular of 2015 with effect from May 12, 2015 ("Consolidated FDI Policy Circular of 2015") consolidates and subsumes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Consolidated FDI Policy Circular of 2015 will be valid until the DIPP issues an updated circular.

Subscription by foreign investors (NRIs/FPIs)

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public offer without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through offer, subject to total FPI investment being within the individual FPI/sub account investment limit of 10 per cent subject to the total sectoral cap of all FPIs/sub-accounts put together being 24 per cent of the paid-up capital of the Indian company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

Representation from the Applicants

No person shall make an Application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make Application under the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs also cannot participate in any Public Issue.

The Equity Shares have not been and will not be registered under the 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 promulgated under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to,

the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Our Company, LM and the Issue Management Team are not making any selling efforts in any jurisdiction outside India.

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

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of 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.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE NO.	INTERPRETATION	HEADING
1.	In these Articles unless there be something in the subject matter or context inconsistent therewith:	
	i. “The Act” means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.	The Act
	ii. “Articles” means Articles of Association of the Company as originally framed or altered from time to time	Articles
	iii. “Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.	Beneficial Owner
	iv. “Board or Board of Director” means the Collective body of the Board of Directors of the Company.	Board or Board of Directors
	v. “Chairman” means the Chairman of the Board of the Directors of the Company.	Chairman
	vi. “The Company” means Raghav Ramming Mass Limited	The Company
	vii. “Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.	Depositories Act, 1996
	viii. “Depository” shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.	Depository
	ix. “Directors” means the Directors appointed to the board for the time being of the Company.	Directors
	x. “Dividend” includes any interim dividend	Dividend
	xi. “Document” means a document as defined in Section 2 (36) of the Companies Act, 2013.	Document
	xii. “Equity Share Capital” , with reference to any Company limited by shares, means all share capital which is not preference share capital	Equity Share Capital
	xiii. “KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.	KMP
	xiv. “Managing Director” means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.	Managing Director
	xv. “Month” means Calendar month	Month
	xvi. “Office” means the registered office for the time being of the Company.	Office
	xvii. “Paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called	Paid-up share Capital
	xviii. “Postal Ballot” means voting by post or through any electronic mode	Postal Ballot
	xix. “Proxy” includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.	Proxy
	xx. “Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the	Public Holiday

	Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.	
	xxi. “ Registrar ” means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.	Registrar
	xxii. “ Rules ” means the applicable rules as prescribed under the relevant sections of the Act for time being in force	Rules
	xxiii. “ SEBI ” means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.	SEBI
	xxiv. “ Securities ” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)	Securities
	xxv. “ Share ” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.	Share
	xxvi. “ Seal ” means the common seal of the Company.	Seal
	xxvii. “ Preference Share Capital ”, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to— (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;	Preference Share Capital
	Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company. ‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.	
2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	Share Capital
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company 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. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, and any other applicable provisions of the Act or any law for the time being in force, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	Issue of Sweat Equity Shares

5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board 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.	Issue of Debentures
6.	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>	Issue of Share Certificates
7.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	Issue of Share Certificates
8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.	

10.	<ul style="list-style-type: none"> i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. 	Power to pay Commission in connection with the Securities issued
11.	<ul style="list-style-type: none"> i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. 	Variations of Shareholder's rights
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.	
13.	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine	Issue of Preference Shares
14.	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <ul style="list-style-type: none"> (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act. (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62. (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62. <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p>	Further Issue of shares

	<p>Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>	
15.	<p>i. The Company shall have a first and paramount lien—</p> <p>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and or</p> <p>Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at fixed time in respect of such shares; and</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	Lien
16.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>	
17.	<p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>	
18.	<p>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>ii. The residue, if any, shall, subject to a like 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.</p>	
19.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <p>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>b) The joint-holders of any shares shall be liable severally as well as jointly for</p>	Joint Holdings

	<p>and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) 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, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>f)</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	
20.	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	Calls on shares
21.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	

23.	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
24.	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	
25.	<p>The Board—</p> <p>i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>	
26.	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
27.	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.	
28.	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.	
29.	<p>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</p> <p>ii. Each share in the Company shall be distinguished by its appropriate number.</p> <p>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</p>	Transfer of shares
30.	<p>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>	

