

# BELLA CASA

**BELLA CASA FASHION & RETAIL LIMITED**  
(Formerly Known as Gupta Fabtex Private Limited)  
Corporate Identity Number: - U17124RJ1996PLC011522

Our Company was incorporated as **Gupta Fabtex Private Limited** on February 05, 1996 under the provisions of Companies Act, 1956 with Registrar of Companies, Jaipur, Rajasthan vide registration no. 17- 011522 (CIN: U17124RJ1996PTC011522). Pursuant to Shareholders Resolution passed at the Annual General Meeting held on June 29, 2015, the name of our Company was changed to "Bella Casa Fashion & Retail Private Limited" vide a fresh Certificate of Incorporation dated July 15, 2015 issued by the Registrar of Companies, Jaipur, Rajasthan. Further pursuant to Shareholders resolution passed at the Extra Ordinary General Meeting of the Company held on July 15, 2015, Our Company was converted into a public limited company and the name was changed to "Bella Casa Fashion & Retail Limited" and a fresh Certificate of Incorporation dated July 31, 2015 was issued by the Registrar of Companies, Jaipur, Rajasthan.

For details of the changes in our Name and Registered Office, please see section titled "History and Certain Corporate Matters" on page 119 of this Prospectus.

**Registered & Corporate Office:** E-102, 103, EPIP, Sitapura Industrial Area, Jaipur-302022, Rajasthan, India  
**Tel No:** 91-0141-6500271, 6500277; **E-mail:** cs@bellacasa.in, **Website:** www.bellacasa.in  
**Contact Person:** Ms. Sonika Gupta (Company Secretary & Compliance Officer)

**PROMOTER OF OUR COMPANY:** Mr. Harish Kumar Gupta, Mr. Pawan Kumar Gupta, Mr. Saurav Gupta and Mr. Gaurav Gupta

THE ISSUE	
<p><b>PUBLIC ISSUE OF 24,50,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF BELLA CASA FASHION &amp; RETAIL LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ 14.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 4.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ 343.00 LAKHS ("THE ISSUE"), OF WHICH 130,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR A CASH PRICE OF ₹ 14.00 PER EQUITY SHARE, AGGREGATING TO ₹ 18.20 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 23,20,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ 14.00 PER EQUITY SHARE AGGREGATING TO ₹ 324.80 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.59% AND 25.18%, 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 226 OF THIS PROSPECTUS.</b></p>	
<p><b>THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS ₹ 14.00. THE ISSUE PRICE IS 1.40 TIMES OF THE FACE VALUE.</b></p>	
<p><b>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 233 OF THIS PROSPECTUS.</b></p>	
<p>Retail Individual Investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). <b>However, investors other than Retail Individual Investors shall compulsorily participate through the ASBA process only providing details about the bank account which will be blocked by the SCSBs.</b> In case of delay, in refund if any, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay. For further details, please refer to section titled "Issue Procedure" beginning on page 233 of this Prospectus.</p>	
ELIGIBLE INVESTORS	
<p>For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 233 of this Prospectus.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>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 1.40 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 71 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active 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.</p>	
GENERAL RISKS	
<p>Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the "Risk Factors" carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of 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 Prospectus. <b>Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 11 of this Prospectus.</b></p>	
ISSUER'S ABSOLUTE RESPONSIBILITY	
<p>Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this 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 Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 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 September 10, 2015 from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited.</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
	
<p><b>HEM SECURITIES LIMITED</b> 14/15, Khatau Bldg, 1<sup>st</sup> Floor, 40, Bank Street, Fort, Mumbai-400001, India. <b>Tel. No.:</b> +91- 022 - 2267 1543/44, 22671000 <b>Fax No.:</b> +91- 022 - 2262 5991 <b>Website:</b> <a href="http://www.hemonline.com">www.hemonline.com</a> <b>Email:</b> <a href="mailto:jb@hemonline.com">jb@hemonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemonline.com">redressal@hemonline.com</a> <b>Contact Person :</b> Mr. Sourabh Garg/Ms. Swati Tholia <b>SEBI Regn. No.</b> INM000010981</p>	<p><b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 <b>Tel :</b> +91 (40) 6716 2222 <b>Fax :</b> + 91 (40) 2343 1551 <b>Website:</b> <a href="http://www.karishma.karvy.com">www.karishma.karvy.com</a> <b>E-mail:</b> <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> <b>Investor Grievance Email:</b> <a href="mailto:bcfrl.smeipo@karvy.com">bcfrl.smeipo@karvy.com</a> <b>Contact Person :</b> Mr. M Murali Krishna <b>SEBI Registration :</b> INR000000221</p>
ISSUE PROGRAMME	
<b>ISSUE OPENS ON: MONDAY, SEPTEMBER 28, 2015</b>	<b>ISSUE CLOSES ON: WEDNESDAY, SEPTEMBER 30, 2015</b>

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**SECTION I – GENERAL****DEFINITIONS AND ABBREVIATIONS**

Unless the context otherwise indicates/implies, the terms and abbreviations stated hereunder shall have the meaning as assigned herewith. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

**General Terms**

<b>Term</b>	<b>Description</b>
“Bella Casa Fashion & Retail Limited”, “BCFRL”, “We” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Bella Casa Fashion & Retail Limited (Formerly known as Gupta Fabtex Private Limited), a Company incorporated under the Companies Act, 1956 vide a certificate of incorporation issued by the Registrar of Companies, Jaipur, Rajasthan.
“you”, “your” or “yours”	Prospective investors in this Issue

**Conventional / Company Related Terms**

<b>Terms</b>	<b>Description</b>
AOA / Articles / Articles of Association	Articles of Association of Bella Casa Fashion & Retail Limited (Formerly known as Gupta Fabtex Private Limited), as amended from time to time
Auditors/ Statutory Auditors	The Auditors of Bella Casa Fashion & Retail Limited (Formerly known as Gupta Fabtex Private Limited): M/s. Kalani & Co. Chartered Accountants
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Clause 52 of the SME Listing Agreement to be entered into with the BSE and corresponding Section 177 of the Companies Act, 2013.
Board of Directors / the Board / our Board	The Board of Directors of Bella Casa Fashion & Retail Limited (Formerly known as Gupta Fabtex Private 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
Compliance Officer & Company Secretary	The Compliance officer and Company Secretary of our company being Ms. Sonika Gupta
Corporate Office	E-102, 103, EPIP, Sitapura Industrial Area, Jaipur - 302022, Rajasthan, India.
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	Director(s) of Bella Casa Fashion & Retail Limited (Formerly known as Gupta Fabtex Private Limited), unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹.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
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.
GIR Number	General Index Registry Number
Group Companies	The companies, firms and ventures disclosed in “ <i>Our Promoter Group and Group Entities</i> ” on page 142 promoted by the Promoters, irrespective of whether such entities are covered under the Companies Act or not.
HUF	Hindu Undivided Family
ISIN	International Securities Identification Number.
Indian GAAP	Generally Accepted Accounting Principles in India

Terms	Description
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Bella Casa Fashion & Retail Limited (Formerly known as Gupta Fabtex Private Limited)
Non Residents	A person resident outside India, as defined under FEMA Regulations
NRI's / Non-Resident Indians	A person resident outside India, as defined under FEMA 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	Auditor having a valid Peer Review certificate in our case: M/s Kalani & Co, Chartered Accountants
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	Mr. Harish Kumar Gupta, Mr. Pawan Kumar Gupta, Mr. Gaurav Gupta and Mr. Saurav Gupta
Promoter Group	The persons and entities constituting the promoter group pursuant to regulation 2(1) (zb) of the ICDR Regulations and disclosed in <b>"Our Promoter Group and Group Entities"</b> on page 142.
Registered Office	E-102, 103, EPIP, Sitapura Industrial Area, Jaipur - 302022, Rajasthan, India.
RoC	Registrar of Companies, Jaipur, Rajasthan
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	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 Regulation	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015, as amended including instruction and clarification issued by SEBI from time to time.
Sub-Account	Sub-Account registered with SEBI under the SEBI (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	BSE Limited (SME Platform)

### Issue Related Terms

Terms	Description
Allotment/Allot/Allotted	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Block Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account.
ASBA Account	Account maintained by an ASBA Applicant with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant.
ASBA Applicant	Any Applicant who intends to apply through ASBA.
ASBA Application Form	The form, whether physical or electronic, used by an ASBA Applicant to make an application, which will be considered as the application for Allotment for purposes of

Terms	Description
	the Prospectus.
Bankers to the Company	HDFC Bank Limited
Bankers to the Issue / Escrow Collection Bank(s)	HDFC Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 241 of the Prospectus
BSE	BSE Limited.
Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Applications by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form used by ASBA Applicant and a list of which is available on <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a>
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account or the Refund Account, as appropriate, and the amounts blocked by the SCSBs are transferred from the bank accounts of the ASBA Applicant to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to the Allottees.
Designated Stock Exchange	BSE Limited SME Platform
DP ID	Depository Participant’s Identity.
Draft Prospectus	The Draft Prospectus dated August 11, 2015 filed with the BSE
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 Prospectus will constitute an invitation to subscribe for the Equity Shares.
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favor the Applicant (excluding the ASBA Applicant) will issue cheque or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement dated September 8, 2015 entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Collection Bank(s)	The Banks which are clearing members and registered with SEBI as Bankers to the Issue wherein the Escrow Account(s) of the Company will be opened. In this case being HDFC Bank Limited
HSL	Hem Securities Limited.
IPO	Initial Public Offering.
Issue / Issue Size	Public Issue of an aggregate of 24,50,000 Equity Shares of ₹10/- each at the issue price of ₹14/- each aggregating to ₹343.00 Lacs
Issue Closing Date	Wednesday, September 30, 2015
Issue Opening Date	Monday, September 28, 2015
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹. 14/- per Equity share.
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 BSE Limited
Market Maker	A Market Maker is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make profit on the bid offer spread or turn. Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Hem Securities Limited (Registration No. SMEMM0024801022013) is the sole Market Maker

Terms	Description
Market Making Agreement	The Market making agreement dated August 01, 2015 between our company and Market Maker (Hem Securities Limited)
Market Maker Reservation Portion	The reservation portion 1,30,000 Equity shares of ₹ 10/- each at an issue price of ₹ 14 /- each to be subscribed by market maker
MOU/ Issue Agreement	The Memorandum of understanding dated August 01, 2015 between our company and Lead Manager.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 23,20,000 Equity Shares of ₹10/- each at ₹ 14/- (including share premium of ₹ 4/-) per Equity Share aggregating to ₹ 324.80 Lacs/- (Rupees Three Hundred and Twenty Four Lacs Eighty Thousand Only) by Bella Casa Fashion & Retail Limited (Formerly known as Gupta Fabtex Private Limited).
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 ₹ 200,000.
OCB / Overseas Corporate Body	A Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCB are not allowed to invest in this Issue.
Prospectus	The Prospectus, to be filed with the ROC containing, inter alia, the issue price, the size of the issue and other information
Issue / Issue Size / Public Issue / Issue /	Public Issue of an aggregate of 24,50,000 Equity Shares of ₹ 10/- each at the issue price of ₹14/- each aggregating to ₹ 343.00 Lacs
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Institutional Buyers / QIBs	Public Financial Institutions as specified in Section 2(72) of the Companies Act, 2013, Scheduled Commercial Banks, Mutual Funds, Foreign Institutional Investors registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds and AIFs registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA), Provident Funds with a minimum corpus of ₹.25 Crores and Pension Funds with a minimum corpus of ₹. 25 Crores, 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 managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India.
Refund Account	Account opened with an Escrow Collection Bank from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made.
Refund Banker	HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Issue	Registrar to the Issue being Karvy Computershare Private Limited.
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	Individual 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 on Stock Exchange s, through which investors can buy or sell securities listed on Stock exchange.
Self Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>

Terms	Description
Underwriters	The LM and The Market Maker who have underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI (Underwriters) Regulations, 1993, as amended from time to time
Underwriting Agreement	The Agreement dated August 01, 2015 entered between the Underwriters and our Company
Working Day	All days other than a Sunday or a public holiday (except during the Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in India are open for business

## COMPANY AND INDUSTRY RELATED TERMS

### Technical and Industry Related Terms

Terms	Description
C&F	Cost and Freight
Depository Participant/ DP	A depository participant as defined under the Depositories Act, 1996
DTA	Domestic Tariff Area
ECGC	Export Credit Guarantee Corporation
EOU	Export Oriented Unit
EPCES	Export Promotion Council for EOUs and SEZs
EPIP	Export Promotion Industrial park
EPZ	Export Promotion Zone
IIP	Index of Industrial Production
IT	Information Technology
Ktpa	Kilo Tonnes per annum
LIBOR	London Interbank Offered Rate
Mtrs	Meters
OE	Original Equipment
PC	Polyester Cotton
Pcs	Pieces
PLR	Prime Lending Rate
PV	Polyester Viscose
RIICO	Rajasthan State Industrial Development and Investment Corporation
SME	Small and Medium Enterprise
Sq Mtrs	Square Meters
SSI	Small Scale Industries
TC	Thread Count

## ABBREVIATIONS

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
AOA	Article of Association
ASBA	Applications Supported by Blocked Amount
AIF	Alternative Investment funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science

Abbreviation	Full Form
B. Tech	Bachelor of Technology
BG/LC	Bank Guarantee / Letter of Credit
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS. & CO	Company Secretary & Compliance Officer
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Draft Prospectus
Dr.	Doctor
ECS	Electronic Clearing System
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
FIs	Financial Institutions
FIIIs	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
FV	Face Value
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GoI/Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
INR / Rs./ Rupees/ ₹	Indian Rupees, the legal currency of the Republic of India
IRDA	Insurance Regulatory and Development Authority
I.T. Act	Income Tax Act, 1961, as amended from time to time
KMP	Key Managerial Personal
Ltd.	Limited
MCA	Master of Computer Application
MOA	Memorandum of Association
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
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
NA	Not Applicable
NAV	Net Asset Value
NPV	Net Present Value
NRI	Non Resident Indians



Abbreviation	Full Form
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
INR	Rupees, the official currency of the Republic of India
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
STT	Securities Transaction Tax
Sec.	Section
TAN	Tax Deduction Account Number
TIN	Tax Payer 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.

The words and expression used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act 1992 (the “**SEBI Act**”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

## CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION

### Certain Conventions

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

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Bella Casa Fashion & Retail Limited”, “BCFRL”, unless the context otherwise indicates or implies, refers to Bella Casa Fashion & Retail Limited (Formerly known as Gupta Fabtex Private Limited). In this 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 Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### Use of Financial Data

Throughout this Prospectus, all figures have been expressed in Lacs. Unless stated otherwise, the financial data in the Prospectus is derived from our financial statements prepared and restated for the financial year ended March, 2011 2012, 2013, 2014 and 2015 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 147 of this Prospectus. Our Company has no subsidiaries. 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 and U.S. GAAP accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this 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 Prospectus, see the section “**Definitions and Abbreviations**” on page 1 of this Prospectus. In the section titled “*Main Provisions of Articles of Association*”, 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, market data used throughout this Prospectus was obtained from internal Company reports, data, websites, and industry publications Report, Publicly available sources. 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 market data used in this Prospectus is reliable, it has not been independently verified. 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 71 of the 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 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 11, 94 & 186 in the Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The 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 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”.

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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Disruption in raw material supply
2. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
3. Our ability to successfully implement our growth strategy and expansion plans,
4. Our ability to attract and retain qualified personnel;
5. 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;
6. The performance of the financial markets in India and globally; and
7. Changes in the customer preferences and demand cycle.
8. Significant changes or advancement in technologies.
9. Any adverse outcome in the legal proceedings in which we are involved.;
10. Our ability to compete effectively, particularly in new markets and businesses;
11. Changes in foreign exchange rates or other rates or prices;
12. Realization of Contingent Liabilities
13. Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
14. Conflicts of interest with affiliated companies, the Group Entities and other related parties;
15. Termination of customer contracts without cause and with little or no notice or penalty;
16. Failure of our infrastructure and equipment;
17. Failure to obtain and retain approvals and licenses or changes in applicable regulations;

For further discussion of factors that could cause our actual results to differ, see the Section titled "**Risk Factors**", "**Our Business**", & "**Management Discussion and Analysis of Financial Condition and Results of Operations**" beginning on page 11, 94 & 186 of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company, our Directors, our Officers, Lead Managers 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 risk. Prospective investors should carefully consider all the information in the Prospectus, particularly the “**Financial information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 147, 94, and 186 respectively of this Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Prospectus 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 Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

### **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 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 11 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 186 of this 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 Standards.

### **INTERNAL RISK FACTORS:**

1. **There are certain outstanding legal proceedings involving our Company and Promoters which are pending at different stages before the Judicial / Statutory authorities. Any rulings by such authorities against our Company and Promoters may have an adverse material impact on our operations.**

There are outstanding legal proceedings involving our Company and Promoters. These proceedings are pending at different levels before various enquiry officers, courts etc. A brief detail of such outstanding litigations as on the date of this Prospectus are as follows:

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

<i>Nature of Cases</i>	<i>No of Outstanding Cases</i>	<i>Amount involved (In ₹Lacs)</i>
Civil Laws	1	Unascertainable
Notice Under Tax (Direct Tax)	1	Unascertainable
Tax Liability(Direct Tax)	1	4.86
Tax Liability(Indirect Tax)	2	18.44

**B. Cases filed by Our Company**

<i>Nature of Cases</i>	<i>No of Outstanding Cases</i>	<i>Amount involved (In ₹Lacs)</i>
Civil Laws	3	36.02
Tax Liability	3	9.71

**Litigation involving our Promoters:-****A. Cases filed against the Promoter**

<i>Nature of Cases</i>	<i>No of Outstanding Cases</i>	<i>Amount involved (In ₹Lacs)</i>
Penalty under Tax Laws	1	1.00

*Note: All amounts mentioned above are approximate.*

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.

For details kindly refer chapter titled “*Outstanding Litigation and Material Developments*” at page no. 198 of Prospectus

**2. *We require a number of approvals, licenses, registrations and permits for operation of our business and the failure to obtain or renew them in a timely manner may adversely affect our operations.***

We require a number of approvals, licenses, registrations and permits for operating our factory situated at E-102, 103, EPIP, Sitapura Industrial Area, Jaipur – 302022, Rajasthan such as Excise registration as per Central Excise Act, 1944, Tax Payer Identification Number (TIN), Central Sales Tax Registration, Registration for Exports/Imports IEC Number, VAT Registration under Rajasthan Value Added Tax Act 2003, ESIC & PF Registration under ESI Act, 1948 and PF Act, 1952, Service Tax Registration (under reverse Charge), although our company has obtained all applicable registration for operation of our business but we are yet to apply for registration under Bombay shops and establishment Act, 1948 and Gujarat Value added tax Act, 2003 of our sales office situated at Shop No. 123, Ground Floor, New Cloth Market, Sarangpur, Ahmedabad – 380002, Gujarat, We cannot assure you that we will get the approvals applied for in a timely manner, or at all.

However, If we fail to obtain or renew any applicable approvals, licenses, registrations and permits in a timely manner, and non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits 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 and profits.

For further details see section on “*Government and Other Approvals*” beginning on page 206 of the Prospectus.

**3. *Our Company has allotted Equity Shares during the preceding one year from the date of the Prospectus which is lower than the Issue Price.***

In the last 12 months we have made a fresh issue of Equity Shares to the promoters of our Company which are as follows:-

- Bonus issue in the ratio of 23:10 dated July 16, 2015 issued 47,15,000 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 44 of the Prospectus.

4. *Our Company has taken interest free unsecured loan from its promoters which are repayable on demand. Any demand from lenders for repayment of such unsecured loan, may have an adverse affect on our cash flow and financial condition.*

Our Company has taken interest free unsecured loans from our Promoters/ Directors, the outstanding amount of which as on March 31, 2015 stood at ₹ 71.50 Lacs. However, as on date we have not entered into any understanding or formal agreement with the Promoter Director in respect of their lending to the Company. If the loan is recalled on a short notice, our Company may have to, on an urgent basis arrange for equivalent funds to fulfil the necessary requirements. Inability of our Company to do so may require creating a security for such loan. The occurrence of these events may have an adverse effect on our cash flow and financial conditions. For more details regarding the loan, please refer the chapter titled “**Financial Information of the Company**” beginning on page 147 of this Prospectus.

5. *We have certain restrictive conditions in license and approval granted by various authorities, any non compliance or non adherence of stipulated condition may affect business operation of our company.*

Our factory license for our factory situated at E-102, 103, EPIP, Sitapura Industrial Area, Jaipur – 302022, Rajasthan contain some restricted condition in respect of number of employees employed in factory which we have not complied in the past. However, we have now got the factory license renewed/upgraded from the concerned department as on date of the Prospectus. Although, we have not received any notice for non adherence of restricted conditions from concerned authority but in future if any notice or penalties impose by the authorities will affect financial position of our Company. Also our registration with District Industries Centre for manufacturing of Made-ups and garments is restricted upto capacity of 12.00 Lacs pieces issued by Government of Rajasthan, District Industries Centre, Jaipur (City) dated June 18, 2008 but the same is exceeded by our production within last two years and we are in process to apply for upgradation of the capacity in license. Although our company has not received any notice for non adherence of restricted conditions from concerned authority but in future if any notice or penalties impose by the authorities will affect financial position of our Company

For further details regarding license and approval please refer section on “*Government and Other Approvals*” beginning on page 206 of the Prospectus.

6. *We do not own the Registered Office of Our Company from which we operate. Any dispute in relation to the rent of our premises would have a material adverse effect on our business and results of operations.*

We currently operate from our registered office situated at E-102, 103, EPIP, Sitapura industrial Area, Jaipur - 302022, which is partly taken on lease by our Company from RIICO and partly rented by M/s Gupta Exports, partnership firm of the promoters, Mr Harish Kumar Gupta and Mr. Pawan Kumar Gupta. The premises namely E-102, EPIP, Sitapura industrial Area, Jaipur – 302022 Rajasthan have been taken on lease from RIICO vide a Lease agreement dated March 6, 2007. The lease has been provided for a period of 99 years valid until September 23, 2102. Additionally the premises namely E-103, EPIP, Sitapura industrial Area, Jaipur – 302022 Rajasthan have been taken on rent vide a Rent agreement dated April 01, 2015 which is not formally registered. If the owner of these premises terminates the lease agreement and does not renew the rent agreement, it may suffer a disruption in our operations. In case of termination/non renewal of deed and rent agreement, which may affect our business and we cannot assure you that we will have the right to occupy, the aforementioned premises in future, which may impair our operations and adversely affect our financial condition. Also the above properties are mortgaged with financial institutions for availing cash credit limit and other loan, any changes in said arrangement or termination of deed may hinder our financial stability of the Company. For further details of our office premises and property mortgage in financial Institutions please refer to the section titled “*Our Business*” and “*financial Indebtedness*” on page 94 and 182 of this Prospectus.

7. *Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.*

Our Company may have not complied with provisions of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposit) Rules 1974 in the past. However all the unsecured loans falling outside the exemptions from deposits provided under the Companies (Acceptance of Deposits) Rules, 1975 have been repaid till date and as on date, no unsecured loans are outstanding other than from directors of the Company and financial institutions. Additionally, there are some cases where our Company has not filed the form in a timely manner with the Registrar of Companies for which requisite delayed fees have been paid by the company. Further, Our Company has not complied with the provisions and Section 4A of the Payment of Gratuity Act, 1972 and Accounting Standard 15 in the past. However, now the Company has made necessary provision for gratuity and has made necessary compliance in accordance with the applicable Accounting Standards and laws in the re-stated financial statements of the Company.

**8. We are subject to the restrictive covenants of banks in respect of the Cash Credit Limit and other banking facilities availed from them.**

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, changes in fixed assets and creation of any other charge, not to issue any personal guarantee by the guarantors, formulate any scheme of amalgamation, substantial change in management of the company, extending finance to associate concerns etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the Cash Credit Limit and other banking facilities, please see “**Financial Indebtedness**” on page 182 of the Prospectus.

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

Our Company is engaged in business of manufacturing of textiles products which attract tax liability such as Excise Duty, Sales tax, Value added Tax and Service Tax as per the applicable provision of Law. However the Company is deposited 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.

**10. Any impairment in the right to occupy the premises from where we operate in future due to non-compliance of any of the terms and condition of the lease agreement may adversely affect our business.**

Our Lease deed for our premises i.e. E-102, EPIP, Sitapura industrial Area, Jaipur, Rajasthan entered by our Company with RIICO imposes certain restrictions and covenants regarding creation of charge on the property and exporting minimum 33.33% of installed capacity which currently we are not able to maintain. Additionally, our premises i.e. E-103, EPIP, Sitapura industrial Area, Jaipur, Rajasthan, is sublet by our Promoter Group entity vide rent agreement dated April 01, 2015 to our company and the written consent is required from RIICO for the sub-letting of the said premises. However, our Promoter Group entity i.e. M/s Gupta Export have not taken any such written approval from RIICO for sub letting of the premises to our Company. As on date our Company and our Promoter Group entity have not received any notice from RIICO but in case of any action taken by the authority or termination of deed may affect our operation of our Company. Also we cannot assure you that we will have the right to occupy, the aforementioned premises in future, which may impair our operations and adversely affect our financial condition. For further details of our office premises please refer to the section titled “**Our Business**” on page 94 of this Prospectus.

**11. We have contingent Liability in our Restated financial statement of our Company, as on March 31, 2015.**

The following are the contingent liabilities in our Restated financial statement of our company, as on March 31, 2015. If it actually occurs, it may adversely impact our financial condition:-

S.No.	Nature of Dues	Forum where dispute is pending	March 31, 2015	
			Demand	Amount deposited



			(in ₹)	(under Protest) (in ₹)
1	Income Tax Demand (TDS) for A.Y. 2011-12	ITAT Jaipur	170,750	170,750
2	Income Tax Demand (TDS) for A.Y. 2012-13	ITAT Jaipur	71,162	71,162
3	Income Tax Demand for A.Y. 2012-13	CIT Appeals Jaipur	86,450	86,450
4	Income Tax Demand (TDS) for A.Y. 2011-12, 12-13 & 13-14 (RIICO)	CIT Appeals Jaipur	591,613	3,91613/-

For more information, regarding our contingent liabilities, please refer “**Annexure U**” on page 181 of the chapter titled “**Financial Information of the Company**” beginning on page 147 of this Prospectus.

**12. Our revenues are dependent on a limited number or few of our customers. The loss of our major customers or a decrease in the volume of products they source from us may adversely affect our revenues and profitability.**

Our top 10 customers contribute 69.30% to our revenues for the period ended March 31, 2015. However, the composition and revenue generated from these customers might change in normal course of business. We believe that we have maintained good and long term relationships with our customers. However, there is no assurance that we will continue to have such long term relationship with them and they may decide to reduce the quantity of orders sourced from us because of changing market conditions and other factors, internal and external, relating to their business. Our business and results of operations will be adversely affected if we are unable to develop and maintain a continuing relationship with certain of our key customers. The loss of a significant customer or a number of significant customers may have a material adverse effect on our business prospects and results of operations.

**13. There are no non - compete agreements between our Company and Promoter Group Entity. We cannot assure that our Promoters will not favour the interests of such Entity over our interest or that the said entities will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.**

Our Promoters Mr. Harish Kumar Gupta and Mr. Pawan Kumar Gupta have promoted our Promoter Group entity viz M/s Gupta Exports (Partnership Firm), which is in similar line of business although presently the major source of Income of our Promoter Group entity is from Rent Income. However we have not entered into non-compete agreement and also there can be no assurance that in future 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 140** of this Prospectus.

**14. Our Promoters and group entity have given personal guarantees in relation to borrowings made by the Company from HDFC Bank Limited. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoter’s, Director’s ability to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations.**

Our Company has availed of Credit facility from HDFC Bank Limited. Basic terms and conditions of the said facility stipulate that the facility shall be secured by security of personal guarantee of our Promoters Mr. Harish Kumar Gupta, Mr. Pawan Kumar Gupta, Mr. Gaurav Gupta, Mr. Saurav Gupta and our Group entity M/s Gupta Export (Partnership of Mr. Harish Kumar Gupta and Mr. Pawan Kumar Gupta) for ₹ 2543 Lacs. In event of default on the debt obligations, the security or personal guarantees may be invoked thereby adversely affecting the ability of our Promoter and Director to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations. For further details in this regard, please refer to section titled “**Financial information of the company**” on page 147 of the Prospectus.

**15. Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Entities.**

Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives. These transactions, inter-alia includes sale/purchase of goods, payment for services received/rendered, remuneration, loans and advances etc. Our Company entered into such transactions due to easy approach and quick execution. However, there can be no assurance that we could not have obtained better and more favourable terms than from transaction with related Parties. Our Company may continue to 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 147 of this Prospectus.

**16. We do not generally enter into agreements with our suppliers and job workers for supply of raw material, printing and dyeing, accordingly may face disruptions in supply and job work from our current suppliers or Job workers.**

We do not have any long-term agreement or contract for the supply of raw material and for printing & dyeing work with job workers. We are dependent on our suppliers for our raw materials requirements and job workers for Printing & dyeing work. However 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. Any interruptions in the manufacturing operations of the suppliers and job workers due to strikes, lock outs, work stoppages or other forms of labour unrest, break down or failure of machines, floods and other natural disaster as well as accidents could affect our ability to receive an adequate supply of quality products at reasonable prices. Additionally, any price volatility of these raw materials or labour charges of job workers and our inability to adjust to the same could adversely affect our results of operations and profitability. Further any deterioration in the quality of the material procured or dyeing and printing could adversely affect our results of operations and profitability.

**17. Our Company has experienced negative cash flows in prior periods. Any negative cash flows in the future would adversely affect our results of operations and financial condition**

We have in the past, experienced negative cash flows as further detailed below:

(Amount in ₹ Lacs)

Particulars	For the Year Ended				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
<b>Net Cash Flow from / (used in) Operating Activities</b>	(210.58)	232.76	340.86	(16.34)	(44.57)
<b>Net Cash from / (used in) Investing Activities</b>	10.18	435.67	(26.85)	(470.88)	(351.96)
<b>Net Cash from / (used in) Financing Activities</b>	125.28	(575.13)	(358.62)	514.83	358.80

Our negative cash flows as mentioned above are mainly on account of increase in operating cost and increase in working capital in line with the growth of our business. Negative cash flows over extended periods, or significant negative cash flows in the short term, may materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations may be materially and adversely affected.

For further details in connection with negative cash flows, please see the chapter titled "**Financial Information of the company**" on page no. 147 of this Prospectus.

**18. We do not own our some of trademarks legally as on date of Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, Our Company had made applications for registration of brand under Trade Marks Act and some of them are either objected/ opposed status, due to which we may be subject to claims alleging breach of third party intellectual property rights.**

We do not own some of our trademarks as on the date of Prospectus. Therefore, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark and the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and 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 the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

Additionally, some of our trademarks which have been applied by our Company in class 24 (Textiles and textile goods, not included in other classes; bed and table covers) under Trade Marks Act are objected and opposed. Any adverse decision in this regard by the Trademark Authority may restrict us to use the brand which may adversely affect our business. For further details please refer to chapter titled "**Government and Other Approvals**" beginning on page 206 of the Prospectus.

**19. Our Company could not retrieve the statutory records including Books of Accounts, Minutes Book etc for the period beginning from incorporation till March 2006.**

Our Company was incorporated as a private limited company on February 5, 1996 under the provisions of the Companies Act, 1956. Due to a fire occurred in the Indian Oil Corporation- Oil Depot dated Oct. 29, 2009 in Sitapura Industrial Area, Jaipur, Rajasthan being in close vicinity to our registered office, the premises of the Factory & the office had been damaged. Our Company lodged a first information report (FIR) with the jurisdictional police station dated 04.11.2009; The damage caused to the factory and office premises resulted in company's statutory records being misplaced, which could not be retrieved. Later, Our Company conducted a physical search on June 10, 2015 at the offices of the ROC, Jaipur but we could not obtain in the ROC search, forms which have been updated with the ROC, Jaipur before 2006. We have not received any notices from the ROC in respect of any non-compliance. However, we cannot assure that no penal action will be taken against us by any statutory authority. Further, our Company may not be in a position to attend to and / or respond appropriately to any legal or business matter due to lack of lost / destroyed records and to that extent the same could affect our Company adversely.

**20. Excessive dependence on HDFC bank, in respect of obtaining financial facilities.**

Most of our fund based and non fund base financial assistance has been sanction by the banks, i.e. HDFC bank on the security of assets. Any default under such arrangement or non renewal or renewal of the sanction on adverse term with such lender may create problem for operation of the Company, which may affect the financial stability of the Company at a same time this may result into difficulty in arranging of funds for re-payment and may also adversely affect the financial position of the Company.

Also the Premises situated at E-102, E-103, EPIP, Sitapura Industrial Area, Jaipur, Rajasthan is partly taken on lease vide lease agreement entered with RIICO and partly taken on rent from M/s Gupta Exports, our Promoter Group entity, both of the property are mortgaged with HDFC Bank against the sanction of the Financing limits. Any impairment in the right to use the above property may require us to arrange for the additional security or arranging the funds for the pre-payment which may adversely affect the financial position of the Company.

**21. Some of our product has seasonal demand and hence our operating results for different periods may not be comparable.**

We are also engaged in the manufacturing of quilted products. The demand for the quilted products is seasonal in nature and also depends on the weather conditions like a longer winter ensures higher sales while a mild and short winter adversely affects the demand. As these factors are outside our control, including the extent and duration of the winter season in India in any particular fiscal year may result in lower revenues during the any part of that particular fiscal year, resulting in a material adverse effect on the operations and business of the Company. For further details of our products, please refer "**our Business**" beginning on page 94 of this Prospectus.

**22. We are dependent on our Promoters, directors and key managerial personnel of our Company for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.**

Our Promoters, Directors and key managerial personnel collectively have vast experience in the textile industry and are responsible for the growth of our company. They provide expertise, which enables us to make well informed decisions in relation to our business and our future prospects. For further details of our Directors and key managerial personnel, please refer to Chapter "**Our Management**" on page 123 of this Prospectus. Our success largely depends on the continued services and performance of our management and other key personnel and their services are difficult to replace. 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. Also, the loss of any of the management or other key personnel may adversely affect the operations, finances and profitability of our Company.

Further, our future performance will depend upon the skills, efforts, expertise, and continued services of these persons and our ability to attract and retain qualified senior and mid-level managers. The loss of their services or those of any other members of management could impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of operations.

***23. Changes in market trends, fashion and consumer preferences and increase in competitors that are largely beyond our control could adversely affect our business, financial condition, results of operations and prospects.***

Textile business is very sensitive to change in the fashion and market trend. Any change in the latest fashion can render the old stock obsolete and increase in competition with for close competitors will reduce the demand. Also Factors such as change in trend, fashion and customer preference are generally beyond our control. Some or all of our concepts may become less attractive in light of changing consumer preferences or better design by competitors, and we may be unable to adapt to such changes in a timely manner. Any change in consumer preferences that decreases demand could adversely affect our business, financial condition, results of operations and prospects.

***24. We may face the risk of any future potential legal proceeding or claim made by any consumer including product liability claims.***

Since we operate in the garment manufacturing sector, we may face the risk of any potential legal proceedings and claims being brought against us by our consumers for any defective product 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 and our reputation could suffer. 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.

***25. Our Company's manufacturing activities are labour intensive and are dependent upon availability of skilled and unskilled labour. In case of unavailability of such labourers and / or inability to retain such personnel or any strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees could affect our business and result of operations.***

Our manufacturing activities are labour intensive and are largely dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them, which may lead to strikes, lock-outs or increased wage demands could affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations.

***26. We are subject to risks arising from exchange rate fluctuation. Any adverse fluctuation in currency exchange rates may adversely affect our financial condition and results of operations.***

Certain portion of our revenue is denominated in currencies other than Indian Rupees. Uncertainties in the global financial markets may have an adverse impact on the exchange rate between Rupee vis- à-vis other currencies. The exchange rate between Rupee and other currencies may continue to remain volatile in future depending upon the foreign exchange reserve position of India. Although we may enter into hedging arrangements against such risks, but there can be no assurance that these arrangements will successfully protect us from losses due to fluctuations in exchange rates.

Accordingly, any adverse fluctuation in the exchange rate between Rupee and other currencies may adversely affect our financial position and results of operation.

***27. We are highly dependent on certain third party services such as smooth supply of raw material and transportation and timely delivery of our product. Various uncertainties and delays or non delivery of our products will affect our sales.***

We currently rely upon third-party transportation providers for substantially all of our product distribution. Our utilization of delivery services for shipments is subject to risks, including increases in fuel prices, which would increase our delivery costs, and employee strikes and inclement weather, which may impact the ability of providers to provide delivery services that adequately meet our transportation needs. If we lose one or more of our transportation providers, we may not be able to obtain terms as favorable as those we receive from the third party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results. Further, disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our procurement of raw materials and our ability to supply our products to our customers which in turn may adversely affect our business operations and our financial condition.

**28. *We operate in a competitive environment. We face competition from both organized and unorganized players, which may adversely affect our business operation and financial condition.***

The market for our products is competitive on account existence of both the organized and unorganized players. Competition occurs generally on the key attributes such as quality of products, distribution network, pricing and timely delivery. Some of our competitors have longer industry experience and greater financial, technical and other resources, which may enable them to adopt faster in changing market scenario and remain competitive. Moreover, the unorganized sector can 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.

**29. *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 for our working capital requirement 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 borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company.

For further details of our working capital requirement, Please refer chapter titled “**Object for the Issue**” beginning on page 66 of this Prospectus.

**30. *There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.***

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above ₹50,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of Clause 52 of SME Listing Agreement. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**31. *We have obtained insurance coverage to protect us against certain operating risks. However our insurance coverage may not be adequate to cover any unforeseeable losses and this may have as adverse effect on the results of our business.***

We are insured for a risks associated with our manufacturing business, through policies such as Standard Fire and Special Perils Insurance Policy and Burglary Policy. We believe that we have got our assets adequately insured; however there can be no assurance that any claim under the insurance policies maintained by us will be honored fully/in part or on time, to cover all material losses. Our policy of covering these risks through insurance may not always be effective or adequate. Failure to effectively cover ourselves against the associated risks for any of these reasons including other unforeseen circumstances could expose us to substantial costs and potentially lead to material losses. For details on insurance policies taken by our Company please refer Chapter titled “**Our Business**” on page no 94 of Prospectus.

**32. *Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.***

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. It also largely depends on the fashion forecast and trends for the forthcoming season. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

**33. We have not independently verified certain data mentioned in this Prospectus.**

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**34. We have not carried out an independent appraisal of our working capital requirements. Therefore, if our estimation is not accurate, we may be required to raise additional debt on terms that may not be totally favorable to us.**

Our working capital requirements have been assessed based on the management's estimates and it have not been independently appraised or evaluated by any bank or financial institution. Further, the estimates of our working capital requirement are based on the experience of our management and Promoters. However, it cannot be assured that these estimates may be accurate. We may require more working capital in such cases, we may be required to raise additional debt, on terms that may not be totally favorable to our Company, which may in turn adversely affect our profitability.

For further details please refer Chapter titled "**Objects of the Issue**" on page no. 66 of Prospectus

**35. The deployment of funds is entirely at our discretion and as per the details mentioned in the Chapter titled "Objects of the Issue". Any revision in the estimates may require us to reschedule our plans and may have a bearing on our expected revenues and earnings.**

Our funding requirements and the deployment of the Net Issue proceeds are based on management estimates and have not been appraised by any bank or financial institution. We cannot assure that these estimates are accurate. Further, the deployment of the funds towards the "**Objects of the Issue**" is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our audit committee.

Further, the proposed schedule may be delayed by any reason whatsoever, including any delay in completion of the Issue. As we have not identified any alternate source of finance for the "**Object of the Issue**", if the schedule of implementation is delayed, we may have to revise our working capital limits resulting in unprecedented financial mismatch and this may affect our revenues and results of operations.

For further information, please refer the chapter titled "**Object of the Issue**" beginning on page no. 66 of the prospectus.

**36. Our Promoters, together with our Promoter Group will continue to retain majority shareholding in our Company after the Offer, which will allow them to exercise significant control over us. We cannot assure you that our Promoters and Promoter Group will always act in the best interests of the Company or you.**

The majority of our issued and outstanding Equity Shares are currently beneficially owned by the Promoters and the Promoter Group. Upon completion of the Offer, the Promoters and Promoter Group will own 67,65,000 Equity Shares, or 73.41% of our post-Offer Equity Share capital, assuming full subscription of the Offer. Accordingly, the Promoters and the Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders approval, including the composition of the Board of Directors, the adoption of amendments to our constitutional documents, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters and Promoter Group as the Company's controlling shareholders could conflict

with the Company's interests or the interests of its other shareholders. We cannot assure that the Promoters and Promoter Group will act to resolve any conflicts of interest in the Company's or your favour.

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

Once our company gets listed on the stock exchange we would be subject to circuit breakers imposed by the stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges may also change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**38. *Any future issuance of Equity Shares may dilute the shareholding of the Investor or any sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital, held by our Promoters or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution of 20% of our post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the sub-section titled "*Notes to the Capital Structure*" under the section titled "*Capital Structure*" beginning on page 44 of this Prospectus. The future issuance or sale of the equity shares of our company by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

**39. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing of the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**40. *Investor's may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Capital gains arising from the sale of shares are generally taxable in India. Any gain realised on the sale of shares and debentures on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax, or STT, has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which shares or debentures are sold. Any gain realised on the sale of shares and/or held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of shares and/or debentures held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of shares and/or debentures will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares and/or debentures, as the case may be.

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

The Issue Price of our Equity Shares has been determined by the management and the lead managers on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled “*Basis for Issue Price*” beginning on page 71 of this Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

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

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

**43. *There is no existing market for our Equity Shares and we cannot assure you that such a market will develop. The stock price may be volatile, and you may be unable to resell your shares at or above the Issue price or at all.***

Prior to this Issue, there has been no public market for the Equity Shares of our company, and an active trading market may not develop or be sustained upon the completion of this Issue. Even though a Market Maker has been appointed for our stock, since there has been no public market for our Company’s Equity Shares, an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our Company’s operating results, market conditions specific to the textile sector in India, developments relating to India and volatility in the BSE and securities markets elsewhere in the world. The risk of loss associated with this characteristic may be greater for investors expecting to sell Equity Shares purchased in this Issue soon after the Issue.

**EXTERNAL RISK FACTORS:**

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

Majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in Prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing.

Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation. To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavor to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

**45. *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.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

***47. A slowdown in economic growth in India could cause our business to suffer.***

Our results of operations and financial condition are dependent on, and have been adversely affected by, conditions in financial markets in the global economy and, particularly in India. The Indian economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, business corruption, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, inflation, commodity and energy prices and various other factor Any slowdown in the Indian economy may adversely affect our business, financial condition, results of operations and the price of our Equity Shares.

***48. Any change in the labour laws or any other Labour law become applicable to us, our profitability may be adversely affected.***

India has very strict labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

***49. Probable opposition from countries abroad from sourcing of textiles, apparel and related products from India could adversely affect our financial condition and results of operations.***

There is a concern in the US over the domestic textile industry being rendered uncompetitive in face of the mounting competition from the cheap garments being exported from China into the country. As a result, there have been restrictions imposed by the US on cheap imports of textiles and garments from China in order to protect the domestic industry. This could be an indication of similar restrictions being laid on other exporters like India in future.

***50. Our transition to the use of the IFRS-converged Indian Accounting Standards may adversely affect our financial condition and results of operations.***

The financial data included in this Prospectus has been prepared in accordance with Indian GAAP. There are significant differences between Indian GAAP and IFRS. 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. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

***51. The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.***

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

**52. *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.

**53. *The occurrence of natural or man-made disasters or erupt of communal disturbances or riots or erupt in India, or Terrorist attacks and other acts of violence or war involving India and other countries increase, this would adversely affect the Indian economy and our business.***

Any occurrence of natural like hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters like acts of terrorism and military actions or erupt of any communal disturbances or riots, or Terrorist attacks and other acts of violence or war involving India and other countries increase, this would adversely affect the Indian economy and our business.

**54. *Financial instability in Indian financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Any financial development in the countries in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Any adverse condition happening in the financial systems of other emerging markets may also affect the investors' confidence in Indian Market which can cause increased volatility, in the Indian economy in general. Any worldwide financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy.

**Prominent Notes:**

1. Public Issue Of 24,50,000 Equity Shares of Face Value of ₹ 10/- each of Bella Casa Fashion & Retail Limited ("BCFRL" or "Our Company" or "The Issuer") for Cash at a Price of ₹ 14/- Per Equity Share (Including a Share Premium of ₹ 4/- per Equity Share) ("Issue Price") aggregating to ₹ 343.00 Lacs, of which 130,000 Equity Shares of Face Value of ₹10/- each at a price of ₹14/- aggregating to ₹ 18.20 Lacs Lacs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion") and Net Issue to Public of 23,20,000 Equity Shares of Face Value of ₹ 10/- each at a price of ₹14/- aggregating to ₹324.80 Lacs (hereinafter referred to as the "Net Issue") The Issue and the Net Issue will constitute 26.59% and 25.18% 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:

- Minimum fifty percent to retail individual investors; and
- 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.*

- The Net worth of our Company as on March 31<sup>st</sup>, 2015 and March 31, 2014 was ₹ 712.53 Lacs and ₹ 677.99 Lacs respectively. For more information, see the section titled **“Financial Information of the Company”** beginning on page 147 of this Prospectus.
- The NAV / Book Value per Equity Share, based on Standalone Restated Financials of our Company as March 31<sup>st</sup>, 2015 and March 31, 2014 was ₹ 34.76 and ₹ 33.07per equity share respectively. For more information, see the section titled **“Financial Information of the Company”** beginning on page 147 of this Prospectus.
- 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. Harish Kumar Gupta	10,11,483	3.03
Mr. Pawan Kumar Gupta	9,90,033	3.03
Mr. Gaurav Gupta	9,24,000	3.03
Mr. Saurav Gupta	8,76,975	3.03

*As certified by our Statutory Auditor vide their certificate dated August 07, 2015. For Further details, please refer to “Capital Structure” on page 44 of this Prospectus.*

- We have entered into various related party transactions with related parties including our Promoter group companies/entities for the period ended March 31<sup>st</sup>, 2015. For nature of transactions and other details as regard to related party transactions section titled **“Financial Information of the Company - Annexure R - Statement of Related Parties Transactions, as Restated”** on page 178 of this Prospectus.
- 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 178 and **“Our Promoters and Group Entities”** on page 142 and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
- Our Company was originally incorporated on February 05, 1996, as “Gupta Fabtex Private Limited” under the provisions of the Companies Act, 1956 with Registrar of Companies, Rajasthan, Jaipur. Subsequently, pursuant to a special resolution passed by the shareholders at the Annual General Meeting held on June 29, 2015, the name of the Company was changed to Bella Casa Fashion & Retail Private Limited and a fresh certificate of incorporation consequent on change of name was issued by RoC on July 15, 2015. Further, pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on July 15, 2015 our Company was converted into a public limited company and a fresh certificate of incorporation consequent on the conversion under the Companies Act on July 31, 2015 was obtained from RoC. The Corporate Identification Number of our Company is U17124RJ1996PLC011522.

For details of change in our name, please refer to Section titled **“History and Certain Corporate Matters”** on page 119 of this Prospectus.

- 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 Prospectus.

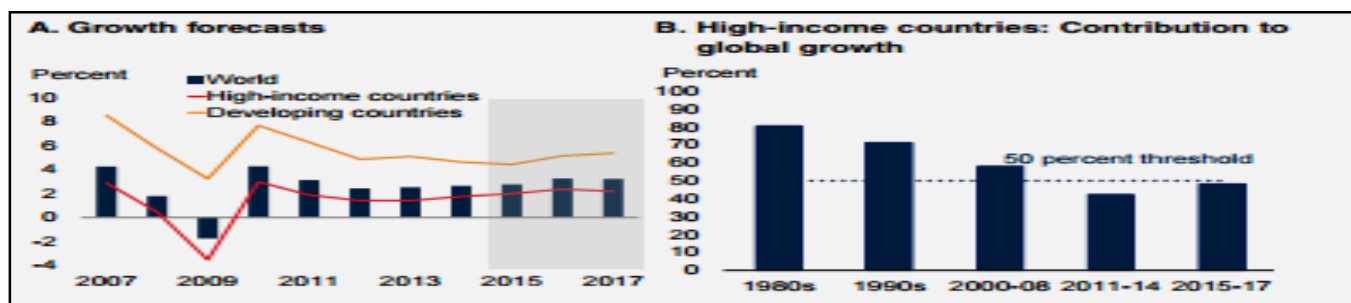
10. Our Company, Promoters, Directors, Promoter Group, Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have 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 71 of this Prospectus.
12. The Lead Manager and our Company shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this 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 241 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. 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 and to the extent the interest as disclosed in this Prospectus. For further details please see the chapter titled “**Our Management**” beginning at page 123, chapter titled “**Our Promoter Group & Promoter Group Entities**” beginning at page 142, and chapter titled “**Financial Information of the Company**” beginning at page 147 of this 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 147 of this Prospectus.