31.	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or ii. any transfer of shares on which the Company has a lien. iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares 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. 	
32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares. <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s), iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred; v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter. 	
33.	<p>The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay.</p>	
34.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>	
35.	<p>The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>	
36.	<p>The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.</p>	Register of Transfers
37.	<ul style="list-style-type: none"> i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles. 	Dematerialisation of Securities

	<p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-</p> <ul style="list-style-type: none"> • All Securities of the Company held by the Depository shall be dematerialised and be in fungible form. • Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners. <p>d. Rights of Depositories & Beneficial Owners:-</p> <p>Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p>	
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	<p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	
39.	<p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>a. to be registered himself as holder of the share; or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	Transmission of shares
40.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>	
41.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided 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, and if the notice is not</p>	

	complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
43.	If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.	Forfeiture of shares
44.	<p>The notice aforesaid shall—</p> <ol style="list-style-type: none"> name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. 	
45.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	
46.	<ol style="list-style-type: none"> A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. 	
47.	<ol style="list-style-type: none"> A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. 	
48.	<ol style="list-style-type: none"> A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off; The transferee shall thereupon be registered as the holder of the share; and The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. 	
49.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share	

50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for 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 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.	
51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
52.	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
53.	The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	
54.	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	Initial payment not to preclude forfeiture
56.	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	Alteration of capital
57.	Subject to the provisions of section 61, the Company may, by ordinary resolution,— i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	
58.	Where shares are converted into stock,— i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations 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. ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except	Conversion of Shares into Stock

	<p>participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</p>	
59.	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <p>i. its share capital;</p> <p>ii. any capital redemption reserve account; or</p> <p>iii. Any share premium account.</p>	Reduction of Capital
60.	<p>The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (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 of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in 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 calling 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 days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of 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 holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	Share Warrants
61.	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>a. that it is desirable to capitalise 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 (ii) amongst the members who would have been</p>	Capitalisation of profits

	<p>entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <ol style="list-style-type: none"> paying up any amounts for the time being unpaid on any shares held by such members respectively; paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid; partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b); A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation. 	
62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <ol style="list-style-type: none"> make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and generally to do all acts and things required to give effect thereto. <p>ii. The Board shall have power—</p> <ol style="list-style-type: none"> to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and 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 capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares; <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy-back of shares
64.	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.	General Meeting
65.	<ol style="list-style-type: none"> The Board may, whenever it thinks fit, call an extraordinary general meeting. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic 	

	<p>mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>	
66.	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	Proceedings at general meetings
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
68.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	
69.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	<p>i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</p> <p>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>	Demand for poll
73.	<p>i. A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</p>	Time of taking poll

74.	<p>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	Adjournment of meeting
75.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>i. on a show of hands, every member present in person shall have one vote; and</p> <p>ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</p>	Voting rights
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	<p>i. 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.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	
78.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	
79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (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 such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
81.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.	
82.	<p>i. 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.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive</p>	
83.	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	Casting Vote
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	

85.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	Representation of Body Corporate
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	Circulation of member's resolution
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	Resolution requiring special notice
88.	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.	Resolutions passed at adjourned meeting
89.	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	Registration of resolutions and agreements
90.	<p>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :</p> <p style="margin-left: 40px;">A. In the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p style="margin-left: 40px;">B. In the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p style="margin-left: 40px;">C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p style="margin-left: 40px;">D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p style="margin-left: 40px;">E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p style="margin-left: 40px;">F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p style="margin-left: 80px;">a. the names of the Directors present at the meetings, and</p> <p style="margin-left: 80px;">b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the</p>	Minutes of proceedings of general meeting and of Board and other meetings

	<p>Chairman of the meeting:</p> <ol style="list-style-type: none"> is or could reasonably be regarded, as defamatory of any person is irrelevant or immaterial to the proceedings; or in detrimental to the interests of the Company. <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	
91.	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	Minutes to be considered to be evidence
92.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of reports of proceeding of general meetings
93.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxy
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	
96. .	<p>The first directors of the Company shall be:</p> <ol style="list-style-type: none"> Mr. Rajesh Kabra Mr. Sanjay Kabra 	Board of Directors
97.	The Directors need not hold any "Qualification Share(s)".	