**SECTION III – INTRODUCTION****SUMMARY OF OUR INDUSTRY**

*This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Prospectus, including the information contained in the chapter titled “Risk Factors” and “Financial information of the Company” and related notes beginning on page 11 and 147 of the Prospectus before deciding to invest in our Equity Shares.*

**Overview of the Global & Indian Economy****The Global Scenario**

Global growth is expected to be 2.8 percent in 2015, lower than anticipated in January. Growth is expected to pick up to 3.2 percent in 2016–17, broadly in line with previous forecasts. Developing economies are facing two transitions. First, the widely expected tightening of monetary conditions in the United States, along with monetary expansion by other major central banks, has contributed to broad-based appreciation in the U.S. dollar and is exerting downward pressure on capital flows to developing countries. Many developing-country currencies have weakened against the U.S. dollar, particularly those of countries with weak growth prospects or elevated vulnerabilities. In some countries, this trend has raised concerns about balance sheet exposures in the presence of sizeable dollar-denominated liabilities. Currency depreciations have been significantly less in trade-weighted terms, partly due to a weakening euro and yen, thus offering only modest prospects for competitiveness gains to boost exports. Second, despite some pickup in the first quarter of 2015, lower oil prices are having an increasingly pronounced impact. In oil-importing countries, the benefits to activity have so far been limited, although they are helping to reduce vulnerabilities. In oil-exporting countries, lower prices are sharply reducing activity and increasing fiscal, exchange rate, or inflationary pressures. Risks remain tilted to the downside, with some pre-existing risks receding but new ones emerging.



\*Shaded areas indicate forecasts.

(Source - <https://www.worldbank.org/content/dam/Worldbank/GEP/GEP2015b/Global-Economic-Prospect-2015-Global-economy-in-transition.pdf>)

**Indian Economy Outlook**

The Indian economy is reviving, helped by positive policy actions that have improved confidence and by lower global oil prices. To continue on this trend, India needs to revitalize the investment cycle and accelerate structural reforms. The Indian economy is the bright spot in the global landscape, becoming one of the fastest-growing big emerging market economies in the world. Growth numbers are now much higher and the current account deficit is comfortable, in part due to the fall in gold imports and lower oil prices. New investment project announcements have started to pick up, particularly in the power and transport sectors.

The revised GDP, the IMF forecasts growth will strengthen to 7.2 percent in 2014-15 and rise to 7.5 percent in 2015-16, driven by stronger investment following improvements to the business climate. The revised growth figures support our view that economic recovery in India is under way, albeit pointing to a somewhat faster pace than we, and others, previously believed. These GDP revisions portray a more resilient performance of the services and manufacturing sectors of the economy.

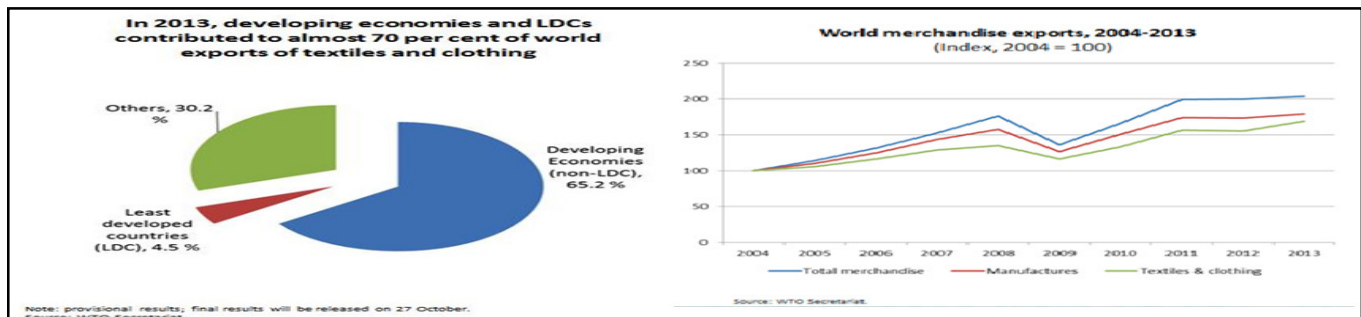
Inflation has fallen by half to around 5 percent, after hovering around 10 percent for several years. The Reserve Bank of India (RBI) steps to tighten monetary policy by raising interest rates during 2013–2014 and the government’s efforts to contain food

inflation, including by releasing buffer stocks of cereal and keeping agricultural procurement prices in check. Also the government's recent move to introduce a flexible inflation-targeting framework is a clear positive. It will help deliver low and stable inflation, and diminish the prospect of renewed bouts of high inflation.

(Source: <http://www.imf.org/external/pubs/ft/survey/so/2015/car031115a.htm>)

### Global Apparel & Textile Industry

Since the return of normal trading rules in 2005, when the Multi-fibre Arrangement quota system ended, world trade in textiles and clothing has increased by more than 68 percent, more or less at the same pace as the world trade in manufactures. It has surged from US\$454 billion in 2004 to US\$766 billion in 2013. Even with the significant economic downturn in most countries during the period of 2008-2009, trade data points to the enormous success of export-oriented textiles and clothing products. Today, developing economies and LDCs contribute to almost 70 percent of world exports of textiles and clothing.



(Source: [http://www.itmf.org/conference2014/Xiao\\_zhunvi.pdf](http://www.itmf.org/conference2014/Xiao_zhunvi.pdf))

### India's Textile Industry

India is the one of the world's largest producers of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and eight per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021.

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

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 per cent to industrial production, four per cent to the gross domestic product (GDP), and 27 per cent to the country's foreign exchange inflows. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of India's economy. It is also one of the largest contributing sectors of India's exports. The textiles industry is labour intensive and is one of the largest employers.

India has overtaken Italy, Germany and Bangladesh to emerge as the world's second largest textile exporter, as per recent data released by 'UN Comtrade'. India's share in Global Textiles increased by 17.5 per cent in 2013 compared to 2012.

(Source: <http://www.ibef.org/archives/detail/b3ZlcnZpZXcmMzY5NDEmMTEy>)

### Home Furnishing and Made-ups Market

The home furnishing products can be broadly categorized into five categories, which include - bedding, window dressings, bathroom textiles, cushions and covers, and table linen. Household penetration levels are high, especially in the largest sectors — bedding and window dressings. While replacement due to wear and tear is not inevitably frequent, an increased consumer interest in home interior products has stimulated buying in what is now very much a fashion-led industry. The industry also benefits from the growing number of households, a trend, which is expected to continue at an even faster rate. India produces a wide range of products, including home furnishings, household linen, curtain tapestry and yardage made with several textures and varying thickness. The home furnishing industry mainly exports fabrics, bed linen, table linen, toilet and kitchen linen, towels, cushions, curtains, pads, tapestries and upholstery's, carpets and floor coverings, etc. The industry has adopted measures and techniques to offer premium quality and eco-friendly products to the global industry.

**Garments and Apparel Industry**

The readymade garments industry in India is highly fragmented with presence of numerous players. The industry is classified under men's wear, women's wear, kids wear, and unisex wear. Readymade garments sector, which was previously dominated by men's wear, is now seeing growing contribution from women's wear as well as kid's wear. The growth of the sector was coming from tier I cities, however, industries in the sector are looking forward to tier II and tier III cities as part of the business expansion. Further, new concepts such as plus size clothing, customized clothing, etc. are also taking shapes in readymade garment industry.

(Source: [http://www.dnb.co.in/BusinessGauravSMEAwards2012/PDF/Readymade\\_Garments.pdf](http://www.dnb.co.in/BusinessGauravSMEAwards2012/PDF/Readymade_Garments.pdf))

**SUMMARY OF OUR BUSINESS**

The following information should be read together with, the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information of the Company” on page 11, 186 and 147, respectively of this Prospectus.

**Our Business**

Our Company was incorporated as Gupta Fabtex Private Limited on February 5, 1996 under the provisions of Companies Act, 1956 in Registrar of Companies, Jaipur, Rajasthan. Subsequently, pursuant to a special resolution passed by the shareholders at the Annual General Meeting held on June 29, 2015, the name of the Company was changed to Bella Casa Fashion & Retail Private Limited and a fresh certificate of incorporation consequent on change of name was issued by RoC, Jaipur, Rajasthan on July 15, 2015. Further, pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on July 15, 2015 our Company was converted into a public limited company and a fresh certificate of incorporation consequent on the conversion under the Companies Act on July 31, 2015 was obtained from RoC, Jaipur, Rajasthan.

Currently we are engaged in the business of manufacturing of Bed sheets, Quilts, home furnishing textile items, printed/dyed furnishing fabrics and garments. The production unit of the company is situated at E-102, 103, EPIP, Sitapura Industrial Area, Jaipur, Rajasthan. This Industrial park has been developed by Rajasthan State Industrial development and Investment Corporation (RIICO) with the efforts mooted by the Government to provide assistance to the Export oriented units. We are an entrepreneur driven organization set up with the focus of fulfilling the requirements of the customer by offering the finest quality product matching the latest fashion and lifestyle.

For the year 2014-15, our revenue comprises of 91.63 % from the Domestic market and we are exporting 8.37 % of our products manufactured. We are exporting our Products to Middle East Countries where the demand for company’s products are quite favorable as there are sizeable expatriates living in these countries. We have positioned ourselves as a multi product organization ensuring that our target market is a diverse mix of the fabrics and garment for both domestic market and international market.

**Salient features of our business model are as follows:**

- (1) We have presence in three important segments of the industry
  - Home Furnishing Textile (OE manufacturing)
  - Ready Made Garments (OE Manufacturing)
  - Home Furnishing Textile (Own Brand)
- (2) We can take advantage of diversity and different product mix and can exploit demand potential in all these segments and suitably de-risk the business.
- (3) Our company operates on the philosophy of mass manufacturing and wide distribution.
- (4) Our customer base comprises of organized and traditional wholesale markets of the domestic market thus ensuring a better reach for its products.
- (5) We are exporting our products in the Middle East countries.
- (6) We have also started online sales of our products through various websites.

**Our Products Portfolio:-**

Our Product portfolio consists of the following main groups:

- (1) Bed sheet Sets, Comforters & Other home furnishing textiles
- (2) Women Apparels
- (3) Printed/ Dyed/ Bleached Fabrics

**Our Location:**

<b>Registered Office &amp; Corporate Office</b>	E-102, 103, EPIP, Sitapura Industrial Area, Jaipur-302022, Rajasthan, India
<b>Factory</b>	E-102, 103, EPIP, Sitapura Industrial Area, Jaipur-302022, Rajasthan, India
<b>Sales Office</b>	Shop No. 123, Ground Floor, New Cloth Market, Sarangpur, Ahmedabad – 380002, Gujarat, India



**Awards & Achievements**

Our company has received the below mentioned awards and recognitions:-

- Innovative Practices award from RIICO in the year 2012
- Best Women’s Indian Wear Supplier Partner – North award from Reliance Trends for the year 2011-2012
- Award of Merit received form Hyper-city Retails (India) Ltd.
- Certificate of Accreditation received from Aditya Birla Group for fabrication of Birla Cellulose based Fabrics.

**Our Competitive Strengths**

We believe that the following are our primary competitive strength:

**1. Experience of our Promoters:-**

The promoters of our company; Mr Harish Kumar Gupta and Mr. Pawan Kumar Gupta have more than 30 years and Mr. Saurav Gupta and Mr. Gaurav Gupta have more than 10 years experience in the textile industry. With the help of their experience and knowledge we have been successful in implementation of our business plans. We also have adequate technical and commercial managerial personnel who along with the experience of our promoter help us to achieve the organizational goals.

**2. Diversified Product Portfolio:-**

Our Company has entered into three different divisions. This offers us a varied product base to cater to the requirements of our customers. Our Product Portfolio includes diversified variety of products which ranges from Home textile (own brand & OE Manufacturers) and garments for Women’s wear with size varies from Small to Large and in different color with attractive printed designs.

**3. Quality Assurance and Standards:-**

We believe in providing our customers the best possible quality products. As a result of this we adopt quality check to ensure the adherence to desired specifications, quality and colours. Since, our Company is dedicated towards quality products, processes and inputs; we get regular orders from our customers, as we are capable of meeting their quality standards.

**4. Cordial customer relationship:-**

We are in the textile industry and textile industry is highly fashion oriented. Fashion is time bound and any delay in meeting deadlines results in loss of businesses. Meeting customer deadlines and market trends on a consistent basis is important for our business. Our endeavour is to constantly try to address customer needs around a variety of products. Our existing customer relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy.

**Our Business Strategy**

**1. Further widening of our customer base:-**

With the growing opportunities available in the market, we will endeavour to continue to grow our business by adding new customers in existing and new geographies, new market segments. We are looking towards expanding customer base in Middle East countries. We are also making efforts and diagnosing the domestic markets for our own brands product. With the widening of the customer base for our own Brand product we can leverage the production capacity and the experience of our production team. We aim to do this by effectively leveraging our marketing skills and relationships and focusing on total customer orientation.

**2. Reduction of operational costs and achieving efficiency:-**

Apart from expanding business and revenues we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost competitive company. We try to reduce the wastages and control the production on the production floor through effective supervision. Our focus has been to reduce the operational costs to gain competitive edge.

**3. To build-up a professional organization:-**

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of the experience and the sufficient staff for taking care of 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 wish to make it more sound and strong in times to come.

**4. Focus on cordial relationship with our Suppliers, Customer and employees:-**

We believe that developing and maintaining long term sustainable relationships with our suppliers, customers and employees will help us in achieving the organizational goals, increasing sales and entering into new markets.

**5. Optimal Utilization of Resources:-**

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and take corrective measure wherever possible. This helps us in improving efficiency and putting resources to optimal use.

**SWOT Analysis:**

<p><b><u>STRENGTHS</u></b></p> <ul style="list-style-type: none"> <li>✓ Quality Product</li> <li>✓ Cordial Relationship with Customers, Suppliers and Employees</li> <li>✓ Experienced Promoters</li> <li>✓ Sufficient availability of raw material</li> </ul>	<p><b><u>WEAKNESSES</u></b></p> <ul style="list-style-type: none"> <li>✓ Working Capital Intensive Business</li> <li>✓ High Labour Turnover of Workers</li> </ul>
<p><b><u>OPPORTUNITIES</u></b></p> <ul style="list-style-type: none"> <li>✓ Huge Growth Potential in Domestic and International Market</li> </ul>	<p><b><u>THREATS</u></b></p> <ul style="list-style-type: none"> <li>✓ Increased Competition from Local &amp; Big Players.</li> <li>✓ Our operations are in unorganized sector, is prone to changes in government policies</li> <li>✓ No entry barriers in our industry which puts us to the threat of competition from new entrants</li> </ul>

**SUMMARY OF OUR FINANCIALS****ANNEXURE – I  
RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amt in ₹)

Particulars	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
Share Capital	20,500,000	20,500,000	20,500,000	20,500,000	12,450,000
Reserves and Surplus (excluding Revaluation Reserves, if any)	50,753,480	47,299,849	38,550,740	30,102,555	23,346,080
Share Application Money Pending Allotment	-	-	-	-	-
<b>Non Current Liabilities</b>					
Long-term Borrowings	18,570,097	16,968,038	28,143,560	49,774,932	20,068,834
Deferred Tax Liabilities (Net)	2,391,990	4,592,962	3,994,891	3,130,651	1,550,971
Long-term Provisions	5,443,713	5,381,377	4,213,672	3,184,910	2,589,528
<b>Current Liabilities</b>					
Short-term Borrowings	204,856,570	187,099,279	189,812,810	168,891,483	136,439,884
Trade Payables	136,550,007	136,133,995	103,045,594	74,574,348	84,252,734
Other Current Liabilities	45,209,843	39,567,788	58,208,501	38,728,938	19,182,282
Short-term Provisions	2,949,168	602,979	759,387	820,378	879,404
<b>Total</b>	<b>487,224,868</b>	<b>458,146,267</b>	<b>447,229,156</b>	<b>389,708,195</b>	<b>300,759,718</b>
<b>II. Assets</b>					
<b>Non Current Assets</b>					
<b>Fixed assets</b>					
(i) Tangible Assets	57,235,178	71,019,037	116,298,513	114,726,900	70,262,402
(ii) Intangible Assets	38,400	-	-	-	-
(iii) Capital Work-In-Progress	-	-	-	753,168	-
(iv) Intangible Assets Under Development	-	-	-	-	-
Deferred Tax Assets (Net)	-	-	-	-	-
Non Current Investments	15,140	15,140	15,140	15,140	15,140
Long-term Loans and Advances	2,067,868	1,871,568	1,664,301	3,855,496	3,356,200
<b>Current assets</b>					
Current Investment	-	49,387	49,387	3,000,000	-
Inventories	254,677,388	240,708,781	187,232,122	152,469,601	123,909,659
Trade Receivables	156,743,527	107,749,546	113,683,491	90,721,255	82,672,733
Cash and Bank Balances	51,67,400	28,760,805	20,482,521	18,938,771	13,926,703
Short-term Loans and Advances	5,221,416	6,701,517	6,842,641	4,296,976	4,960,050
Other Current Assets	6,058,551	1,270,485	961,040	930,888	1,656,831
<b>Total</b>	<b>487,224,868</b>	<b>458,146,267</b>	<b>447,229,156</b>	<b>389,708,195</b>	<b>300,759,718</b>

Note: 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 Annexure IV, II and III.

**ANNEXURE – II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amt in ₹)

Particulars		For the Year ended				
		31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Revenue from Operations						
From Sale of Product		779,598,790	831,392,725	597,763,805	517,523,778	431,371,427
Less: Excise Duty		(354,856)	(312,531)	(21,231,577)	(25,004,157)	(880,011)
Other Operating Income		9,554,482	4,110,787	-	-	1,108,983
		<b>788,798,415</b>	<b>835,190,981</b>	<b>576,532,228</b>	<b>492,519,621</b>	<b>431,600,399</b>
Other income		1,099,449	2,382,825	1,963,992	1,521,298	1,633,695
<b>Total Revenue</b>	<b>A</b>	<b>789,897,865</b>	<b>837,573,806</b>	<b>578,496,220</b>	<b>494,040,918</b>	<b>433,234,094</b>
Expenses:						
Cost of Material Consumed		450,016,772	481,710,559	311,697,173	282,350,009	297,339,596
Direct Manufacturing Expenses		295,746,663	293,187,423	208,492,096	164,632,609	129,396,202
Changes in inventories of finished goods WIP and Stock-in-Trade		(62,112,069)	(55,756,594)	(30,097,535)	(35,898,070)	(52,294,490)
Employee benefits expense		19,657,903	16,507,085	14,627,282	11,485,543	10,617,474
Finance costs		32,290,058	35,677,555	38,355,062	34,840,416	23,942,449
Depreciation and amortization		5,999,571	3,927,939	3,628,726	3,107,312	2,011,404
Other expenses		35,206,457	45,157,851	19,634,811	22,140,245	15,567,424
<b>Total Expenses</b>	<b>B</b>	<b>776,805,356</b>	<b>820,411,819</b>	<b>566,337,614</b>	<b>482,658,064</b>	<b>426,580,059</b>
<b>Profit before exceptional and extraordinary items and tax (A-B)</b>	<b>C</b>	<b>13,092,509</b>	<b>17,161,986</b>	<b>12,158,605</b>	<b>11,382,854</b>	<b>6,654,034</b>
Exceptional/Prior Period item						
Depreciation adjustment due to change in accounting policy		-	-	-	-	(4,238,307)
Withdrawal from Capital Reserve		(76,416)	(53,295)	(53,295)	(53,295)	(24,822)
Loss on sale of Powerloom		6,848,063	-	-	-	-
<b>Total Exceptional Item</b>	<b>D</b>	<b>6,771,647</b>	<b>(53,295)</b>	<b>(53,295)</b>	<b>(53,295)</b>	<b>(4,263,130)</b>
<b>Profit before extraordinary items and tax (C-D)</b>	<b>E</b>	<b>6,320,862</b>	<b>17,215,281</b>	<b>12,211,900</b>	<b>11,436,149</b>	<b>10,917,164</b>
Extraordinary item						
Loss due to Theft		-	2,581,502	-	-	-
<b>Total Extraordinary item</b>	<b>F</b>	<b>-</b>	<b>2,581,502</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit Before Tax (E-F)</b>	<b>G</b>	<b>6,320,862</b>	<b>14,633,779</b>	<b>12,211,900</b>	<b>11,436,149</b>	<b>10,917,164</b>
<b>Provision for Tax</b>						
- Current Tax		4,350,000	5,269,832	2,850,000	2,900,000	1,700,000
- Tax adjustment of prior years		179,723	(36,527)	(3,820)	146,699	46,273
- Deferred Tax Liability / (Asset)		(2,051,055)	598,071	864,240	1,579,680	1,338,498
<b>Total Tax expense</b>	<b>H</b>	<b>2,478,669</b>	<b>5,831,375</b>	<b>3,710,420</b>	<b>4,626,379</b>	<b>3,084,771</b>
Restated profit after tax from continuing operations (G-H)		3,842,193	8,802,404	8,501,480	6,809,770	7,832,393
Profit/ (Loss) from Discontinuing operation		-	-	-	-	-
<b>Restated profit for the year</b>		<b>3,842,193</b>	<b>8,802,404</b>	<b>8,501,480</b>	<b>6,809,770</b>	<b>7,832,393</b>

Note: 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 Annexure IV I and III.

**ANNEXURE – III**  
**RESTATED CASH FLOW STATEMENT**

( Amount in ₹ )

PARTICULARS	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
	Amount	Amount	Amount	Amount	Amount
<b>NET CASH FLOW FROM OPERATING ACTIVITES</b>					
Net Profit after Tax as per Profit & Loss Statement	3,842,193	8,802,404	8,501,480	6,809,770	7,832,393
Adjustments for:					
Provision for Tax	2,478,669	4,591,544	3,710,420	4,626,379	3,084,771
Depreciation	5,999,571	3,927,939	3,628,726	3,107,312	2,011,404
Depreciation adjustment due to change in accounting policy	-	-	-	-	(4,238,307)
(Profit)/ Loss on Sale of Fixed Assets	-	(292,207)		206,090	-
Interest Received	(580,728)	(1,923,360)	(1,761,522)	(1,442,294)	(515,754)
Dividend Received	(1,514)	(757)	-	-	-
Loss on sale of powerloom	6,848,063	-	-	-	-
Withdrawal/ (Transfer) from/to Capital Reserve	(76,416)	(53,295)	(53,295)	(53,295)	(24,822)
Interest Paid	30,746,807	32,439,035	35,152,125	31,149,760	20,362,581
<b>Operating Profit before Working Capital Changes</b>	<b>49,256,645</b>	<b>47,491,303</b>	<b>49,177,935</b>	<b>44,403,722</b>	<b>28,512,265</b>
(Increase)/ Decrease in inventories	(13,968,607)	(53,476,659)	(34,762,520)	(28,559,943)	(63,096,518)
(Increase)/ Decrease in trade receivables	(48,993,981)	5,933,945	(22,962,236)	(8,048,522)	4,349,435
(Increase)/ Decrease in loan & advances	1,283,802	(66,143)	(354,470)	(216,488)	11,633,283
(Increase)/ Decrease in other Current/ Non current Assets	11,341,971	742,977	(3,085,038)	(4,526,557)	(12,045,879)
Increase/ (Decrease) in trade payables	416,012	33,088,400	28,471,246	(9,678,386)	36,270,338
Increase/ (Decrease) in other current/ non-current liabilities	(16,653,335)	(6,277,842)	20,536,309	7,726,287	(8,704,577)
	(66,574,139)	(20,055,323)	(12,156,709)	(43,303,607)	(31,593,916)
<b>Cash Generated from operations</b>	<b>(17,317,494)</b>	<b>27,435,980</b>	<b>37,021,225</b>	<b>1,100,115</b>	<b>(3,081,651)</b>
Income Tax Paid	(3,741,278)	(4,159,774)	(2,935,155)	(2,734,919)	(1,376,204)
<b>Net Cash Flow From Operating Activites (A)</b>	<b>(21,058,772)</b>	<b>23,276,206</b>	<b>34,086,070</b>	<b>(1,634,804)</b>	<b>(4,457,855)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets	(2,636,238)	(27,156,256)	(4,447,170)	(48,701,069)	(35,697,154)
Sale of Fixed asset	3,072,000	68,800,000	-	170,000	-
Investment Purchased	1,514	-	-	-	(15,140)
Dividend Received	-	757	-	-	-
Interest Received	580,728	1,923,360	1,761,522	1,442,294	515,754
<b>Net Cash Flow From Investing Activities (B)</b>	<b>1,018,004</b>	<b>43,567,860</b>	<b>(2,685,648)</b>	<b>(47,088,775)</b>	<b>(35,196,540)</b>
<b>(C) NET CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds of Borrowings	43,274,820	-	22,971,328	229,105,807	51,171,177
Repayments of Borrowings	-	(25,074,326)	(23,681,373)	(154,522,900)	-

Proceeds from issue of share capital	-	-	-	8,050,000	3,950,000
Interest Paid	(30,746,807)	(32,439,035)	(35,152,125)	(31,149,760)	(20,362,581)
Subsidy					1,122,000
<b>Net cash flow from Finanicng Activities (C)</b>	<b>12,528,013</b>	<b>(57,513,361)</b>	<b>(35,862,170)</b>	<b>51,483,147</b>	<b>35,880,596</b>
Net Increase in cash and cash equivalent (A+B+C)	(7,512,755)	9,330,705	(4,461,748)	2,759,568	(3,773,799)
Cash and Cash equivalents at the beginning of the year	10,260,228	929,523	5,391,271	2,631,703	6,405,502
Cash and Cash equivalents at the close of the year	2,747,473	10,260,228	929,523	5,391,271	2,631,703
Note:- Cash & Cash Equivalent consists of following:-					
	<b>31/30/2015</b>	<b>31/03/2014</b>	<b>31/03/2013</b>	<b>31/03/2012</b>	<b>31/03/2011</b>
Cash On Hand	402,383	388,283	222,683	754,606	799,007
Balance With Banks	2,345,090	1,872,991	657,452	1,636,664	1,832,696
HDFC CC Limit	-	7,949,567	-		
Investment in Mutual Fund*	-	49,387	49,387	3,000,000	-
	<b>2,747,473</b>	<b>10,260,228</b>	<b>929,523</b>	<b>5,391,271</b>	<b>2,631,703</b>
* Investment in Mutual Funds represents liquid funds and accordingly treated as Cash & Cash equivalents as per AS-3.					
1. Cash flow Statements has been prepared adopting the Indirect method as prescribed under para 18 of Accounting Standard-3 (AS-3) on "Cash Flow Statement".					
2. Figures in brackets represent outflow.					
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 Annexure IV, I and II.					

THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>	
<b>Equity Shares Offered:</b> Public Issue of Equity Shares by our Company	2,450,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 14/- per share aggregating to ₹ 343.00 Lacs
<b>of which</b>	
<b>Issue Reserved for the Market Makers</b>	130,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 14/- per share aggregating ₹ 18.20 Lacs
<b>Net Issue to the Public*</b>	2,320,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 14/- per share aggregating ₹ 324.80 Lacs
	<b>of which</b>
	1,160,000 Equity Shares of ₹ 10/- each at a premium of ₹4/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs
	1,160,000 Equity Shares of ₹ 10/- each at a premium of ₹ 4/- per Equity Share will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs
<b>Equity Shares outstanding prior to the Issue</b>	6,765,000 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	9,215,000 Equity Shares of face value of ₹10 each
<b>Objects of the Issue</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 66 of this 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 231 of this 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 incorporated as Gupta Fabtex Private Limited on February 05, 1996 under the provisions of Companies Act, 1956 with Registrar of Companies, Jaipur, Rajasthan vide registration no. 17 - 011522 (CIN: U17124RJ1996PTC011522). Pursuant to Shareholders Resolution passed at the Annual General Meeting held on June 29, 2015, the name of our Company was changed to “Bella Casa Fashion & Retail Private Limited” vide a fresh Certificate of Incorporation dated July 15, 2015 issued by the Registrar of Companies, Jaipur, Rajasthan. Further pursuant to Shareholders resolution passed at the Extra Ordinary General Meeting of the Company held on July 15, 2015, Our Company was converted into a public limited company and the name was changed to “Bella Casa Fashion & Retail Limited” and subsequent to conversion a fresh Certificate of Incorporation dated July 31, 2015 was issued by the Registrar of Companies, Jaipur, Rajasthan.

The Corporate Identification Number of our Company is: U17124RJ1996PLC011522.

**Brief Company and Issue Information:**

<b>Registered Office &amp; Corporate Office</b>	E-102, 103, EPIP, Sitapura Industrial Area, Jaipur – 302022, Rajasthan, India Tel No:91-0141-06500271, 277
<b>Factory</b>	E-102, 103, EPIP, Sitapura Industrial Area, Jaipur – 302022, Rajasthan, India Tel No:91-0141-06500271, 277
<b>Sales office</b>	Shop No. 123, Ground Floor, New Cloth Market, Sarangpur, Ahmedabad – 380002, Gujarat, India
<b>Date of Incorporation</b>	February 05, 1996
<b>Corporate Identification No.</b>	U17124RJ1996PLC011522
<b>Address of Registrar of Companies</b>	Registrar of Companies, Jaipur, Rajasthan. Corporate Bhawan G/6-7, Second Floor, Residency Area Civil Lines, Jaipur-302001 Phone: 0141-2222465,2222466; Fax: 0141-2222464 Email: <a href="mailto:roc.jaipur@mca.gov.in">roc.jaipur@mca.gov.in</a>
<b>Name of the Stock Exchange</b>	SME Platform of BSE Limited P.J. Tower, Dalal Street, Fort, Mumbai – 400001, Maharashtra, India
<b>Issue Programme</b>	Issue Opens on : Monday, September 28, 2015 Issue Closes on : Wednesday, September 30, 2015
<b>Company Secretary &amp; Compliance Officer</b>	Ms. Sonika Gupta E-102, 103, EPIP, Sitapura Industrial Area, Jaipur – 302022, Rajasthan, India Tel No:91-0141-6500271, 277 E-mail: <a href="mailto:cs@bellacasa.in">cs@bellacasa.in</a> Website: <a href="http://www.bellacasa.in">www.bellacasa.in</a>

**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 and refund orders.**

*All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.*

**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:** The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Harish Kumar Gupta	Chairman and Whole time Director	A-669, Shiv Marg, Malviya Nagar, Jaipur, 302017, Rajasthan, India	01323944
Mr. Pawan Kumar Gupta	Managing Director	71, Vidyut Abhiyanta Colony, Malviya Nagar, Jaipur, 302017, Rajasthan, India	01543446
Mr. Gaurav Gupta	Whole Time Director	A-669, Shiv Marg, Malviya Nagar, Jaipur, 302017, Rajasthan, India	07106587
Mr. Saurav Gupta	Whole Time Director	71, Vidyut Abhiyanta Colony, Malviya Nagar, Jaipur, 302017, Rajasthan, India	07106619
Mr. Gunjan Jain	Non Executive & Independent Director	C-49, Panchseel Colony, Near Purani Chungi, Ajmer Road, Jaipur, Rajasthan-302006.	07223400
Ms. Kalpana Juneja	Non Executive & Independent Director	A-38, Jai Shiv Apartments, West Enclave, Pitam Puara, New Delhi-110034.	07226135
Mr. Sharad Mangal	Non Executive & Independent Director	C-7 Ram Marg, Tagore Public School Ke Pass wali gali, Shastri Nagar, Jaipur-302016	01127317
Dr. Vikas Mathur	Non Executive & Independent Director	B-125, Mangal Marg, Babu Nagar, Jaipur, Rajasthan	07252879

For further details of the Directors of Our Company, please refer to the chapter titled “Our Management” on page 123. of this Prospectus.

#### **Chief Financial Officer**

Mr. Naresh Manwani  
Bella Casa Fashion & Retail Limited  
E-102, 103, EPIP, Sitapura Industrial Area,  
Jaipur – 302022, Rajasthan, India  
Tel: 0141 – 6500271, 277  
Email: naresh@bellacasa.in  
Website: www.bellacasa.in

#### **Details of Key Intermediaries pertaining to this Issue and Our Company:**

Lead Manager of the Issue	Legal Advisor to the Issue
<b>HEM SECURITIES LIMITED</b> 14/15, Khatau Bldg, Ist Floor, 40, Bank Street, Fort, Mumbai-400001 Tel: 91-022-2267 1543/44, 22671000 Fax – 91-022-22625991 Website: <a href="http://www.hemonline.com">www.hemonline.com</a> Email: <a href="mailto:jb@hemonline.com">jb@hemonline.com</a> Investor Grievance Email: <a href="mailto:redressal@hemonline.com">redressal@hemonline.com</a> Contact Person: Mr. Sourabh Garg/ Ms. Swati Tholia SEBI Regn. No. INM000010981	<b>VEDANTA LAW CHAMBERS</b> Ist Floor, SSK House, B-62, Sahkar Marg, Lal Kothi, Jaipur-302015, Rajasthan Tel: 0141-2740911, 0141 - 4014091 Fax: +91-141 2740911 Email: <a href="mailto:vedantalaw@rediffmail.com">vedantalaw@rediffmail.com</a> srnivedita@gmail.com Contact Person: Advocate Nivedita Ravindra Sarda
Registrar to the Issue	Bankers to the Company
<b>Karvy Computershare Private Limited</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Tel : +91-40- 6716 2222; Fax : + 91-40-2343 1551 Website: <a href="http://www.karishma.karvy.com">www.karishma.karvy.com</a> E-mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Investor Grievance Email: <a href="mailto:bcfrl.smeipo@karvy.com">bcfrl.smeipo@karvy.com</a> Contact Person: Mr. M. Murali Krishna SEBI Registration : INR000000221	<b>HDFC Bank Limited</b> D-54, Siddhi Vinayak, Ashok Marg, C-Scheme Jaipur – 302001, Rajasthan Tel. No :+91-0141-2371215 Email – id : <a href="mailto:Shekar.khatod@hdfcbank.com">Shekar.khatod@hdfcbank.com</a> Contact Person: Shekar Khatod

<b>Statutory Auditors &amp; Peer Review Auditor</b>
<p><b>Kalani &amp; Co.,</b>  <b>Chartered Accountants</b>            705, VII<sup>th</sup> Floor Milestone Building            Gandhi Nagar Crossing, Tonk Road, Jaipur - 302015  <b>Tel No:</b> 0141-2709001-2-3  <b>Fax No.</b>0141-2709003  <b>Website:</b>www.kalanico.com  <b>Email :</b> jaipureast@kalanico.com  <b>Contact Person:</b> CA Vikas Gupta</p>
<b>Bankers to the Issue {Escrow Collection Bank(s) &amp; Refund Bank(s)}</b>
<p>HDFC Bank Ltd            FIG- OPS Department, Lodha I,Think Techno Campus,Level O-3,            Opp. Crompton Greaves,Next to Kanjurmarg Railway Station,            Kanjurmarg (E), Mumbai - 400 042.            Tel No. +91 – 22 – 3075 2928 Fax No - 022-2579 9801            Website – www.hdfcbank.com            Email id – uday.dixit@hdfcbank.com            Attention: Mr. Uday Dixit            SEBI Reg. – INBI00000063</p>

M/s **Kalani & Co.** holds a peer reviewed certificate dated 09.02.2015 issued by the “Peer Review Board” of 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 responsibilities among Lead Manager’s 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](http://www.sebi.gov.in/pmd/scsb.pdf). For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

#### **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, 2009 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.

#### **Monitoring Agency**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹ 50000.00 Lacs.

However, as per the Clause 52 of the SME Listing Agreement to be entered into with the Stock Exchange upon listing of the Equity Shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### Expert

Except for the reports in the section “*Financial information of the Company*”, “*Statement of Financial Indebtedness*” and “*Statement of Tax Benefits*” on page 147, 182 and page 73 of the Prospectus from the Peer Review Auditors cum Statutory Auditor, our Company has not obtained any expert opinions.

### Appraising Entity

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

### Underwriting

The Company and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. 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 August 01, 2015 entered into by us with Underwriter – Hem Securities Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the BSE. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lacs)	% of the Total Issue Underwritten	Size
<b>Hem Securities Limited</b> 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan Tel: 91-0141-4051000 Fax – 91-141-5101757 Web: <a href="http://www.hemonline.com">www.hemonline.com</a> Email: <a href="mailto:underwriter@hemonline.com">underwriter@hemonline.com</a> Contact Person: Mr. Anil Bhargava SEBI Regn. No. INM000010981	2,450,000*Equity Shares of ₹ 10/- being issued at ₹ 14/- each	343.00	100%	

\*Includes 130,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker (Hem Securities 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.

As per Regulation 106P (2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

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. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange(s).

### Details of the Market Making Arrangement for this Issue

Our Company has entered into Market Making Agreement dated August 01, 2015 with the following Market Maker to fulfill the obligations of Market Making for this issue:

Name	Hem Securities Ltd.
------	---------------------

<b>Correspondence Address:</b>	203, Jaipur Tower, M.I. Road, Jaipur – 302 001, Rajasthan, India
<b>Tel No.:</b>	+ 91 - 141 – 4051000
<b>Fax No.:</b>	+ 91 - 141 – 5101757
<b>E-mail:</b>	<a href="mailto:mm@hemonline.com">mm@hemonline.com</a>
<b>Website:</b>	<a href="http://www.hemonline.com">www.hemonline.com</a>
<b>Contact Person:</b>	Mr. Anil Bhargava
<b>SEBI Registration No.:</b>	INB011069953
<b>BSE Market Maker Registration No.:</b>	SMEMM0024801022013

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 BSE 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. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
4. 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.
5. 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.
6. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
7. 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.
8. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. 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 registered office from 11.00 a.m. to 5.00 p.m. on working days.

9. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins, which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss

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

10. **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 following spread will be applicable on the BSE SME Exchange/ Platform.

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

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

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

12. 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%

*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 Prospectus:-

(₹ in Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 10,000,000 Equity Shares having Face Value of ₹ 10/- each	1000.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 6,765,000 Equity Shares having Face Value of ₹ 10/- each	676.50	-
C	<b>Present Issue in terms of this Prospectus*</b> 2,450,000 Equity Shares having Face Value of ₹ 10/- each at a Premium of ₹ 4/- per share	245.00	343.00
	<b>Which Comprises</b>		
I.	<b>Reservation for Market Maker portion</b> 130,000 Equity Shares of ₹ 10/- each at a premium of ₹ 4/- per Equity Share	13.00	18.20
II.	<b>Net Issue to the Public</b> 2,320,000 Equity Shares of ₹ 10/- each at a premium of ₹ 4/- per Equity Share	232.00	324.80
	<b>of which</b>		
	1,160,000 Equity Shares of ₹ 10/- each at a premium of ₹ 4/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs	116.00	162.40
	1,160,000 Equity Shares of ₹ 10/- each at a premium of ₹ 4/- per Equity Share will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs	116.00	162.40
D	<b>Paid up Equity capital after the Issue</b> 9,215,000 Equity Shares having Face Value of ₹ 10/- each	921.50	-
E	<b>Securities Premium Account</b> Before the Issue After the Issue	- 98.00	

\*The present Issue of 24,50,000 Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated July 21,2015 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 July 31,2015.

Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

**Classes of Shares:**

Our Company has only one class of share capital i.e. Equity Shares of ₹ 10/- each only.

**Notes to Capital Structure**

\*A major fire occurred at the Oil Depot of Indian Oil Corporation on Oct. 29, 2009 in Sitapura Industrial Area, Jaipur being in close vicinity to our Registered office, caused damage to our Factory and Office premises. Our Company has lodged a first information report (FIR) with the jurisdictional police station for the damage caused to our Office and Factory Premises. Due to the damage caused in our Office and Factory Premises some of our Statutory records were misplaced which we are not able to retrieve; We also conducted a physical search on June 10, 2015 at the offices of the ROC, Jaipur but we could not obtain some of the ROC forms which have been filed/updated before 2006 with ROC, Jaipur.

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

Date of Meeting	Increase / Changes in Authorized Share Capital
On Incorporation	Authorized Capital with ₹100,000 divided into in 10,000 Equity Shares of ₹10/- each
From incorporation to till 31.03.2006*	Increase in the authorized share capital of the Company from ₹100,000 divided into 10,000 Equity Shares of ₹10.00 each to ₹1,100,000 divided into 110,000 Equity Shares of ₹10.00 each.
27.04.2006	Increase in the authorized share capital of the Company from ₹ 1,100,000 divided into 110,000 Equity Shares of ₹10.00 each to ₹ 2,500,000 divided into 250,000 Equity Shares of ₹10.00 each.
27.03.2008	Increase in the authorized share capital of the Company from ₹2,500,000 divided into 250,000 Equity Shares of ₹10.00 each to ₹8,500,000 divided into 850,000 Equity Shares of ₹10.00 each.
06.12.2010	Increase in the authorized share capital of the Company from ₹ 8,500,000 divided into 850,000 Equity Shares of ₹10.00 each to ₹12,450,000 divided into 1,245,000 Equity Shares of ₹10.00 each.
23.06.2011	Increase in the authorized share capital of the Company from ₹ 12,450,000 divided into 1,245,000 Equity Shares of ₹10.00 each to ₹20,500,000 divided into 2,050,000 Equity Shares of ₹10.00 each.
29.06.2015	Increase in the authorized share capital of the Company from ₹ 20,500,000 divided into 2,050,000 Equity Shares of ₹10.00 each to ₹ 100,000,000 divided into 10,000,000 Equity Shares of ₹10.00 each.

**2. Equity Share Capital History of our Company:**

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Cumulative Securities Premium Account (₹)	Cumulative Paid-up Capital (₹)	Consideration	Nature of Issue and Category of Allottees
Upon Incorporation	20	20	10	10	NIL	200	Cash	Subscription to MOA <sup>(i)</sup>
From incorporation to till 31.03.2006*	79,980	80,000	10	10	NIL	800,000	Cash	Further Allotment <sup>(ii)</sup>
28.04.2006	170,000	250,000	10	10	NIL	2,500,000	Cash	Further Allotment <sup>(iii)</sup>
20.06.2008	400,000	650,000	10	10	NIL	6,500,000	Cash	Further Allotment <sup>(iv)</sup>
16.09.2008	200,000	850,000	10	10	NIL	8,500,000	Cash	Further Allotment <sup>(v)</sup>
15.12.2010	395,000	1,245,000	10	10	NIL	12,450,000	Cash	Further Allotment <sup>(vi)</sup>
21.03.2012	805,000	2,050,000	10	10	NIL	20,500,000	Cash	Further Allotment <sup>(vii)</sup>
16.07.2015	4,715,000	6,765,000	10	10	NIL	67,650,000	Bonus Issue in the ratio of 23:10**	Bonus Issue <sup>(viii)</sup>

\*\*Bonus issue of 4,715,000 equity shares in the ratio of (23:10) has been issued by Capitalization of Free Reserve & Surplus of the Company. These Shares were issued vide Shareholders' Special Resolution and the shares were allotted vide Board meeting dated 16<sup>th</sup> July, 2015.

## Notes:

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

Name	No. of Equity Shares
Mr. Harish Kumar Gupta	10
Mr. Pawan Kumar Gupta	10
<b>TOTAL</b>	<b>20</b>

## (ii) Further allotment From incorporation to till March 31,2006 of 79,980 Equity Shares to

Name	No. of Equity Shares
Mr. Harish Kumar Gupta	36,500
Mr. Pawan Kumar Gupta	35,000
Mrs. Sunita Gupta	4,240
Mrs. Anita Gupta	4,240
<b>TOTAL</b>	<b>79,980</b>

## (iii) Further allotment of 1,70,000 Equity Shares to

Name	No. of Equity Shares
Mr. Harish Kumar Gupta	85,000
Mr. Pawan Kumar Gupta	85,000
<b>TOTAL</b>	<b>170,000</b>

## (iv) Further allotment of 4,00,000 Equity Shares to

Name	No. of Equity Shares
Mr. Harish Kumar Gupta	40,000
Mr. Pawan Kumar Gupta	40,000
Mrs. Sunita Gupta	35,000
Mrs. Anita Gupta	35,000
Mr. Saurav Gupta	125,000
Mr. Gaurav Gupta	125,000
<b>TOTAL</b>	<b>400,000</b>

## (v) Further allotment of 2,00,000 Equity Shares to

Name	No. of Equity Shares
Mr. Harish Kumar Gupta	25,000
Mr. Pawan Kumar Gupta	25,000
Mrs. Sunita Gupta	25,000
Mrs. Anita Gupta	25,000
Mr. Saurav Gupta	25,000
Mr. Gaurav Gupta	25,000
Mrs. Neha Gupta	25,000
Mrs. Richa Gupta	25,000
<b>TOTAL</b>	<b>200,000</b>

## (vi) Further allotment of 3,95,000 Equity Shares to

Name	No. of Equity Shares
Mr. Harish Kumar Gupta	100,000
Mr. Saurav Gupta	50,000



Mr. Gaurav Gupta	130,000
Mrs. Shikha Gupta	75,000
Mrs. Neha Gupta	40,000
<b>TOTAL</b>	<b>395,000</b>

## (vii) Further allotment of 8,05,000 Equity Shares to

Name	No. of Equity Shares
Mr. Harish Kumar Gupta	20,000
Mr. Pawan Kumar Gupta	115,000
Mrs. Sunita Gupta	175,000
Mrs. Anita Gupta	195,000
Mr. Saurav Gupta	65,750
Mrs. Neha Gupta	134,250
Mrs. Shikha Gupta	100,000
<b>TOTAL</b>	<b>805,000</b>

## (viii) Bonus Issue of 4,715,000 in the ratio of 23:10 (23 shares issued for every 10 shares held) to

Name	No. of Equity Shares
Mr. Harish Kumar Gupta	704,973
Mr. Pawan Kumar Gupta	690,023
Mr. Saurav Gupta	611,225
Mr. Gaurav Gupta	644,000
Mrs. Neha Gupta	458,275
Mrs. Shikha Gupta	402,500
Mrs. Sunita Gupta	550,252
Mrs. Anita Gupta	596,252
Mrs. Richa Gupta	57,500
<b>TOTAL</b>	<b>4,715,000</b>

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

**3. Details of Allotment made in the last two (2) years preceding the date of the Prospectus:**

Except for the allotment of Bonus shares as mentioned in point no (viii) of note no. 2 above which were issued out of Free Reserve & Surplus of the Company for consideration other than cash, no equity shares has been issued in last 2 years.

**4. Details of Equity Shares issued for consideration other than cash:**

As on date, our Company has not issued any Equity Shares for consideration other than cash as mentioned above in sub point no (viii) of note no. 2 above.

Date of the allotment	No's of shares allotted	Face Value (₹)	Issue Price (₹)	Reasons	Benefit Accrued
16.07.2015	4,715,000	10	Nil	Bonus Issue of equity shares in the ratio of 23:10 by way of capitalization of Free Reserves and surplus of Rs. 471.50 Lakhs (Other than cash)#	Expansion of Capital

#For details of persons to whom the aforementioned Bonus shares have been allotted, please refer point no (viii) of note no. 2 of "Capital structure" beginning on page no.44 of this Prospectus.

Above allotment of shares have been made out of free reserves available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.

## 5. Capital Build up in respect of shareholding of Our Promoters:

Date of Allotment /Transfer of Fully Paid-up Shares	Consideration	Nature of Issue	No of Equity Shares*	Face Value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
<b>Mr. Harish Kumar Gupta</b>									
Upon Incorporation	Cash	Subscriber to the MOA	10	10	10	10	0.00	0.00	Own Fund
From incorporation to till 31.03.2006*	Cash	Further Allotment	36,500	10	10	36,510	0.54	0.40	Own Fund
28.04.2006	Cash	Further Allotment	85,000	10	10	121,510	1.26	0.92	Own Fund
20.06.2008	Cash	Further Allotment	40,000	10	10	161,510	0.59	0.43	Own Fund
16.09.2008	Cash	Further Allotment	25,000	10	10	186,510	0.37	0.27	Own Fund
15.12.2010	Cash	Further Allotment	100,000	10	10	286,510	1.48	1.09	Own Fund
21.03.2012	Cash	Further Allotment	20,000	10	10	306,510	0.29	0.22	Own Fund
01.10.2011 (i)	Cash	Transfer of shares	(19)	10	(10)	306,491	(0.00)	(0.00)	
10.12.2012 (ii)	Cash	Transfer of shares	(2)	10	(10)	306,489	(0.00)	(0.00)	
10.12.2012 (iii)	Cash	Acquisition of shares by way of Transfer	1	10	10	306,490	0.00	0.00	Own Fund
02.10.2013 (iv)	Cash	Transfer of shares	(2)	10	(10)	306,488	(0.00)	(0.00)	
06.09.2014 (v)	Cash	Acquisition of shares by way of Transfer	2	10	10	306,490	0.00	0.00	Own Fund
28.03.2015 (vi)	Cash	Acquisition of shares by way of Transfer	20	10	17	306,510	0.00	0.00	Own Fund
16.07.2015	-	Bonus Issue	704,973	10	Nil	1,011,483	10.42	7.65	Bonus Issue (IX)##
<b>TOTAL</b>			<b>1,011,483</b>				<b>14.95</b>	<b>10.98</b>	

<sup>(i)</sup>Details of Transfers of Mr. Harish Kumar Gupta dated 01/10/2011

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	01.10.2011	Harish Kumar Gupta	1	Gopal Lal Rajesh Kumar
2	01.10.2011	Harish Kumar Gupta	1	Goyal Craft

3	01.10.2011	Harish Kumar Gupta	1	Chetan Kumar Jain HUF.
4	01.10.2011	Harish Kumar Gupta	1	Prakash Chand Shanti Lal HUF
5	01.10.2011	Harish Kumar Gupta	1	Rishabh Dugar
6	01.10.2011	Harish Kumar Gupta	1	Lalita Kuamri Agarwal
7	01.10.2011	Harish Kumar Gupta	1	Malika Munot
8	01.10.2011	Harish Kumar Gupta	1	Munni Devi
9	01.10.2011	Harish Kumar Gupta	1	Nirmala Khandelwal
10	01.10.2011	Harish Kumar Gupta	1	Pavensh Khandelwal
11	01.10.2011	Harish Kumar Gupta	1	Prem Kala Kalani
12	01.10.2011	Harish Kumar Gupta	1	Radhika Maheshwari
13	01.10.2011	Harish Kumar Gupta	1	Rajendra Prasad Kumar Modi HUF
14	01.10.2011	Harish Kumar Gupta	1	Rajesh Fofaliya
15	01.10.2011	Harish Kumar Gupta	1	Shakuntala Gupta
16	01.10.2011	Harish Kumar Gupta	1	Sterling Exports
17	01.10.2011	Harish Kumar Gupta	1	Sushila Devi Nandwana
18	01.10.2011	Harish Kumar Gupta	1	Tara Chand Dhandiya HUF
19	01.10.2011	Harish Kumar Gupta	1	Tara chand Jain HUF
		<b>Total</b>	<b>(19)</b>	

## (ii) Details of Transfers of Mr. Harish Kumar Gupta dated 10/12/2012

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	10.12.2012	Harish Kumar Gupta	1	Manish Munot
2	10.12.2012	Harish Kumar Gupta	1	Snehlata Agarwal
		<b>Total</b>	<b>(2)</b>	

## (iii) Details of Transfers of Mr. Harish Kumar Gupta dated 10/12/2012

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	10.12.2012	Ram Narayan Banwari lal	1	Harish Kumar Gupta
		<b>Total</b>	<b>1</b>	

## (iv) Details of Transfers of Mr. Harish Kumar Gupta dated 02/10/2013

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	02.10.2013	Harish Kumar Gupta	1	Pawan Dasot
2	02.10.2013	Harish Kumar Gupta	1	Abhay Kumar Chordia
		<b>Total</b>	<b>(2)</b>	

## (v) Details of Transfers of Mr. Harish Kumar Gupta dated 06/09/2014

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	06.09.2014	Pawan Dusot	1	Harish Kumar Gupta
2	06.09.2014	Abhay Kumar Chordia	1	Harish Kumar Gupta
		<b>Total</b>	<b>2</b>	

## (vi) Details of Transfers of Mr. Harish Kumar Gupta dated 28/03/2015

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	28.03.2015	Beni Prasad Kacholiya	1	Harish Kumar Gupta
2	28.03.2015	Chetan Kumar Jain HUF	1	Harish Kumar Gupta
3	28.03.2015	Lalita Kumari Agarwal	1	Harish Kumar Gupta
4	28.03.2015	Nirmala Khandelwal	1	Harish Kumar Gupta
5	28.03.2015	Prem Kala Kalani	1	Harish Kumar Gupta
6	28.03.2015	Radhika Maheshwari	1	Harish Kumar Gupta
7	28.03.2015	Rajesh Fofliya	1	Harish Kumar Gupta
8	28.03.2015	Rakesh Kumar Modi	1	Harish Kumar Gupta
9	28.03.2015	Shakuntala Gupta	1	Harish Kumar Gupta
10	28.03.2015	Shyam Das Malpani	1	Harish Kumar Gupta
11	28.03.2015	Tara Chand Jain HUF	1	Harish Kumar Gupta
12	28.03.2015	Gupta Exports	1	Harish Kumar Gupta
13	28.03.2015	Abhinav Sanjay Bairathi	1	Harish Kumar Gupta
14	28.03.2015	Akash Garg	1	Harish Kumar Gupta
15	28.03.2015	Ashok Kumar Mehta	1	Harish Kumar Gupta
16	28.03.2015	Ashwani Kumar Agarwal	1	Harish Kumar Gupta
17	28.03.2015	Badri Narian Agarwal	1	Harish Kumar Gupta
18	28.03.2015	Beena Darda	1	Harish Kumar Gupta
19	28.03.2015	Devi Sahay Ramnath	1	Harish Kumar Gupta
20	28.03.2015	Gopal Lal Rajesh Kumar	1	Harish Kumar Gupta
		<b>Total</b>	<b>20</b>	

Date of Allotment /Transfer of Fully Paid-up Shares	Consideration	Nature of Issue	No of Equity Shares*	Face Value	Issue Price/Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% Pre-Issue paid up capital	% Post issue paid up capital	Sources of fund
<b>Mr.Pawan Kumar Gupta</b>									
Upon Incorporation	Cash	Subscriber to the MOA	10	10	10	10	0.00	0.00	Own Fund
From incorporation to till 31.03.2006*	Cash	Further Allotment	35,000	10	10	35,010	0.51	0.38	Own Fund
28.04.2006	Cash	Further Allotment	85,000	10	10	120,010	1.26	0.92	Own Fund
20.06.2008	Cash	Further Allotment	40,000	10	10	160,010	0.59	0.43	Own Fund
16.09.2008	Cash	Further Allotment	25,000	10	10	185,010	0.37	0.27	Own Fund
21.03.2012	Cash	Further Allotment	115,000	10	10	300,010	1.70	1.25	Own Fund
01.10.2011 (i)	Cash	Transfer of shares	(18)	10	(10)	299,992	(0.00)	(0.00)	
10.12.2012 (ii)	Cash	Transfer of shares	(2)	10	(10)	299,990	(0.00)	(0.00)	

28.03.2015 (iii)	Cash	Acquisition of shares by way of Transfer	20	10	17	300,010	0.00	0.00	Own Fund
16.07.2015	-	Bonus Issue	690,023	10	Nil	990,033	10.20	7.49	Bonus Issue (IX)##
<b>TOTAL</b>			<b>990,033</b>				<b>14.63</b>	<b>10.74</b>	

**(i) Details of Transfers of Mr. Pawan Kumar Gupta dated 01/10/2011**

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	01.10.2011	Pawan Kumar Gupta	1	Arun Kumar Mehta
2	01.10.2011	Pawan Kumar Gupta	1	Ashok Kumar Mehta
3	01.10.2011	Pawan Kumar Gupta	1	Gayatri Choudhary
4	01.10.2011	Pawan Kumar Gupta	1	Harsh vardhan Agarwal
5	01.10.2011	Pawan Kumar Gupta	1	Ideal Fabrics
6	01.10.2011	Pawan Kumar Gupta	1	Indra Bhardwaj
7	01.10.2011	Pawan Kumar Gupta	1	Hanuman Sahay HUF
8	01.10.2011	Pawan Kumar Gupta	1	Prakash Harkawat
9	01.10.2011	Pawan Kumar Gupta	1	Mother India Trading Co.
10	01.10.2011	Pawan Kumar Gupta	1	Nagal Das & Son's
11	01.10.2011	Pawan Kumar Gupta	1	Pinkcity Developers
12	01.10.2011	Pawan Kumar Gupta	1	Raj Kumar Johari
13	01.10.2011	Pawan Kumar Gupta	1	Rakesh Kumar Modi
14	01.10.2011	Pawan Kumar Gupta	1	Ram Narayan Banwari lal
15	01.10.2011	Pawan Kumar Gupta	1	Sharma Fabrics
16	01.10.2011	Pawan Kumar Gupta	1	Sharma Timbers
17	01.10.2011	Pawan Kumar Gupta	1	Shyam Das Malpani
18	01.10.2011	Pawan Kumar Gupta	1	Vedant Bajaj
		<b>Total</b>	<b>(18)</b>	

**(ii) Details of Transfers of Mr. Pawan Kumar Gupta dated 10/12/2012**

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	10.12.2012	Pawan Kumar Gupta	1	Ram Prakash Agarwal
2	10.12.2012	Pawan Kumar Gupta	1	Rishabh Dugar
		<b>Total</b>	<b>(2)</b>	

**(iii) Details of Transfers of Mr. Pawan Kumar Gupta dated 28/03/2015**

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	28.03.2015	Gunjan Nawalkha	1	Pawan Kumar Gupta
2	28.03.2015	Indra Bhardwaj	1	Pawan Kumar Gupta
3	28.03.2015	Kailash Devi	1	Pawan Kumar Gupta
4	28.03.2015	Kunanmal Kaluram Jain	1	Pawan Kumar Gupta
5	28.03.2015	Madhav Bihari & Sons HUF	1	Pawan Kumar Gupta
6	28.03.2015	Madhav Bihari Garg	1	Pawan Kumar Gupta
7	28.03.2015	Madhu Shashikumar	1	Pawan Kumar Gupta

		Jhunjhunwala		
8	28.03.2015	Malika Munot	1	Pawan Kumar Gupta
9	28.03.2015	Prakash Harkawat HUF	1	Pawan Kumar Gupta
10	28.03.2015	Prem Lata Agarwal	1	Pawan Kumar Gupta
11	28.03.2015	Ram Gopal Khandelwal	1	Pawan Kumar Gupta
12	28.03.2015	Ram Prakash Agarwal	1	Pawan Kumar Gupta
13	28.03.2015	Ram shankar Bohra	1	Pawan Kumar Gupta
14	28.03.2015	Rishabh Dugar	1	Pawan Kumar Gupta
15	28.03.2015	Shyam Das Malpani HUF	1	Pawan Kumar Gupta
16	28.03.2015	Snehlata Agarwal	1	Pawan Kumar Gupta
17	28.03.2015	Subhanshu Kabra	1	Pawan Kumar Gupta
18	28.03.2015	Tarachand Dhandiya HUF	1	Pawan Kumar Gupta
19	28.03.2015	Vallabh Das Khandelwal	1	Pawan Kumar Gupta
20	28.03.2015	Vidhya Jain	1	Pawan Kumar Gupta
		<b>Total</b>	<b>20</b>	

Date of Allotment /Transfer of Fully Paid-up Shares	Consideration	Nature of Issue	No of Equity Shares*	Face Value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issued capital	% Post issue paid up capital	Sources of fund
<b>Mr. Saurav Gupta</b>									
20.06.2008	Cash	Allotment	125,000	10	10	125,000	1.85	1.36	Own Fund
16.09.2008	Cash	Further Allotment	25,000	10	10	150,000	0.37	0.27	Own Fund
15.12.2010	Cash	Further Allotment	50,000	10	10	200,000	0.74	0.54	Own Fund
21.03.2012	Cash	Further Allotment	65,750	10	10	265,750	0.97	0.71	Own Fund
16.07.2015	-	Bonus Issue	611,225	10	Nil	876,975	9.03	6.63	Bonus Issue (IX)##
<b>TOTAL</b>			<b>876,975</b>				<b>12.96</b>	<b>9.51</b>	

Date of Allotment /Transfer of Fully Paid-up Shares	Consideration	Nature of Issue	No of Equity Shares*	Face Value	Issue Price/Acquisition Price/ Transfer Prices	Cumulative no. of Equity shares	% Pre-Issue paid up capital	% Post issue paid up capital	Sources of fund
<b>Mr. Gaurav Gupta</b>									
20.06.2008	Cash	Allotment	125,000	10	10	125,000	1.85	1.36	Own Fund
16.09.2008	Cash	Further Allotment	25,000	10	10	150,000	0.37	0.27	Own Fund
15.12.2010	Cash	Further Allotment	130,000	10	10	280,000	1.92	1.41	Own Fund
16.07.2015	-	Bonus Issue	644,000	10	Nil	924,000	9.52	6.99	Bonus Issue (IX)##
<b>TOTAL</b>			<b>924,000</b>				<b>13.66</b>	<b>10.03</b>	

None of the shares has been pledged by our Promoters as on the date of Prospectus.

The Percentage of Pre Issue paid up capital and Post Issue capital is calculated on the basis of paid up capital of the Company.

All the Equity Shares of the Company has issued and allotted as fully paid up Shares at a time of Allotment of Shares.

## Bonus issue of 4,715,000 equity shares in the ratio of (23:10) has been issued by Capitalization of Free Reserve & Surplus of the Company.

**6. Details of the Pre and Post Issue Shareholding of our Promoters and Promoter Group is as below:**

S.No	Names	Pre Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
<b>Promoters</b>					
1	Mr. Harish Kumar Gupta	1,011,483	14.95	1,011,483	10.98
2	Mr. Pawan Kumar Gupta	990,033	14.63	990,033	10.74
3	Mr. Gaurav Gupta	924,000	13.66	924,000	10.03
4	Mr. Saurav Gupta	876,975	12.96	876,975	9.51
<b>TOTAL (A)</b>		<b>3,802,491</b>	<b>56.20</b>	<b>3,802,491</b>	<b>41.26</b>
<b>Promoter Group</b>					
5.	Mrs. Anita Gupta	855,492	12.65	855,492	9.28
6.	Mrs. Sunita Gupta	789,492	11.67	789,492	8.57
7.	Mrs. Neha Gupta	657,525	9.72	657,525	7.14
8.	Mrs. Shikha Gupta	577,500	8.54	577,500	6.27
9.	Mrs. Richa Gupta	82,500	1.22	82,500	0.89
<b>TOTAL (B)</b>		<b>2,962,509</b>	<b>43.80</b>	<b>2,962,509</b>	<b>32.15</b>
<b>GRAND TOTAL (A+B)</b>		<b>6,765,000</b>	<b>100</b>	<b>6,765,000</b>	<b>73.41</b>

**7. The following shares held by Promoters are locked-in as Minimum Promoter's Contribution for 3 years from the date of allotment of Equity shares in this issue:**

Date of Allotment of Fully Paid-up Shares	Consideration	Nature of Issue/ Acquisition	No of Equity Shares	Face Value	Issue Price/Acquisition Price/ Transfer Prices	% Pre-issue paid up capital	% Post issue paid up capital
<b>Mr. Harish Kumar Gupta</b>							
28.04.2006	Cash	Allotment	85,000	10	10	1.26	0.92
20.06.2008	Cash	Allotment	40,000	10	10	0.59	0.43
16.09.2008	Cash	Allotment	25,000	10	10	0.37	0.27
15.12.2010	Cash	Allotment	100,000	10	10	1.48	1.09
21.03.2012	Cash	Allotment	20,000	10	10	0.30	0.22
16.07.2015	-	Bonus Issue	350,000	10	Nil	5.17	3.80
<b>TOTAL (A)</b>			<b>620,000</b>			<b>9.16</b>	<b>6.73</b>
<b>Mr. Pawan Kumar Gupta</b>							
28.04.2006	Cash	Allotment	85,000	10	10	1.26	0.92
20.06.2008	Cash	Allotment	40,000	10	10	0.59	0.43
16.09.2008	Cash	Allotment	25,000	10	10	0.37	0.27
21.03.2012	Cash	Allotment	115,000	10	10	1.70	1.25
16.07.2015	-	Bonus Issue	350,000	10	Nil	5.17	3.80
<b>TOTAL (B)</b>			<b>615,000</b>			<b>9.09</b>	<b>6.67</b>
<b>Mr. Saurav Gupta</b>							
20.06.2008	Cash	Allotment	125,000	10	10	1.85	1.36
16.09.2008	Cash	Allotment	25,000	10	10	0.37	0.27
15.12.2010	Cash	Allotment	50,000	10	10	0.74	0.54
16.07.2015	-	Bonus Issue	270,000	10	Nil	3.99	2.93
<b>TOTAL (C)</b>			<b>470,000</b>			<b>6.95</b>	<b>5.10</b>
<b>Mr. Gaurav Gupta</b>							
20.06.2008	Cash	Allotment	125,000	10	10	1.85	1.36
15.12.2010	Cash	Allotment	130,000	10	10	1.92	1.41
16.07.2015	-	Bonus Issue	300,000	10	Nil	4.44	3.26
<b>TOTAL (D)</b>			<b>555,000</b>			<b>8.20</b>	<b>6.02</b>
<b>TOTAL (A+B+C+D)</b>			<b>2,260,000</b>			<b>33.41</b>	<b>24.52</b>

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. Harish Kumar Gupta, Mr. Pawan Kumar Gupta, Mr. Saurav Gupta, Mr. Gaurav Gupta have, by a written undertaking, consented to have 620,000, 615,000, 470,000, and 555,000 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 SME Platform of BSE till the date of commencement of lock-in period as stated in the Prospectus. The Equity Shares under the Promoters contribution will constitute 24.52 % 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 capitalisation of intangible assets is involved in such transaction	The minimum Promoters’ contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
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	Our Company has issued bonus shares out of capitalization of Free Reserve & Surplus of the Company and no revaluation reserves or an unrealized profit was involved in such issuance. Further the bonus shares issued are not against Equity Shares which are ineligible for minimum promoters’ contribution. <b>Hence Eligible</b>
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 Promoters’ contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
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	Our Company has not been formed by the conversion of a partnership firm into a company. Accordingly, the minimum Promoters’ contribution does not consist of any such Equity Shares. <b>Hence Eligible</b>
33 (1) (d)	Specified securities pledged with any creditor.	Our Promoters has not Pledged any shares with any creditors. Accordingly, the minimum Promoters’ contribution does not consist of such Equity Shares. <b>Hence Eligible</b>

#### Details of Share Capital Locked In For One Year

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 45, 05,000 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:

- a) 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. Subject to the following:
- (i) the pledge of shares is one of the terms of sanction of the loan; and (ii) if the shares are locked in as Promoters 'contribution for three years under Regulation 36 of the SEBI (ICDR) Regulations, such shares may be pledged, only if, in addition to fulfilling the requirements of paragraph (i), the loan has been granted by the banks or financial institutions for the purpose of financing one or more of the objects of the Issue.
- b) 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.
- c) 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.

## 8. Our Shareholding Pattern

The table below presents the current shareholding pattern of our Company as per clause 37 of the SME Equity Listing Agreement.

Category code	Category of shareholder	No. of shareholders	Total no. of shares Pre-Issue	% of Total	Number of shares held in dematerialized form	Pre-Issue shareholding as a % of total number of shares		Post Issue Shareholding as a % of total number of shares			Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Total Number of Shares Post-Issue	As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
<b>(A)</b>	<b>Promoter and Promoter Group</b>											
(1)	Indian											
(a)	Individuals/Hindu Undivided Family	9	6,765,000	100.00	6,765,000	100.00	100.00	6,765,000	73.41	73.41	Nil	Nil
(b)	Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (A)(1)</b>	<b>9</b>	<b>6,765,000</b>	<b>100.00</b>	<b>6,765,000</b>	<b>100.00</b>	<b>100.00</b>	<b>6,765,000</b>	<b>73.41</b>	<b>73.41</b>	<b>Nil</b>	<b>Nil</b>

Category code	Category of shareholder	No. of shareholders	Total no. of shares Pre-Issue	% of Total	Number of shares held in dematerialized form	Pre-Issue shareholding as a % of total number of shares		Post Issue Shareholding as a % of total number of shares			Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Total Number of Shares Post-Issue	As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
(2)	Foreign											
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (A) (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Shareholding of Promoters and Promoter group (A)= A(1)+(A)(2)</b>	<b>9</b>	<b>6,765,000</b>	<b>100.00</b>	<b>6,765,000</b>	<b>100.00</b>	<b>100.00</b>	<b>6,765,000</b>	<b>73.41</b>	<b>73.41</b>	<b>Nil</b>	<b>Nil</b>
<b>(B)</b>	<b>Public shareholding</b>											
(1)	Institutions											
(a)	Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(b)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(c)	Central Government / State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(d)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil
(e)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil

Category code	Category of shareholder	No. of shareholders	Total no. of shares Pre-Issue	% of Total	Number of shares held in dematerialized form	Pre-Issue shareholding as a % of total number of shares		Post Issue Shareholding as a % of total number of shares			Shares Pledged or otherwise encumbered			
						As a % of (A+B)	As a % of (A+B+C)	Total Number of Shares Post-Issue	As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding		
(f)	Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	2,450,000	26.59	26.59	Nil	Nil		
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil		
(h)	Nominated investors (as defined in Chapter XB of SEBI (ICDR) Regulations )	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil		
(i)	Market Makers	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil		
(h)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil		
	<b>Sub-Total (B) (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>				<b>Nil</b>	<b>Nil</b>		
(2)	Non- institutions													
(a)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil				2,450,000	26.59	26.59	Nil
(b)	Individuals - Individual shareholders holding Nominal share capital up to Rs. 1 lakh.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil					
	Individual shareholders holding Nominal share capital in excess of Rs. 1 lakh.													
(c)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil				Nil	Nil		
	<b>Sub-Total (B) (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>2,450,000</b>	<b>26.59</b>	<b>26.59</b>	<b>Nil</b>	<b>Nil</b>		

Category code	Category of shareholder	No. of shareholders	Total no. of shares Pre-Issue	% of Total	Number of shares held in dematerialized form	Pre-Issue shareholding as a % of total number of shares		Post Issue Shareholding as a % of total number of shares			Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Total Number of Shares Post-Issue	As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	2,450,000	26.59	26.59	Nil	Nil
	<b>TOTAL (A) + (B)</b>	9	6,765,000	100	6,765,000	100.00	100.00	9,215,000	100.00	100.00	Nil	Nil
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>											
(a)	Promoters and Promoter Group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>GRAND TOTAL (A) + (B) + (C)</b>	9	6,765,000	100.00	6,765,000	100.00	100.00	9,215,000	100.00	100.00	Nil	Nil

Our Company has been allotted ISIN No. INE344T01014 and has entered into tripartite agreement with both the depositories i.e. CDSL and NSDL.