98.	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He shall be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p> <ol style="list-style-type: none"> The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them— <ol style="list-style-type: none"> in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or in connection with the business of the company 	
99.	The Board may pay all expenses incurred in getting up and registering the company.	
100.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.	
101.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	
102.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.	
103.	<ol style="list-style-type: none"> Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act. 	

104.	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	Retirement and Rotation of Directors
105.	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
106.	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	
107.	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
108.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
109.	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
110.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	Nominee Director
111.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
112.	The Nominee Directors so appointed shall hold the said office only so long as any moneyonly so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	

113.	<p>The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.</p> <p>Provided that if any such Nominee Directors is an Officer of the Financial Institution, the sitting fees in relation to such Nominee Directors shall also accrue to the Financial Institution as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.</p>	
114.	<p>Provided also that in the event of the Nominee Directors being appointed as Wholtime Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.</p>	
115.	<p>The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.</p>	Removal of Directors
116.	<p>Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.</p>	
117.	<p>On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.</p>	
118.	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <ol style="list-style-type: none"> in any notice of the resolution given to members of the Company state the fact of the representations having been made, and send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting: <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	

119.	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
120.	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
121.	If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act: Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.	
122.	Nothing in this section shall be taken- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or b) as derogating from any power to remove a director under other provisions of this Act.	
123.	Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company. In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them. a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or b. In connection with the business of the Company.	Remuneration and sitting fees to Directors including Managing and whole time Directors
124.	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.	
125.	i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board. a. The power to make calls on shareholders in respect of money unpaid on their shares; b. The Power to authorize buy-back of securities under Section 68 of the Act. c. Power to issue securities, including debenture, whether in or outside India d. The power to borrow moneys e. The power to invest the funds of the Company,	Powers and duties of Directors: Certain powers to be exercised by the Board only at meeting.

	<p>f. Power to Grant loans or give guarantee or provide security in respect of loans</p> <p>g. Power to approve financial statements and the Board's Report</p> <p>h. Power to diversify the business of the Company</p> <p>i. Power to approve amalgamation, merger or reconstruction</p> <p>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</p> <p>k. Powers to make political contributions;</p> <p>l. Powers to appoint or remove key managerial personnel (KMP);</p> <p>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>n. Powers to appoint internal auditors and secretarial auditor;</p> <p>o. Powers to take note of the disclosure of director's interest and shareholding;</p> <p>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</p> <p>q. Powers to invite or accept or renew public deposits and related matters;</p> <p>r. Powers to review or change the terms and conditions of public deposit;</p> <p>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	
126.	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the</p>	<p>Restriction on powers of Board</p>

	<p>moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately preceding.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	
127.	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
128.	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.	General powers of the Company vested in Directors
129.	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <p>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</p>	Specific powers given to Directors

	<p>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</p> <p>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</p> <p>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>vii. 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 building, 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;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p>	
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	<p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors</p>	
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	<p>or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney 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 Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
130.	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p>	<p>MANAGING DIRECTORS</p> <p>Power to appoint Managing or Whole-time Directors</p>

	<p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	
131.	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>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.</p>	Proceedings of the Board
132.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
133.	<p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	
134.	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.	
135.	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
136.	<p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>	
137.	<p>a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>	Delegation of Powers of Board to Committee
138.	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	
139.	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>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.</p>	
140.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	

141.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held	
142.	Subject to the provisions of the Act,— a) 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; b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer
143.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, 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.	
144.	a) The Board shall provide for the safe custody of the seal. b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised 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.	The Seal
145.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	Dividends and Reserve
146.	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.	
147.	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 equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
148.	a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. c) 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.	
149.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	
150.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
151.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	
152.	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.	
153.	<p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>	
154.	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
155.	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
156.	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
157..	<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>	Accounts
158.	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p>	Inspection of Statutory Documents of the Company

	<p>i. be kept at the registered office of the Company, and</p> <p>ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p>	
159.	<p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <p>a. by any member or creditor without any payment of fees; or</p> <p>b. by any other person on payment of such fees as may be prescribed,</p> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	Register of charges
160.	<p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	Audit
161.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</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</p>	Winding up

	shares or others securities whereon there is any liability.	
162.	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—	Indemnity
163.	<p>a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board 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.</p> <p>b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	Secrecy