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

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share
Mr. Harish Kumar Gupta	1,011,483	3.03
Mr. Pawan Kumar Gupta	990,033	3.03
Mr. Gaurav Gupta	924,000	3.03
Mr. Saurav Gupta	876,975	3.03

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

As on the date of this Prospectus, our Company has 9 (Nine) shareholders.

a) Our top ten shareholders as on the date of filing of this Prospectus are as follows:

S. No.	Names	Shares Held (Face Value of Rs. 10 each)	% shares held
1	Mr. Harish Kumar Gupta	1011,483	14.95
2	Mr. Pawan Kumar Gupta	990,033	14.63
3	Mr. Gaurav Gupta	924,000	13.66
4	Mr. Saurav Gupta	876,975	12.96

5	Mrs. Anita Gupta	855,492	12.65
6	Mrs. Sunita Gupta	789,492	11.67
7	Mr. Neha Gupta	657,525	9.72
8	Mrs. Shikha Gupta	577,500	8.54
9	Mrs. Richa Gupta	82,500	1.22
<b>TOTAL</b>		<b>6,765,000</b>	<b>100.00</b>

b) Our top ten shareholders 10 days prior filing of this Prospectus are as follows:

S. No.	Names	Shares Held (Face Value of ₹ 10 each)	% shares held
1	Mr. Harish Kumar Gupta	1,011,483	14.95
2	Mr. Pawan Kumar Gupta	990,033	14.63
3	Mr. Gaurav Gupta	924,000	13.66
4	Mr. Saurav Gupta	876,975	12.96
5	Mrs. Anita Gupta	855,492	12.65
6	Mrs. Sunita Gupta	789,492	11.67
7	Mr. Neha Gupta	657,525	9.72
8	Mrs. Shikha Gupta	577,500	8.54
9	Mrs. Richa Gupta	82,500	1.22
<b>TOTAL</b>		<b>6,765,000</b>	<b>100.00</b>

c) Details of top ten shareholders of our Company as on two years prior to the date of filing of this Prospectus are as follows:

S. No.	Names	Shares Held (Face Value of ₹ 10 each)	% of paid up capital (2 years prior to the date of this Prospectus, represented by 20,50,000 Equity Shares)
1	Mr. Harish Kumar Gupta	306,490	14.95
2	Mr. Pawan Kumar Gupta	299,990	14.63
3	Mr. Gaurav Gupta	280,000	13.66
4	Mr. Saurav Gupta	265,750	12.96
5	Mrs. Anita Gupta	259,240	12.65
6	Mrs. Sunita Gupta	239,240	11.67
7	Mr. Neha Gupta	199,250	9.72
8	Mrs. Shikha Gupta	175,000	8.54
9	Mrs. Richa Gupta	25,000	1.22
10	Mrs. Indra Bhardwaj	1	0.00
11	Mr. Shyam Das Malpani	1	0.00
12	Mr. Rakesh Kumar Modi	1	0.00
13	Mr. Ashok Mehta	1	0.00
14	Chetan Kumar Jain HUF	1	0.00
15	Mrs. Lalita Kumari Agarwal	1	0.00
16	Mrs. Malika Munot	1	0.00
17	Mrs. Nirmala Khandelwal	1	0.00
18	Mrs. Prem Kala Kalani	1	0.00
19	Mr. Rajesh Fofaliya	1	0.00
20	Mrs. Shakuntala Gupta	1	0.00
21	Tara Chand Jain HUF	1	0.00

22	Tara Chand Dhandiya HUF	1	0.00
23	Mr.Beni Prasad Kacholiya	1	0.00
24	Mrs.Radhika Maheshwari	1	0.00
25	Goyal Crafts	1	0.00
26	Hanuman Sahay HUF	1	0.00
27	Mr.Vivek Chaudhary	1	0.00
28	Mrs, Indra Devi Jain	1	0.00
29	Satya Narain Kabra HUF	1	0.00
30	Mr.Siddarath Rai Khandelwal	1	0.00
31	Mr.Manish Munot	1	0.00
32	Mrs.Kailash Devi	1	0.00
33	Keshav Cold Storage Private Limited	1	0.00
34	Mr.Kundanmal Kaluram Jain	1	0.00
35	Madhav Bihari & sons HUF	1	0.00
36	Mr.Madhav Bihari Garg	1	0.00
37	Madhu Shashi kumar Jhunjhunwala	1	0.00
38	Mr.Mahdev Surajmal Agarwal	1	0.00
39	Prakash Chand Shantilal HUF	1	0.00
40	Prakash Harkawat HUF	1	0.00
41	Mr.Prem Lata Agarwal	1	0.00
42	Mr.Ram Gopal Khandelwal	1	0.00
43	Mr.Ram Shankar Bohra	1	0.00
44	Mr. Rishabh Dugar	1	0.00
45	Mr.Shyam Das Malpani HUF	1	0.00
46	Mrs. Snehlata Agarwal	1	0.00
47	Mr. Arun Kumar Mehta	1	0.00
48	Mrs.Devi Sahay Ramnath	1	0.00
49	Mr.Gopal Lal Rajesh Kumar	1	0.00
<b>TOTAL</b>		<b>2,050,000</b>	<b>100.00</b>

11. As on the date of Prospectus, our Company does not have any public shareholders.

12. 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 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	Promoter/Promoter Group/Director	Number of Equity Shares	Subscribed/Acquired/Transferred
1	Mr. Harish Kumar Gupta	Promoter cum Whole Time Director	704,973	Allotted (Bonus)
2	Mr.Pawan Kumar Gupta	Promoter cum Managing Director	690,023	Allotted (Bonus)
3	Mr. Saurav Gupta	Promoter cum Director	611,225	Allotted (Bonus)
4	Mr.Gaurav Gupta	Promoter cum Director	644,000	Allotted (Bonus)

5	Mrs. Sunita Gupta	Promoter Group	550,252	Allotted (Bonus)
6	Mrs. Anita Gupta	Promoter Group	596,252	Allotted (Bonus)
7	Mrs. Neha Gupta	Promoter Group	458,275	Allotted (Bonus)
8	Mrs. Richa Gupta	Promoter Group	57,500	Allotted (Bonus)
9	Mrs. Shikha Gupta	Promoter Group	402,500	Allotted (Bonus)

13. Except as provided below, there are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of Prospectus are.

S. No.	Name of Shareholder	Promoter/Promoter Group/Director	Date of Allotment	Number of Equity Shares Subscribed to/Acquired/Sold	Nature of Transaction	Price at which Shares are Subscribed/ Acquired/ Sold (Rs)
1	Mr. Harish Kumar Gupta	Promoter cum Whole Time Director	28.03.2015	20 <sup>(i)</sup>	Acquired	17.00
			16.07.2015	704,973	Allotted as Bonus in the ratio of 23:10	--
2	Mr.Pawan Kumar Gupta	Promoter cum Managing Director	28.03.2015	20 <sup>(ii)</sup>	Acquired	17.00
			16.07.2015	690,023	Allotted as Bonus in the ratio of 23:10	--
3	Mr. Saurav Gupta	Promoter cum Whole Time Director	16.07.2015	611,225	Allotted as Bonus in the ratio of 23:10	--
4	Mr.Gaurav Gupta	Promoter cum Whole Time Director	16.07.2015	644,000	Allotted as Bonus in the ratio of 23:10	--
5	Mrs. Sunita Gupta	Promoter Group	16.07.2015	550,252	Allotted as Bonus in the ratio of 23:10	--
6	Mrs. Anita Gupta	Promoter Group	16.07.2015	596,252	Allotted as Bonus in the ratio of 23:10	--
7	Mrs. Neha Gupta	Promoter Group	16.07.2015	458,275	Allotted as Bonus in the ratio of 23:10	--
8	Mrs. Richa Gupta	Promoter Group	16.07.2015	57,500	Allotted as Bonus in the ratio of 23:10	--
9	Mrs. Shikha Gupta	Promoter Group	16.07.2015	402,500	Allotted as Bonus in the ratio of 23:10	--

The price at which the aforesaid purchases/acquisition was made was Rs. 17/- per Equity Share.

<sup>(i)</sup>*Details of Transfers of Mr. Harish Kumar Gupta dated 28.03.2015*

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	28.03.2015	Beni Prasad Kacholiya	1	Harish Kumar Gupta
2	28.03.2015	Chetan Kumar Jain HUF	1	Harish Kumar Gupta
3	28.03.2015	Lalita Kumari Agarwal	1	Harish Kumar Gupta
4	28.03.2015	Nirmala Khandelwal	1	Harish Kumar Gupta
5	28.03.2015	Prem Kala Kalani	1	Harish Kumar Gupta
6	28.03.2015	Radhika Maheshwari	1	Harish Kumar Gupta
7	28.03.2015	Rajesh Fofliya	1	Harish Kumar Gupta
8	28.03.2015	Rakesh Kumar Modi	1	Harish Kumar Gupta



9	28.03.2015	Shakuntala Gupta	1	Harish Kumar Gupta
10	28.03.2015	Shyam Das Malpani	1	Harish Kumar Gupta
11	28.03.2015	Tara Chand Jain HUF	1	Harish Kumar Gupta
12	28.03.2015	Gupta Exports	1	Harish Kumar Gupta
13	28.03.2015	Abhinav Sanjay Bairathi	1	Harish Kumar Gupta
14	28.03.2015	Akash Garg	1	Harish Kumar Gupta
15	28.03.2015	Ashok Kumar Mehta	1	Harish Kumar Gupta
16	28.03.2015	Ashwani Kumar Agarwal	1	Harish Kumar Gupta
17	28.03.2015	Badri Narian Agarwal	1	Harish Kumar Gupta
18	28.03.2015	Beena Darda	1	Harish Kumar Gupta
19	28.03.2015	Devi Sahay Ramnath	1	Harish Kumar Gupta
20	28.03.2015	Gopal Lal Rajesh Kumar	1	Harish Kumar Gupta
		Total	20	

## (ii) Details of Transfers of Mr. Pawan Kumar Gupta dated 28.03.2015

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	28.03.2015	Gunjan Nawalkha	1	Pawan Kumar Gupta
2	28.03.2015	Indra Bhardwaj	1	Pawan Kumar Gupta
3	28.03.2015	Kailash Devi	1	Pawan Kumar Gupta
4	28.03.2015	Kunanmal Kaluram Jain	1	Pawan Kumar Gupta
5	28.03.2015	Madhav Bihari & Sons HUF	1	Pawan Kumar Gupta
6	28.03.2015	Madhav Bihari Garg	1	Pawan Kumar Gupta
7	28.03.2015	Madhu Shashikumar Jhunjhunwala	1	Pawan Kumar Gupta
8	28.03.2015	Malika Munot	1	Pawan Kumar Gupta
9	28.03.2015	Prakash Harkawat HUF	1	Pawan Kumar Gupta
10	28.03.2015	Prem Lata Agarwal	1	Pawan Kumar Gupta
11	28.03.2015	Ram Gopal Khandelwal	1	Pawan Kumar Gupta
12	28.03.2015	Ram Prakash Agarwal	1	Pawan Kumar Gupta
13	28.03.2015	Ram shankar Bohra	1	Pawan Kumar Gupta
14	28.03.2015	Rishabh Dugar	1	Pawan Kumar Gupta
15	28.03.2015	Shyam Das Malpani HUF	1	Pawan Kumar Gupta
16	28.03.2015	Snehlata Agarwal	1	Pawan Kumar Gupta
17	28.03.2015	Subhanshu Kabra	1	Pawan Kumar Gupta
18	28.03.2015	Tarachand Dhandiya HUF	1	Pawan Kumar Gupta
19	28.03.2015	Vallabh Das Khandelwal	1	Pawan Kumar Gupta
20	28.03.2015	Vidhya Jain	1	Pawan Kumar Gupta
		<b>Total</b>	<b>20</b>	

14. Detail of Equity Shares issued by our Company at a price lower than the Issue price during the preceding one year from the date of this Prospectus.

Name of Persons	Category of Allottees	Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reason
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All the Existing Shareholders	Promoter, Promoter Group & Others	16.07.2015	4,715,000	10	Nil	Not Applicable	Bonus issue to existing shareholders
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15. 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 Prospectus.
16. As on the date of filing of this 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.
17. As on the date of this Prospectus, the Issued Subscribed and Paid-up Share Capital of our Company is fully paid up.
18. Our Company has not raised any bridge loan against the proceeds of the Issue.
19. Since the entire issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
20. As on the date of this Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
21. 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.
22. The LM and their associates do not hold any Equity Shares in our Company as on the date of filing of Prospectus.
23. 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 Prospectus until the Equity Shares offered have been listed or application moneys refunded on account of failure of Issue.
24. 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.
25. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
26. 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.
27. 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. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
28. 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.
29. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

30. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
31. As on the date of this Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
32. We have Nine Shareholders as on the date of filing of the Prospectus.
33. Till date our Company has not made any allotted of Equity Shares pursuant to any scheme approved under section 391-394 of the Companies Act, 1956 or under the corresponding provisions of the Companies Act, 2013.
34. Our Promoters and Promoter Group will not participate in this Issue.
35. This Issue is being made through Fixed Price method.
36. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of this Prospectus.
37. No person connected with the Issue 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.
38. There are no safety net arrangements for this public issue.
39. 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 2,450,000 Equity Shares of our Company at an Issue Price of ₹ 14.00 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 BSE.

Our Company is primarily engaged in the business of Bed sheets, Quilts, other home furnishing textile items and printed/dyed furnishing fabrics and garments. 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	303.00
2.	To meet the Issue Expenses	40.00
	<b>Gross Issue Proceeds</b>	343.00
	<b>Less: Issue Expenses</b>	40.00
	<b>Net Issue Proceeds</b>	303.00

**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	303.00
	<b>Total</b>	<b>303.00</b>

**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	303.00
<b>Total</b>	<b>303.00</b>

*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 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 11 of the Prospectus.

#### **Details of Use of Issue Proceeds:**

##### **1. To Meet Working Capital Requirement**

Our business is working capital intensive and 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 ₹ 2951.99 Lacs for FY 2015- 2016. We intend to meet our working capital requirements to the extent of ₹ 303.00 Lacs from the Net Proceeds of this Issue and the balance will be met from borrowings at an appropriate time as per the requirement.

Basis of Estimation of Working Capital requirement and Estimated Working Capital requirement are as follows:

(Rs in Lacs)

S. No.	Particulars	Actual Restated	Actual Restated	Actual Restated	Estimated
		31-March-13	31-March-14	31-March-15	31-March-16
I	<b>Current Assets</b>				
	Inventories	1872.32	2407.09	2546.77	3126.68
	Trade receivables	1136.83	1077.49	1567.44	1466.67
	Cash and Bank Balances	204.83	287.61	51.67	41.84
	Short Term Loans and Advances	68.43	67.02	52.21	50.00
	Other Current Assets	9.61	12.70	60.59	87.50
	Current Investment	0.49	0.49	0.00	0.00
	<b>Total(A)</b>	<b>3292.51</b>	<b>3852.40</b>	<b>4278.68</b>	<b>4772.69</b>
II	<b>Current Liabilities</b>				
	Short – Term Borrowings (Other than Bank)	266.04	382.80	0.00	81.25
	Trade payables	1030.45	1361.34	1365.50	1539.50
	Short Term Provisions	7.59	6.03	29.49	46.33
	Other Current Liabilities	582.09	395.68	452.09	153.62
	<b>Total (B)</b>	<b>1886.17</b>	<b>2145.85</b>	<b>1847.08</b>	<b>1820.70</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>1406.34</b>	<b>1706.55</b>	<b>2431.60</b>	<b>2951.99</b>
IV	<b>Funding Pattern</b>				
	Short Term Borrowings from Bank	<b>1632.09</b>	<b>1488.19</b>	<b>2048.56</b>	<b>2150.00</b>
	Internal Accruals	--	<b>218.36</b>	<b>383.04</b>	<b>498.99</b>
	<b>IPO Proceeds</b>				<b>303.00</b>

Presently, our Company have been availing the working capital facilities sanctioned by our banker, HDFC Bank Limited, C-Scheme, Jaipur for ₹ 2150.00 Lacs vide letter dated 21.08.2014. For further details regarding these facilities, please see the chapter titled "Statement of Financial Indebtedness" beginning on page 182 of this Prospectus.

**Justification:**

S. No.	Particulars
<b>Inventories</b>	We expect Inventory levels of Finished Goods to maintain at 107 days for FY 2015-16 due to our production cycle and maintaining required level of inventory
<b>Debtors</b>	We expect Debtors Holding days to be at 48 days for FY 2015-16 based on increased sales and better credit Management policies ensuring timely recovery of dues.
<b>Creditors</b>	In future, we expect our Creditors to increase at 68 days due to increase in purchase of raw materials and credit received by them

**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 ₹40.00 Lakhs which is 11.66% 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	(₹ in Lacs)
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses	33.50
Printing and Stationery and postage expenses	1.50
Advertising and Marketing expenses	2.00
Regulatory fees and Other expenses	3.00
<b>Total Estimated Issue Expenses</b>	<b>40.00</b>

**Proposed year-wise Deployment of Funds and Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 15-16
1.	To Meet Working Capital Requirement	303.00
	<b>Total</b>	<b>303.00</b>

**Funds Deployed and Source of Funds Deployed:**

Our Statutory Auditors M/s. Kalani & Co, Chartered Accountants vide their certificate dated August 07, 2015 have confirmed that as on the date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lacs)
Issue Expenses	6.00
<b>Total</b>	<b>6.00</b>

**Sources of Financing for the Funds Deployed:**

Our Statutory Auditors M/s. Kalani & Co, Chartered Accountants vide their certificate dated August 07, 2015 have confirmed that as on the date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lacs)
Internal Accruals	6.00
<b>Total</b>	<b>6.00</b>

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

**Interim Use of Proceeds**

Our management, in accordance with the policies established by our Board of Directors and requirements of SEBI (ICDR) Regulations, 2009 and amendments thereto, pending utilization of the proceeds of the Issue for the purposes described above, shall be deposited only in the scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934. Such deposit would be in accordance with the policies approved by our Board of Directors and the requirements of the SEBI (ICDR) Regulations, 2009 as amended from time to time.

**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 Prospectus has been authorized by the Board of Directors pursuant to a resolution dated July 21, 2015 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on July 31, 2015 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.

<b>Face Value</b>	Each Equity Share shall have the face value of ₹ 10.00 each.
<b>Issue Price</b>	Each Equity Share is being offered at a price of ₹ 14.00 each and is 1.4 times of Face Value.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 10,000 (Ten Thousand) and the multiple of 10,000; subject to a minimum allotment of 10,000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the issue price of ₹ 14.00 each shall be payable on Application. For more details please refer to Section “ <b>Issue Procedure</b> ” beginning on page 233 of the Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the 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 “ <b>Main Provisions of Articles of Association</b> ” on page 256 of the 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 refund 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 226 of the 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 no.11, page no.94 and page no.147 respectively of the 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 ₹ 14.00 which is 1.4 times of the face value.

**QUALITATIVE FACTORS**

- **Experience of our Promoters**
- **Diversified Product Portfolio**
- **Quality Assurance and Standards**
- **Cordial customer relationship**

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 no. 94 of the 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	1.26	1
2.	FY 2013-14	1.30	2
3.	FY 2014-15	0.57	3
	<b>Weighted Average</b>	<b>0.93</b>	

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 ₹ 14.00 :**

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as adjusted for FY 2014-15	24.56
2	P/E ratio based on the Weighted Average EPS, as adjusted for FY 2014-15	15.08

**Peer Group P/ E\***

S. No	Particulars	P/E
1	Highest (Page Industries Limited)	84.40
2	Lowest (Jindal Worldwide)	7.10
	<b>Industry Composite (Textile - Products)</b>	<b>29.50</b>

\*Source: Capital Market dated July 06-19, 2015; Vol: XXX/10 Textile - Products

**3. Return on Net Worth (RoNW)\***

S. No	Period	RONW (%)	Weights
1.	FY 2012-13	14.40%	1
2.	FY 2013-14	12.98%	2
3.	FY 2014-15	5.39%	3
	<b>Weighted Average</b>	<b>9.42%</b>	

\*Restated Profit after tax/Net Worth

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

- (a) Based on Basic and Diluted EPS, as adjusted of FY 2014-15 of ₹ 0.57 at the Issue Price of ₹ 14.00 :  
- 4.98 % on the restated financial statements.
- (b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 0.93 at the Issue Price of ₹ 14.00 :  
- 8.10 % on the restated financial statements.

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

Sr. No.	As at	NAV (₹)
1.	March 31, 2013	28.81
2.	March 31, 2014	33.07
3.	March 31, 2015	34.76
4.	NAV after Issue	11.45
	<b>Issue Price</b>	<b>14.00</b>

#### 6. Comparison of Accounting Ratios with Industry Peers<sup>1</sup>

S. No.	Name of Company	Results Type	Face Value (₹)	EPS (₹) <sup>2</sup>	PE	RoNW (%)	NAV per Share (₹)
1.	Ashapura Intimates Fashion	Standalone	10.00	4.50	52.00	17.70	25.50
2.	Kewal Kiran Clothing	Standalone	10.00	53.07	40.00	24.60	259.40
3.	Bella Casa Fashion & Retail Limited	Standalone	10.00	0.57 <sup>3</sup>	24.56 <sup>4</sup>	5.39	34.76

<sup>1</sup>\*Source: Capital Market dated July 06-19, 2015; Vol: XXX/10 Textile - Products

<sup>2</sup>Based on March 31, 2015 restated financial statements

<sup>3</sup>Basic & Diluted Earnings per share (EPS), as adjusted

<sup>4</sup>Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 14.00

The peer group identified is broadly based on the different products 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 ₹ 14.00 per share is 1.4 times of the face value.
8. Our Company in consultation with the Lead Manager believes that the Issue Price of ₹ 14.00 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 no. 94, page no.11 and page no. 147 respectively including important profitability and return ratios, as set out in "Annexure Q" to the Financial information of the Company on page no.177 of the Prospectus to have a more informed view.

**STATEMENT OF TAX BENEFITS**

To

The Board of Directors,  
**Bella Casa Fashion and Retail Limited,**  
E-102,103, EPIP, Sitapura Industrial Area,  
Jaipur

Dear Sirs,

**Sub: Certification of Statement of Possible Tax Benefits in connection with Initial Public Offering by Bella Casa Fashion and Retail Limited formerly known as Gupta Fabtex Private Limited (“the Company”) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“the Regulations”)**

We Kalani & 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 Kalani & Co.**  
**Chartered Accountants**  
**Firm Registration No. 000722C**

Sd/-

**Vikas Gupta**  
**Partner**  
**Membership No. 077076**

**Date: 07.08.2015**  
**Place: Jaipur**

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

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

**(i) Special Tax Benefits**

**1. Special tax benefits available to the company**

There are no special tax benefits available to the Company

**2. Special tax benefits available to the shareholders of the company**

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

**I. Benefits to the company under the Income Tax Act, 1961 ("the Act"):**

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 Act
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)(iia) 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 fulfillment 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) (iia) 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 one 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 one and one fourth times of such payment made.

**(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.

## 2. 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%	5%	3%
If Book Profits are Greater than to 10 Crore	18.5%	10%	3%

2. In accordance with the provisions of Section 115JAA, from assessment year 2010-11 the credit is available for ten years succeeding the assessment year in which MAT credit becomes allowable.

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

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
- 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.
- 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.
- 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.
- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per 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.
- 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 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.

**(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.

**(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) —Administratorl 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 Companyl 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) up to march 31, 2014. As per finance act, 2014, the Benefit of lower rate of 15% is extended without limiting it to a Particular assessment year.
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**

• **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.

• **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 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.

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 ₹ 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 ₹1, 500/- per minor child.

**III. Tax Benefits available to the Non-Resident Indian Shareholders****(a) 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.

**(b) Dividends**

As per the provisions of section 10(34) read with section 115-O of the Act, dividend (whether interim or final) received by non-resident shareholders from domestic company on or after 1st April, 2004 is completely exempt from tax.

**(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. 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 first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a nonresident, the capital gains arising on its transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee. Further, LTCG arising from transfer of unlisted securities (other than by way of offer for sale under an initial public offer) is chargeable to tax at 10% without indexation and foreign exchange fluctuation benefits
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 normal rates applicable (plus applicable surcharge plus education cess plus higher education cess) to the taxpayer. No deduction under Chapter VIA is allowed from such income.
10. As per provisions of Section 112 of the Act, LTCG arising on transfer of listed securities not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the first proviso to Section 48.
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 one residential house in India, or for construction of one 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 ₹ 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 mentioned in proviso to this section.

#### **(d) 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.

#### **(e) Tax Treaty Benefits**

As per the provisions of section 90(2), non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the non-resident tax payer is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

#### **(f) 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 ₹1, 500/- per minor child.

#### **(g) Concessional Tax Regime for NRIs:**

- Special provisions in case of Non-Resident Indian (NRI) in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
  - NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
  - Specified foreign exchange assets include shares of an Indian company which are acquired /purchased / subscribed by NRI in convertible foreign exchange.
- 1. In accordance with section 115E, income from investment or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% ((plus applicable surcharge plus education cess plus higher education cess). Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the act), shall be chargeable at 10% (plus applicable surcharge plus education cess plus higher education cess).
- 2. In case of a shareholder being a non-resident Indian, and subscribing to the share in convertible foreign exchange in accordance with and subject to the conditions and to the extent specified in Section 115F of the Act, the non resident Indian shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(38)) on the transfer of shares in the Company upon investment of net consideration in modes as specified in sub-section (1) of Section 115F.

3. In accordance with the provisions of 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 investments or long term capital gains earned on transfer of such investments or both acquired out of convertible foreign exchange, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
4. In accordance with the provisions of Section 115H of the Act, when a Non Resident Indian become assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the Act to the effect that the provisions of 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.
5. As per the provisions of section 115 I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

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

##### **(a) Dividends**

As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the Act is exempt from tax.

##### **(b) Long Term Capital Gain**

As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt. It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

##### **(c) Capital Gains**

1. As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge plus education cess plus higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Finance Act, 2014 has inserted a provision that the amount of income tax calculated on the income by way of interest referred in section 194LD shall be at the rate of five percent. The said provision was made applicable in case of interest payable at any time on or after 1 June 2013 but before 1 June 2015 to FIIs and QFIs on their investments in Government securities and rupee denominated corporate bonds provided that the rate of interest does not exceed the rate notified by the Central Government in this regard.
2. As per section 115 AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus higher education cess).
3. In case of a shareholder being a Foreign Institutional Investor (FII), in accordance with and subject to the conditions and to the extent specified in Section 115AD of the Act, tax on long term capital gain (not covered by sections 10(36) and 10(38)) will be 10% and on short term capital gain (other than referred to in section 111A) will be 30% as increased by a surcharge and Education cess at an appropriate rate on the tax so computed in either case.
4. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.

5. 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.

6. As per Section 115JB, the FIIs earning income from transaction in securities (other than short term capital gains arising on transactions on which securities transaction tax is not chargeable ) shall be excluded from the chargeability of MAT and the profit corresponding to such income shall be reduced from the book profit . It is also provided that the expenses incurred to earn these income would be allowed as deduction from book-profits. Thus, the net capital gain shall stand excluded from book profit. These amendments will take effect from 1st April 2016 and apply in subsequent years.