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 the Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Prospectus, delivered to the Registrar of Companies Rajasthan, Jaipur for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered office of the Company from 11.00 a.m. to 5.00 p.m. on working days from the date of the Draft Prospectus until the Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated February 04, 2016 between our Company and Hem Securities Limited as Lead Manager (LM) to the Issue.
2. Memorandum of Understanding dated February 04, 2016 executed between our Company and the Registrar to the Issue (Bigshare Services Private Limited)
3. Market Making Agreement dated February 04, 2016 between our Company, the LM and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, the LM, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated February 04, 2016 between our Company, the LM and Underwriter.
6. Tripartite Agreement dated [●] among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated [●] among NDSL, the Company and the Registrar to the Issue.

Material Documents

1. Certificate of Incorporation dated September 24, 1987 issued by the Registrar of Companies, Rajasthan, Jaipur. Fresh Certificate of Incorporation dated December 28, 2015 issued by the Registrar of Companies, Rajasthan, Jaipur consequent upon Conversion of the Company to Public Company.
2. Fresh Certificate of Incorporation dated October 16, 2015 issued by Registrar of Companies, Rajasthan, Jaipur pursuant to change in name from Swagat Synthetics Private Limited to Sitaram Fashions Private Limited, further Fresh Certificate of Incorporation dated November 27, 2015 issued by Registrar of Companies, Rajasthan, Jaipur consequent upon change in name from Sitaram Fashions Private Limited to Sitaram India Private Limited.
3. Change in Object Clause of Memorandum of Association vide Certificate dated May 14, 2007 and June 24, 2015 issued by the Registrar of Companies, Rajasthan, Jaipur.
4. Certified copies of the Memorandum and Articles of Association of the Company as amended.
5. Copy of the Board Resolution dated December 29, 2015 authorizing the Issue and other related matters.
6. Copy of the Shareholder's Resolutions dated January 04, 2016 authorizing the Issue and other related matters.
7. Copies of Audited Financial Statements of our Company for the period ended September 30, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 & 2011.
8. Peer Review Auditors Report dated February 08, 2016 on Restated Financial Statements of our Company for the period ended September 30, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 & 2011.
9. Copy of the Statement of Tax Benefits dated February 08, 2016 from the Statutory Auditor.

10. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.
11. Copy of Certificate from the Peer Review Auditors of our Company, M/s Birani & Associates, Chartered Accountants, dated February 08, 2016 regarding the Eligibility of the Issue.
12. Board Resolution dated February 17, 2016 for approval of Draft Prospectus and dated [●] for approval of Prospectus.
13. Due Diligence Certificate from Lead Manager dated February 17, 2016 filed with NSE and dated [●] filed with SEBI.
14. Approval from NSE vide letter dated [●] to use the name of NSE in this Prospectus for listing of Equity Shares on the SME Platform of the NSE.

DECLARATION

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY:

<p>Sd/-</p> <p>Mr. Anil Kumar Nuwal <i>Managing Director</i> DIN: 00096471</p>	<p>Sd/-</p> <p>Mr. Jagdish Prasad Nuwal <i>Chairman & Whole-time Director</i> DIN: 000172049</p>
<p>Sd/-</p> <p>Mr. Madhu Sudan Nuwal <i>Whole-Time Director</i> DIN: 00212341</p>	<p>Sd/-</p> <p>Mr. Archit Laddha <i>Non-Executive Independent Director</i> DIN: 07412896</p>
<p>Sd/-</p> <p>Mr. Gaurav Bharti <i>Non-Executive Independent Director</i> DIN: 07412912</p>	<p>Sd/-</p> <p>Mrs. Surabhi Choudhary <i>Non-Executive Independent Director</i> DIN: 07412921</p>

SIGNED BY -

<p>Sd/-</p> <p>Mr. Pradeep Kumar Pareek <i>Chief Financial Officer</i></p>	<p>Sd/-</p> <p>Mrs. Devika Maheshwari <i>Company Secretary and Compliance Officer</i></p>
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Place: Bhilwara

Date: 17.02.2016