#### **(d) Securities Transaction Tax**

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

#### **(e) Tax Treaty Benefits**

As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the FII is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

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

#### **V. Tax Benefits Available To Mutual Funds**

1. Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.
2. In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, mutual Funds set up by public sector banks or bank financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115 R of the act.

**VI. Tax Benefits Available To Venture Capital Companies/Funds**

1. In case of a shareholder being a Venture Capital Company / Fund, as per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, would exempt from Income Tax, subject to the conditions specified. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under section 10(23FB)(C). However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.
2. In the case of Foreign Venture Capital Companies / Funds who are non-residents, as per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident. Thus, the applicable Tax Treaty provisions also need to be examined and factored for final and more favorable implications.
3. As per Section 115UB provides to grant Tax pass through status for SEBI registered Category-I and Category-II Alternative Investment Funds (AIFs), subject to conditions contained therein. These amendments will take effect from 1st April 2016 and apply in subsequent years.

**VII. Tax Benefits Available Under The Wealth Tax Act, 1957**

1. Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth
2. Shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, no wealth tax will be payable on the market value of shares of the company held by the shareholder of the company.
3. No wealth tax is leviable from A.Y.2016-17 relevant to financial year 2015-16.

**VIII. Gifts Tax Act, 1958**

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998

**IX. Exemption under Employee State Insurance Scheme**

The company enjoys exemption from making contribution under ESI Scheme vide letter no. M-15/14/(Phase-Prog.)/2014-P&D dated 27th June, 2014.

**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 is derived from industry sources and government publications. 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.

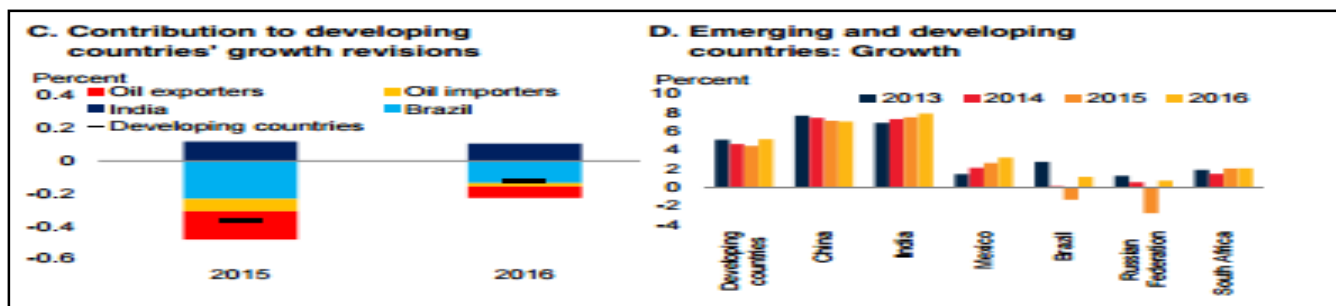
**The Global Scenario**

Global growth is expected to be 2.8 percent in 2015, lower than anticipated in January. Growth is expected to pick up to 3.2 percent in 2016–17, broadly in line with previous forecasts. Developing economies are facing two transitions. First, the widely expected tightening of monetary conditions in the United States, along with monetary expansion by other major central banks, has contributed to broad-based appreciation in the U.S. dollar and is exerting downward pressure on capital flows to developing countries. Many developing-country currencies have weakened against the U.S. dollar, particularly those of countries with weak growth prospects or elevated vulnerabilities. In some countries, this trend has raised concerns about balance sheet exposures in the presence of sizeable dollar-denominated liabilities. Currency depreciations have been significantly less in trade-weighted terms, partly due to a weakening euro and yen, thus offering only modest prospects for competitiveness gains to boost exports. Second, despite some pickup in the first quarter of 2015, lower oil prices are having an increasingly pronounced impact. In oil-importing countries, the benefits to activity have so far been limited, although they are helping to reduce vulnerabilities. In oil-exporting countries, lower prices are sharply reducing activity and increasing fiscal, exchange rate, or inflationary pressures. Risks remain tilted to the downside, with some pre-existing risks receding but new ones emerging.

The global economy is growing somewhat more slowly than expected, with disappointments in developing countries, especially in oil exporters and Brazil. Forecasts have been revised upwards in the Euro Area and India, but downwards in the United States, Brazil and oil-exporting countries. As a result, growth in the BRICS is increasingly diverging.

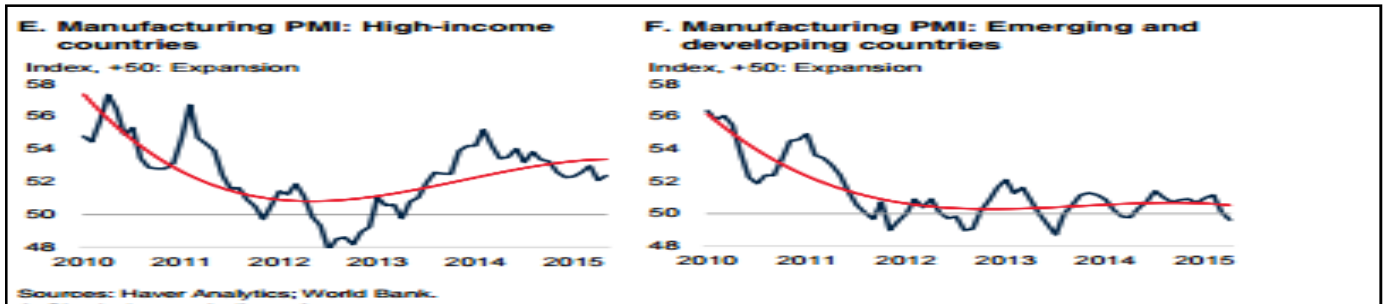


\*Shaded areas indicate forecasts.



\*Oil importers exclude Brazil, China, and India.

Divergences across major economies will narrow in 2015-16 as growth plateaus in the United States and strengthens in the Euro Area and Japan. Lower oil prices will support consumer spending and hold inflation at record lows in the short term, but these effects will wane by 2016. Activity in China will continue to decelerate modestly in line with expectations, with the slowdown buffered by scaled-up monetary and fiscal accommodation.



\*The red line shows the trend. The latest observation is May 2015. PMI = Purchasing Managers' Index.

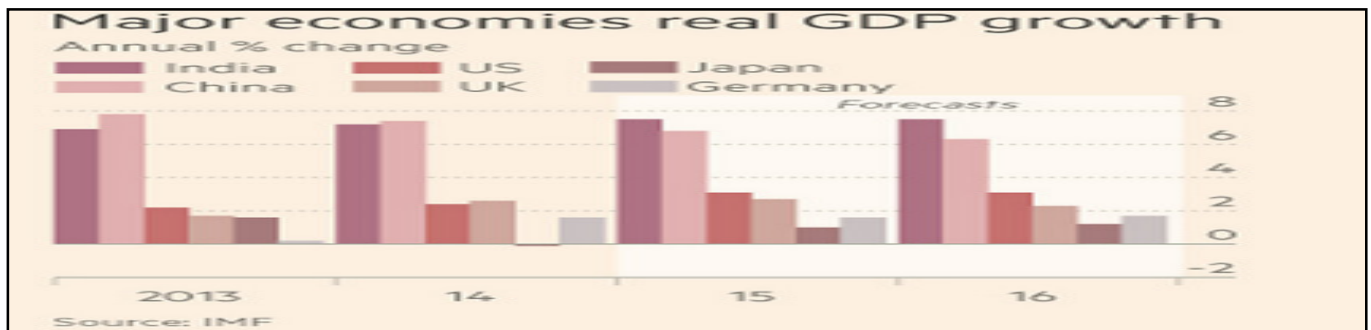
The income shifts caused by falling commodity prices are having increasingly pronounced effects. Many commodity-importing countries have benefited from shrinking vulnerabilities: lower inflation and narrowing fiscal and external deficits. This has created room for central banks to support activity. In most oil-exporting countries, however, activity has slowed. Currencies have depreciated, compelling some central banks to tighten monetary policy. Governments have cut spending to offset falling resource revenues.

(Source - <https://www.worldbank.org/content/dam/Worldbank/GEP/GEP2015b/Global-Economic-Prospects-June-2015-Global-economy-in-transition.pdf>)

**Indian Economy Outlook**

The Indian economy is reviving, helped by positive policy actions that have improved confidence and by lower global oil prices. To continue on this trend, India needs to revitalize the investment cycle and accelerate structural reforms. The Indian economy is the bright spot in the global landscape, becoming one of the fastest-growing big emerging market economies in the world. Growth numbers are now much higher and the current account deficit is comfortable, in part due to the fall in gold imports and lower oil prices. New investment project announcements have started to pick up, particularly in the power and transport sectors.

While the country is well placed to cope with external shocks, there are possible risks on the horizon, both external and domestic. Spillovers from weak global growth and potential global financial market volatility could be disruptive, including from any unexpected developments as the United States begins to raise its interest rates. On the domestic front, the weaknesses in corporate balance sheets—especially in light of the increase in corporate leverage of the past few years—and worsening bank asset quality bear watching, as they could weigh on growth. Growth forecasts higher India's economic profile recently got a lift as the country improved the way it measures economic output.



The revised GDP, the IMF forecasts growth will strengthen to 7.2 percent in 2014-15 and rise to 7.5 percent in 2015-16, driven by stronger investment following improvements to the business climate. The revised growth figures support our view that economic recovery in India is under way, albeit pointing to a somewhat faster pace than we, and others, previously believed. These GDP revisions portray a more resilient performance of the services and manufacturing sectors of the economy.

Inflation has fallen by half to around 5 percent, after hovering around 10 percent for several years. The Reserve Bank of India (RBI) steps to tighten monetary policy by raising interest rates during 2013–2014 and the government’s efforts to contain food inflation, including by releasing buffer stocks of cereal and keeping agricultural procurement prices in check. Also the government’s recent move to introduce a flexible inflation-targeting framework is a clear positive. It will help deliver low and stable inflation, and diminish the prospect of renewed bouts of high inflation.

The government has made strong efforts to put its public finances on solid footing, with the central government’s fiscal deficit falling to 4.1 percent of GDP in 2014-15, helped by lower oil prices. By creating space for higher infrastructure spending, fiscal reforms can have a major impact on economic growth. The government has also deregulated diesel prices and raised natural gas prices. In addition, boosting spending on infrastructure, such as roads and ports, electricity transmission, and social spending (public health, education) would improve the quality of expenditure. With the steps towards introduction of the national goods and services tax would also help create a single Indian market by replacing a myriad of local levies. The Indian government’s efforts to improve the business climate have gained momentum, including with a “Make in India” campaign to attract investment.

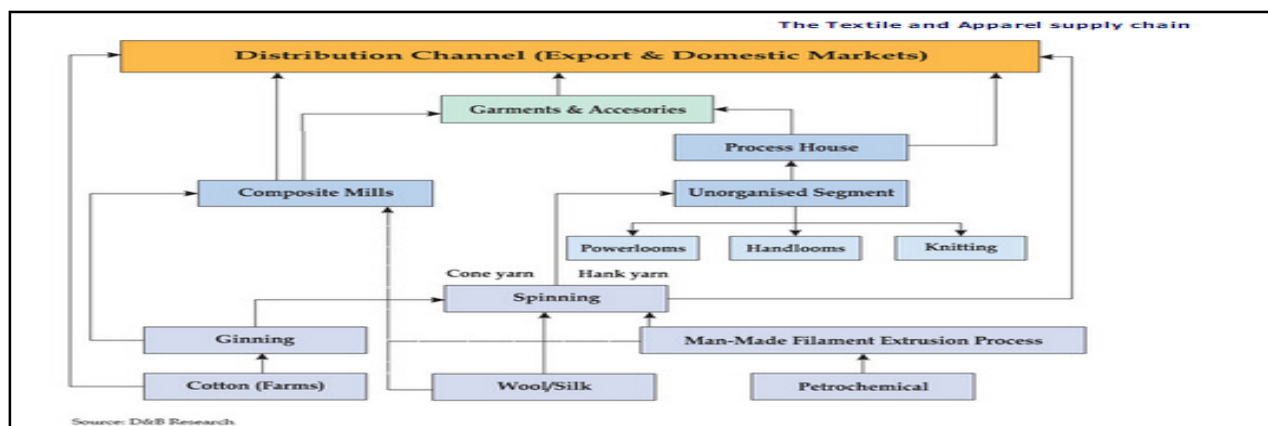
(Source: <http://www.imf.org/external/pubs/ft/survey/so/2015/car031115a.htm>)

**Introduction - Textile Industry**

The textile industry has two broad segments, namely handloom, handicrafts, sericulture, power looms in the unorganized sector and spinning, apparel, garmenting, made ups in the organized sector.

The Indian textiles industry is extremely varied, with a hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive sophisticated mill sector at the other. The decentralized power looms/ hosiery and knitting sector form the largest and knitting sector form the largest section of the Textiles Sector. The close linkage of the Industry to agriculture and the ancient culture, the traditions of the country make the Indian textiles sector unique in comparison to the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

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



(Source - <https://www.dnb.co.in/SMEstextile/overview.asp>)

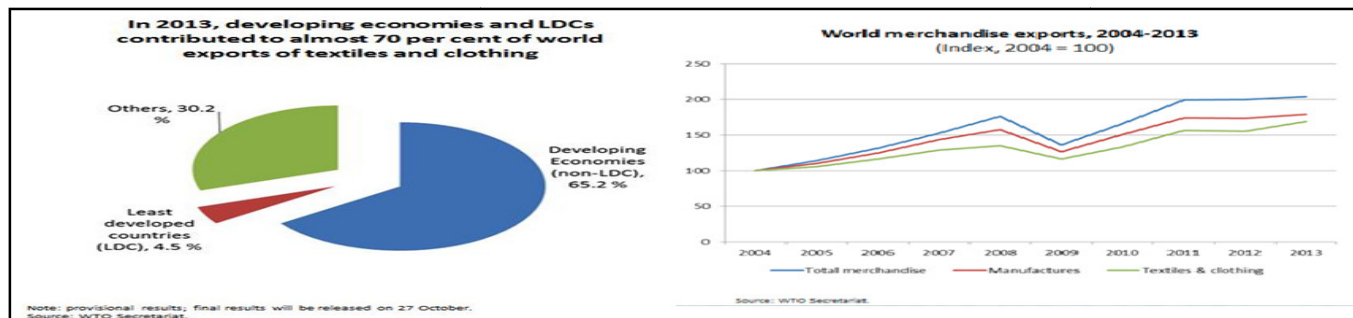
**Global Apparel & Textile Industry**

Over the past two decades, the growth of the world textiles industry and trade has been influenced substantially by three major developments. The first two are directly related to the WTO:

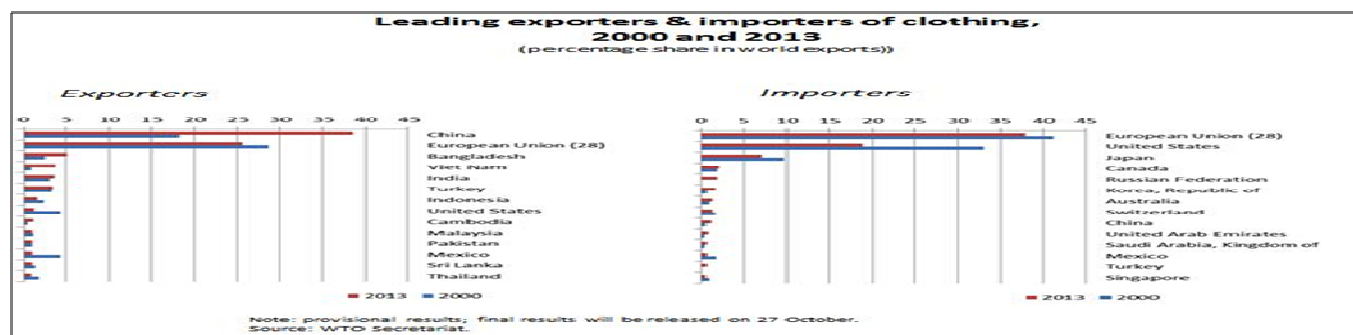
1. The return of the textiles and clothing sector to the "normal rules" of the GATT/WTO – in other words, phasing out the long- standing Multi-Fibre Arrangement (MFA) which, for almost 40 years, allowed countries to protect their domestic textile industry through quotas. This was a major departure from the normal GATT/WTO rules. Next January will mark the 10th anniversary to end the quota system; and
2. The accessions to the WTO by China in 2001 and Viet Nam in 2005 have allowed both China and Viet Nam to benefit from the phasing-out of the MFA quota system and enlarge their share in the global textile and clothing market.

- Based on these two developments, the world trading system became more open to trade in textiles and clothing which made it possible to have the **third** major development - which is the significant transformation of the world textile industry through increased outsourcing, and the proliferation of global value chains and global production networks.

Since the return of normal trading rules in 2005, when the Multi-fibre Arrangement quota system ended, world trade in textiles and clothing has increased by more than 68 percent, more or less at the same pace as the world trade in manufactures. It has surged from US\$454 billion in 2004 to US\$766 billion in 2013. Even with the significant economic downturn in most countries during the period of 2008-2009, trade data points to the enormous success of export-oriented textiles and clothing products. Today, developing economies and LDCs contribute to almost 70 percent of world exports of textiles and clothing.



In 2013, China alone accounted for 34.8 percent of world textile exports and 38.6 percent of world clothing exports. However, it is interesting to note that, with the rising production cost in China and the shifting into higher-value goods and services, in recent years China has started to import finished textiles and garments from other countries, such as Bangladesh and, perhaps, very soon Sri Lanka. In 2013, Viet Nam accounted for 1.6 percent of world textile exports (it was 0.2 percent in 2000) and 3.7 per cent of world clothing exports (0.9 percent in 2000).

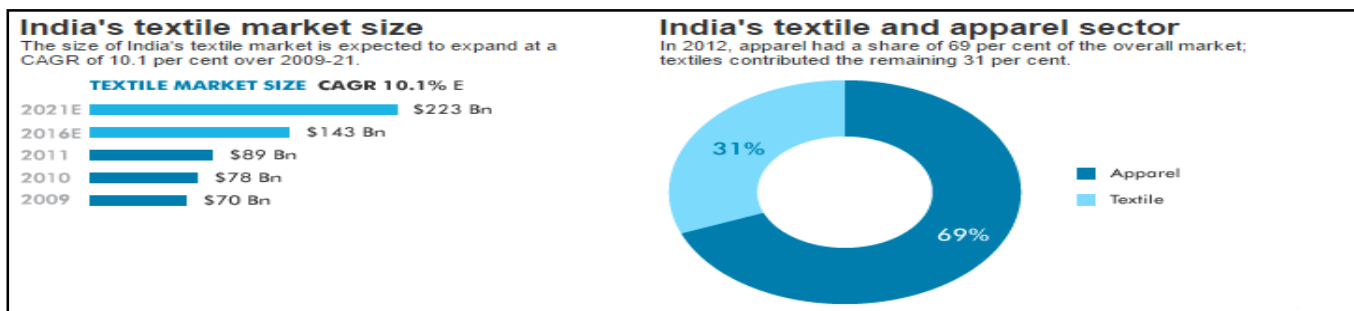


Other developing and least developed countries have also strengthened their positioning in this sector - notably India, Turkey, Bangladesh, Pakistan and Cambodia. The increased share of these countries in the world textiles market has had a great impact in their poverty reduction and economic development. Although textile production is always an important first step towards industrialization, this sector continues to provide an alternative for workers in low-wage agriculture or service jobs even after other manufacturing sectors are established, especially for women and the less-skilled.

(Source: [http://www.itmf.org/conference2014/Xiao\\_zhunvi.pdf](http://www.itmf.org/conference2014/Xiao_zhunvi.pdf))

### India's Textile Industry

India is the one of the world's largest producers of textiles and garments. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and eight per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021.



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

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 per cent to industrial production, four per cent to the gross domestic product (GDP), and 27 per cent to the country's foreign exchange inflows. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of India's economy. It is also one of the largest contributing sectors of India's exports. The textiles industry is labour intensive and is one of the largest employers.

India has overtaken Italy, Germany and Bangladesh to emerge as the world's second largest textile exporter, as per recent data released by 'UN Comtrade'. India's share in Global Textiles increased by 17.5 per cent in 2013 compared to 2012.

(Source: <http://www.ibef.org/archives/detail/b3ZlcnZpZXcmMzY5NDEmMTEy>)

India's Textiles & Clothing (T&C) exports registered a growth of 19.76% in 2011-12 and reached US\$ 32.95 billion against US\$ 27.50 billion in 2010-11. Growth continued in 2012-13 (6.02%) as well as 2013- 14 (12.94%) and touched US\$ 39.45 billion in FY 2013-14. Textiles exports in the first nine months during FY 2014-15 (Apr-Dec) witnessed growth of 15% in US\$ terms and 15% in rupee terms against the same period of FY 2013-14 (Apr-Dec). The total textile exports during 2013- 14 was valued at USD 39.45 billion as against USD 34.93 billion during the financial year 2012-13, registered an increase of 12.94% in Dollar terms. In Rupee term, the same was valued at ₹ 239221.80 crores (in 2013- 14) as against ₹ 189940.65 crores (in 2012-13) and registered growth of 25.95% in Rupee term.

During the year 2013- 14, Readymade Garments account for almost 37% of the total textiles exports. As per latest available statistics during the first nine months of 2014-15, exports of RMG account for 47% of the total textiles exports. Cotton textiles (35%) and Man-made textiles (18%)

Export	2013-14		2014-15 (April-Nov. 2014)	
	Creore	US\$ Mn	Creore	US\$ Mn
India Textile & Clothing	214918.45	35425.97	14579.98	24083.15
Handicrafts	23504.42	3884.91	5694.48	939.88
Total T&C including Handicrafts	238422.87	39310.88	151424.46	25023.03
% Textile Exports of overall exports	12.59%	12.58%	13.49%	13.46%
India's overall exports	1894181.95	312610.30	1122499.75.15	185970.07

Provisional Source: DGCI&S

Import	April-Oct, 2014 (as per DoC data)
Total Textile and Clothing import	3045.45 US\$ Mn.

\*Source: DGCI&S

(Source: [http://texmin.nic.in/annualrep/ar\\_14\\_15\\_english.pdf](http://texmin.nic.in/annualrep/ar_14_15_english.pdf))

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 plans to ink a deal with Flipkart to provide an online platform to handloom weavers to sell their products.
- The Ministry of Textiles will implement the scheme for in-situ upgradation of plain powerlooms for SSI sector in Surat and Ahmedabad powerloom clusters in Gujarat.



- The government has taken a number of initiatives for the welfare and development of the weavers and the handloom sector. Under revival, reform and restructuring (RRR) package, financial assistance to the tune of Rs 1,019 crores (US\$ 164.72 million) has been approved and the Indian government has released Rs 741 crores (US\$ 119.78 million).
- Encouraged by the turnaround in textiles exports, the Government of India plans to set up a US\$ 60 billion target for the current financial year, a jump of over 30 per cent from the previous financial year.
- The Cabinet Committee on Economic Affairs (CCEA) has approved an Integrated Processing Development Scheme (IPDS) with a corpus of Rs 500 crores (US\$ 80.82 million) to make textiles processing units more environment-friendly and globally competitive.

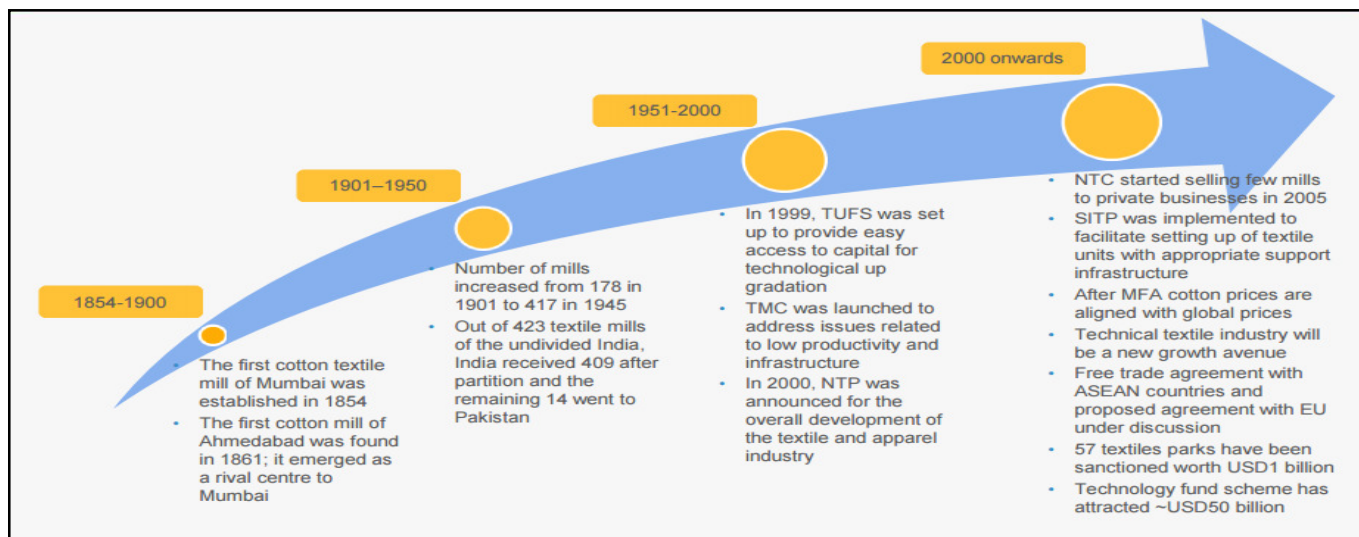
(Source: <http://www.ibef.org/archives/detail/b3ZlcnZpZXcmMzY5NDEmMTEy>)

**Policy Support- Key Ingredient to Growth**

Technology Up-gradation Fund Scheme (TUFS)	<ul style="list-style-type: none"> <li>• TUFS for the textile sector to continue in the 12<sup>th</sup> Five Year Plan with an investment target of USD24.8 billion</li> <li>• Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates</li> </ul>
National Textile Policy - 2000	<ul style="list-style-type: none"> <li>• The policy was introduced for the overall development of textile industry</li> <li>• Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements</li> </ul>
Foreign Direct Investment	<ul style="list-style-type: none"> <li>• FDI of up to 100 per cent is allowed in the textile sector through the automatic route</li> </ul>
Scheme for Integrated Textiles Parks (SITP)	<ul style="list-style-type: none"> <li>• SITP was set up in 2005 to provide necessary infrastructure to new textile units; under SITP, 40 projects (worth USD900 million) have been sanctioned</li> <li>• The planned outlay for the textiles and apparel sector under the 11<sup>th</sup> Five Year Plan (20012–17) was USD2.9 billion</li> </ul>
Technical textile industry	<ul style="list-style-type: none"> <li>• Government of India has planned an increase in the fund outlay for technical textiles industry to more than USD117 million during the current 12<sup>th</sup> Five Year Plan (2012-17)</li> </ul>

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

**Evolution of Indian Textile Industry**



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

**Home Furnishing and Made-ups Market**

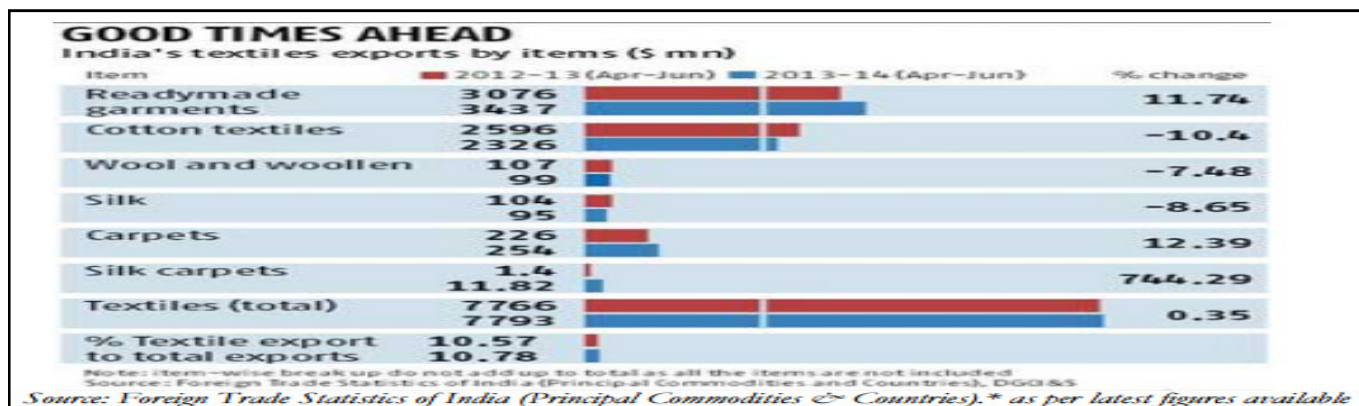
The home furnishing products can be broadly categorized into five categories, which include - bedding, window dressings, bathroom textiles, cushions and covers, and table linen. Household penetration levels are high, especially in the largest sectors — bedding and window dressings. While replacement due to wear and tear is not inevitably frequent, an increased consumer interest in home interior products has stimulated buying in what is now very much a fashion-led industry. The industry also benefits from the growing number of households, a trend, which is expected to continue at an even faster rate. India produces a wide range of products, including home furnishings, household linen, curtain tapestry and yardage made with several textures

and varying thickness. The home furnishing industry mainly exports fabrics, bed linen, table linen, toilet and kitchen linen, towels, cushions, curtains, pads, tapestries and upholstery's, carpets and floor coverings, etc. The industry has adopted measures and techniques to offer premium quality and eco-friendly products to the global industry.

**Garments and Apparel Industry**

The readymade garments industry in India is highly fragmented with presence of numerous players. The industry is classified under men’s wear, women’s wear, kids wear, and unisex wear. Readymade garments sector, which was previously dominated by men’s wear, is now seeing growing contribution from women’s wear as well as kid’s wear. The growth of the sector was coming from tier I cities, however, industries in the sector are looking forward to tier II and tier III cities as part of the business expansion. Further, new concepts such as plus size clothing, customised clothing, etc. are also taking shapes in readymade garment industry.

(Source: [http://www.dnb.co.in/BusinessGauravSMEAwards2012/PDF/Readymade\\_Garments.pdf](http://www.dnb.co.in/BusinessGauravSMEAwards2012/PDF/Readymade_Garments.pdf))



(Source: <http://www.cci.in/pdfs/surveys-reports/Textile-Industry-in-India.pdf>)

## OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in “**Risk Factors**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and “**Financial Information of the Company**” on page 11, 186 and 147, respectively. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to ‘Bella Casa Fashion & Retail Limited’, ‘the Company’, ‘our Company’ and ‘the Issuer’ and the terms ‘we’, ‘us’ and ‘our’, are to Bella Casa Fashion & Retail Limited (Formerly known as Gupta Fabtex Private Limited).

### Our Business

Our Company was incorporated as Gupta Fabtex Private Limited on February 5, 1996 under the provisions of Companies Act, 1956 in Registrar of Companies, Jaipur, Rajasthan. Subsequently, pursuant to a special resolution passed by the shareholders at the Annual General Meeting held on June 29, 2015, the name of the Company was changed to Bella Casa Fashion & Retail Private Limited and a fresh certificate of incorporation consequent on change of name was issued by RoC Jaipur, Rajasthan on July 15, 2015. Further, pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on July 15, 2015 our Company was converted into a public limited company and a fresh certificate of incorporation consequent on the conversion under the Companies Act on July 31, 2015 was issued from RoC, Jaipur, Rajasthan.

Currently we are engaged in the business of manufacturing of Bed sheets, Quilts, home furnishing textile items, printed/dyed furnishing fabrics and garments. The production unit of the company is located at E-102, 103 EPIP, Sitapura Industrial Area, Jaipur, Rajasthan. This Industrial park has been developed by Rajasthan State Industrial Development and Investment Corporation (RIICO) with the efforts mooted by the Government to provide assistance to the Export oriented units. We are an entrepreneur driven organization set up with the focus of fulfilling the requirements of the customer by offering the finest quality product matching with the latest fashion and lifestyle.

For the year 2014-15, our revenue comprises of 91.63 % from the Domestic market and we are exporting 8.37 % of our products manufactured in terms of value. We are exporting our Products to Middle East Countries where the demand for company’s products are quite favorable as there are sizeable expatriates living in these countries. We have positioned ourselves as a multi product organization ensuring that our target market is a diverse mix of the fabrics market and garment for both domestic market and international market.

### Salient features of our business model are as follows:

- (1) We have presence in three important segments of the industry
  - Home Furnishing Textile (OE manufacturing)
  - Ready Made Garments (OE Manufacturing)
  - Home Furnishing Textile (Own Brand)
- (2) We can take advantage of diversity and different product mix and can exploit demand potential in all these segments and suitably de-risk the business.
- (3) Our company operates on the philosophy of mass manufacturing and wide distribution.
- (4) Our customer base comprises of organized and traditional wholesale markets of the domestic market thus ensuring a better reach for its products.
- (5) We are exporting our products to Middle East countries.
- (6) We have also started online sales of our products through various websites.

### Our Products Portfolio:-

Our Product portfolio consists of the following main groups:

- (1) Bed sheet Sets, Comforters & home furnishing textiles
- (2) Women Apparels
- (3) Printed/ Dyed/ Bleached Fabrics



**1. Bed Sheet Sets, Comforters & home furnishing textiles**

We manufacture bed sheets in various thread counts (100TC-400TC) and both plain weave and satin weave. The fabrics used for manufacturing these bedsheets are in 100% Cotton or blends of polyester and cotton. The bed sheets are available in various sizes (Single Bed, Double Bed-Queen Sizes, and King Size)

We do both printed and solid bedsheets. Printed bedsheets are mainly reactive printed and sometimes they are printed using pigment dyes. These bedsheets come with attractive design of pillow covers which are of co-ordinate prints. Comforter (Quilts) are manufactured in various thread counts i.e. 100TC-400TC and with both plain weave and satin weave. These comforters are filled with 100% polyester fiber of different weights. The weights of the comforters depend upon the season and geography to which these comforters are being supplied. The comforters are technically advanced product and are made to suit different climates and temperatures of summer, winter, and hard winter. The size of these comforters varies from Single Bed, Double Bed-Queen Sizes, and King Size. Printings done on these comforters are mainly reactive printed and sometimes they are printed using pigment dyes.



**2. Women Apparels:**

We are mainly engaged in the manufacturing of women apparels. Ladies apparels include top wear (like kurta, kurti, shirts) & bottom wear (like churidars, leggings, skirts).

We use 100% Cotton, 100% polyester, 100% viscose and various blended fabrics for producing these garments. These garments are made using printed fabric, solid dyed fabrics and yarn dyed fabrics in dobbies and jacquards. Most of the garments are supplied with extensive value addition involving embroidery, hand embroidery and hand work including beads, sequences. Latest trend, fashion and lifestyle are of huge emphasis as achieving the correct design are of immense importance.



**3. Printed/Dyed/Bleached Fabrics:**

We manufacture printed/Dyed/bleached fabrics to be sold in long length form in domestic market. These fabrics are manufactured in different widths like 63”, 78”, 93”, 98”, 120”. These fabrics are made in different thread counts starting from 20s, 30’s and 40’s. The printing done on these fabrics is either reactive or pigment and in case of plain dyed fabrics, only reactive dyes are used. Printing and dyeing work is done by the Job workers.

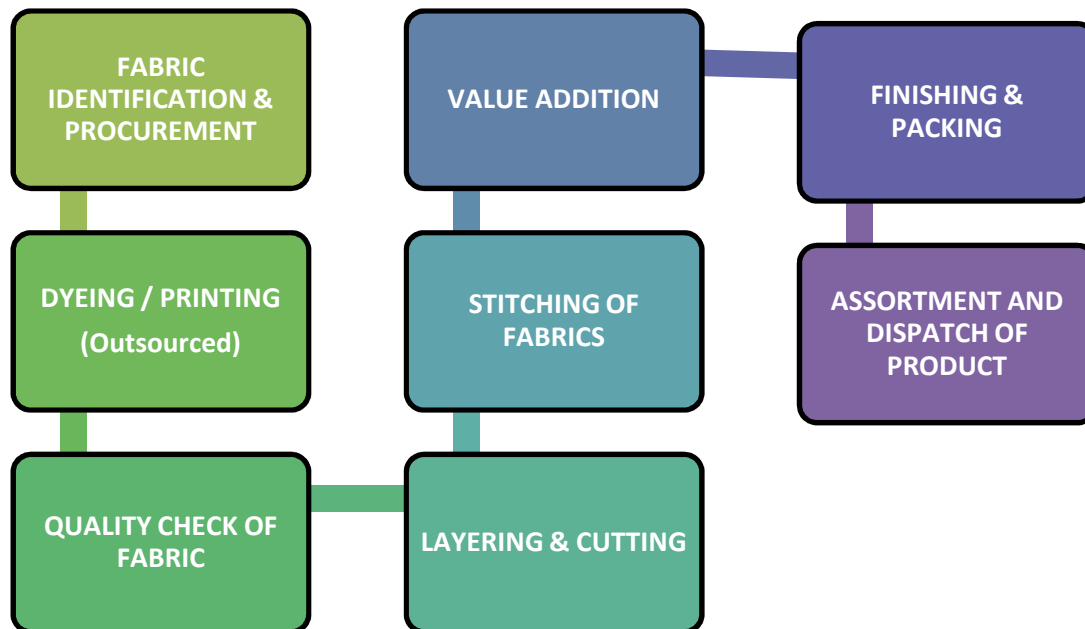


**Our Location:**

<b>Registered Office &amp; Corporate Office</b>	E-102, 103, EPIP, Sitapura Industrial Area, Jaipur-302022, Rajasthan, India
<b>Factory</b>	E-102, 103, EPIP, Sitapura Industrial Area, Jaipur-302022, Rajasthan, India
<b>Sales Office</b>	Shop No. 123, Ground Floor, New Cloth Market, Sarangpur, Ahmedabad – 380002, Gujarat, India

**Manufacturing Process Flow Charts of Our Production Process:-**

Activities undertaken by us for manufacturing our products are summarized in the following chart:-



**Steps Involved In Manufacturing Process:-**

The manufacturing process for product is as below:

- **Fabric Identification and Procurement:** The process starts with identification of good quality fabric and the trend of the market. Purchase orders are placed once the Fabric has been identified. Purchasing woven fabric from the mill directly after issuing detailed specification covering various parameters of yarn, weave, width etc.
- **Dyeing/Printing:** The grey fabric after proper quality check is issued for dyeing or printing. The selection of printing mill is critical and is done keeping in mind the capabilities and skill set of such processing mills. We also take care of the latest trend applicable in the market. This step is done by outsourcing the same to other vendors on job work.
- **Quality Check of Fabric:** The printed fabric is checked for different defects. After passing a quality procedure, the fabric is moved to the factory.
- **Layering & Cutting:** The fabric is layered and cut as per pre made patterns. The layering is done to facilitate cutting of multiple units in one go (generally 500 pcs to 1000 pcs). The patterns are prepared keeping in view the requirements of exact measurements required for the final product.
- **Stitching:** The stitching process is done using relevant machines and skilled labour. This is the most critical process in making a textile product. Utmost care is taken in selecting the correct thread, high precision attachments' are used on machines to get the fold and stitch length correct. This process is done on assembly lines and on critical steps, quality is very important at this step as per standards.
- **Value Addition:** Value additions are done to the garments for increasing their acceptance in the market following the latest trends in the market. Most styles undergo extensive value addition such as embroidery, narrowing, hand embroidery and other such processes.
- **Finishing & Packaging:** 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 pack sizes. After finishing the products are tagged, bar-coded and packed in different kinds of boxes, bags etc. This is an important stage because packing plays a very important role in attracting the customer's attention.
- **Assortment & Dispatch:** All products are segregated as per their sizes, designs and order details. These are then dispatched as per the shipping instructions of the customers to multiple locations.

**Our Competitive Strengths**

We believe that the following are our primary competitive strength:

**1. Experience of our Promoters**

The promoters of our company; Mr Harish Kumar Gupta and Mr. Pawan Kumar Gupta have more than 30 years and Mr. Saurav Gupta and Mr. Gaurav Gupta have more than 10 years experience in the textile industry. With the help of their experience and knowledge we have been successful in implementation of our business plans. We are also supported with adequate technical and commercial managerial personnel having relevant experience of the industry and who along with the experience of our promoter help us to achieve the organizational goals.

**2. Diversified Product Portfolio:-**

Our Company has entered into three different divisions. This offers us a varied product base to cater to the requirements of our customers. Our Product Portfolio includes diversified variety of products which ranges from Home textile (own brand & OE Manufacturers) and garments for Women's wear with size varies from Small to Large and in different color with attractive printed designs.

**3. Quality Assurance and Standards:-**

We believe in providing our customers the best possible quality products. As a result of this we adopt quality check to ensure the adherence to desired specifications, quality and colours. Since, our Company is dedicated towards quality products, processes and inputs; we get regular orders from our customers, as we are capable of meeting their quality standards.

**4. Cordial customer relationship:-**

We are in the textile industry and textile industry is highly fashion oriented. Fashion is time bound and any delay in meeting deadlines results in loss of business. Meeting customer deadlines and market trends on a consistent basis is important for our business. Our endeavour is to constantly try to address customer needs around a variety of products. Our existing customer relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy.

**Our Business Strategy**

**1. Further widening of our customer base**

With the growing opportunities available in the market, we will endeavour to continue to grow our business by adding new customers in existing and new geographies, new market segments. We are looking towards expanding customer base in Middle East countries. We are also making efforts and diagnosing the domestic markets for our own brands product. With the widening of the customer base for our own Brand product we can leverage the production capacity and the experience of our production team. We aim to do this by effectively leveraging our marketing skills and relationships and focusing on total customer orientation.

**2. Reduction of operational costs and achieving efficiency**

Apart from expanding business and revenues we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost competitive company. We try to reduce the wastages and control the production on the production floor through effective supervision. Our focus has been to reduce the operational costs to gain competitive edge.

**3. To build-up a professional organization**

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of the experience and the sufficient staff for taking care of 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 wish to make it more sound and strong in times to come.

**4. Focus on cordial relationship with our Suppliers, Customer and employees**

We believe that developing and maintaining long term sustainable relationships with our suppliers, customers and employees will help us in achieving the organizational goals, increasing sales and entering into new markets.

**5. Optimal Utilization of Resources:-**

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and take corrective measure wherever possible. This helps us in improving efficiency and putting resources to optimal use.

**SWOT Analysis:**

<b><u>STRENGTHS</u></b>	<b><u>WEAKNESSES</u></b>
<ul style="list-style-type: none"> <li>✓ Quality Product</li> <li>✓ Cordial Relationship with Customers, Suppliers and Employees</li> <li>✓ Experienced Promoters</li> <li>✓ Sufficient availability of raw material</li> </ul>	<ul style="list-style-type: none"> <li>✓ Working Capital Intensive Business</li> <li>✓ High Labour Turnover of Workers</li> </ul>

<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>✓ Huge Growth Potential in Domestic and International Market</li> </ul>	<ul style="list-style-type: none"> <li>✓ Increased Competition from Local &amp; Big Players.</li> <li>✓ Our operations are in unorganized sector, is prone to changes in government policies</li> <li>✓ No entry barriers in our industry which puts us to the threat of competition from new entrants</li> </ul>

**CAPACITY UTILISATION:**

Particulars	Existing				Proposed		
	2012-13	2013-14	2014-15	April - July 2015	Aug – Mar 2015-16	2016-17	2017-18
Total installed Production Capacity (Pcs/Per Day)	9500	14300	14300	16250	16250	18400	21000
Capacity Utilization (in %)	50%	70%	65%	65%	80%	85%	90%

**PLANT & MACHINERY:-**

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

S. No.	Name/Description of the Machineries	Make/Model	Year of Purchase	Vendor
1	Fucen Fusing Machine	FC-500F	2006	STI Apparels Automation P Ltd
2	Cutting Machine	LIPU	2007	Magnum Resources Private Limited
3	Jack ZIG ZAG Machine	Jack	2007	Jaycee Enterprises P Ltd
4	Lock Stitch Machine	Brother 7340	2007	Jaycee Enterprises P Ltd
5	Industrial Sewing Machine	Jack JK 7955	2008	Grover Industrial Sewing machine
6	Industrial Sewing Machine	Jack JK 5550	2008	Grover Industrial Sewing machine
7	GY906 Computerized Embroidery Machine	GY906	2008	TOUCH
8	Industrial Sewing Machine	Toyto	2011	Guruji Sewing Machine
9	Fucen Super High Speed Overloc	FC-732-39	2009	STI Apparels Automation P Ltd
10	Fucen Single Needle Lockstitch	FC-8700	2009	STI Apparels Automation P Ltd
11	Jack ButtonHolesewing Machine	M T373	2010	Surendra Kumar & Company
12	Jack Button Holesewing Machine	T781	2010	Surendra Kumar & Company
13	Fitpack Single Needle Lockstitch Sewing Machine	M/c – 5550	2011	Fitpack Overseas
14	Industrial Sewing Machine	20U63Craftet St	2011	Guruji Sewing Machine
15	Industrial Sewing Machine	Overlock Stitch Com	2011	Guruji Sewing Machine
16	Industrial Sewing Machine	Single Needle Com	2011	Guruji Sewing Machine
17	PTV Folder	12NX3/16X1/4	2012	Saboo Sewing Machine
18	Machine Old Quilting	Quilting Machine	2012	Sterling Creations Pvt. Ltd.
19	Industrial Sewing Machine	Overlock Stitch Com	2013	Guruji Sewing Machine
20	SNEP Button attaching Machine	Taking	2014	Surendra Kumar & Co
21	Jack Single Needle Lockstitch Machine	8900	2014	Surendra Kumar & Co
22	Fitpack Overlocking Sewing Machine	700-5	2014	Surendra Kumar & Co

**Collaborations/Tie Ups/ Joint Ventures:** As on date of the Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures.

**Export Obligation:** As per the terms of the Lease agreement of the property situated at E-102, EPIP, Sitapura Industrial Area, our company is required to export a minimum of 33.33% of the installed capacity every year according to the design and building plan.

### **SALES AND MARKETING:-**

The efficiency of the marketing and sales network is critical success factor of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our marketing team along with our promoters through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company. In order to maintain good relation with our customers, our promoters and our marketing team are regularly interacts with them and focuses on gaining an insight into the additional needs of our customers. Our prime consideration for customer selection is timely payments and consistency in purchases. Due to our presence across multiple segments, we have been able to maintain sufficient volumes and margins in our business.

A geography wise snapshot for all our products is as follows:

Products	Geography
Home furnishing Textiles	India & Middle-East
Garments	India
Printed/ Dyed Fabric	India

### **Our Major Customers**

The percentage of income derived from top 10 customers for the year ended 31 March 2015 is given below:

Sr No	Customer Name	Revenue( ₹ lakhs)	As a % of Total Turnover
1.	Lifestyle International Private Limited	1065.84	13.36
2.	The Bombay Dyeing & Mfg Co. Ltd	974.26	12.22
3.	Pantaloons Fashion& Retail Limited	973.92	12.21
4.	RNA Resources Group Ltd	660.57	8.28
5.	Reliance Retail Limited	481.83	6.04
6.	Lifestyle International Private Limited (MAX)	386.58	4.85
7.	JCT Limited	312.74	3.92
8.	Orien Exports	304.00	3.81
9.	AARKAY Enterprises	249.07	3.12
10.	AARKAY International	117.60	1.47
	<b>TOTAL</b>	<b>5526.41</b>	<b>69.30</b>
Sr No	Particular	Revenue( ₹ lakhs)	Percentage
1.	Income from Top 5 Customers (%)	4156.42	52.12
2.	Income from Top 10 Customers (%)	5526.41	69.30

\*Value represents the gross revenue(less return) received from the respective parties during the year

### **COMPETITION:-**

We face competition from both the organized and unorganized sectors. Even with a diversified product portfolio and quality approach we have to face intense competitive pressures. In the textile industry, product range, product quality and product price are very important for the customer decision making. We compete with other manufacturers on the basis of product range, product quality, and product price. Major competitors of our products under different segments are as below:-

- **In Home Textiles (Own Brand) we consider below as our major competitors:**
  - Bombay Dyeing,
  - Spaces, Portico,
  - Raymond Home.

- **In Home Textiles (OE Manufacturing) we consider below as our major competitors:**
  - GHCL,
  - Shri Laxmi Cotsyn,
  - Indo Count.
- **In Apparels business** our major competitors are manufacturing and export firms in Jaipur, Delhi, Mumbai, Bangalore.

### Awards & Achievements

Our company has received the below mentioned awards and recognitions:-

- Innovative Practices award from RIICO in the year 2012
- Best Women's Indian Wear Supplier Partner – North award from Reliance Trends for the year 2011-2012
- Award of Merit received form Hyper-city Retails (India) Ltd.
- Certificate of Accreditation received from Aditya Birla Group for fabrication of Birla Cellulose based Fabrics.

### Infrastructure & Utilities:

#### **Raw Materials:**

We procure the grey fabric locally and further, dyeing and printing work is done mainly on Job Work basis, the major raw materials required by the Company are Grey Fabric and Dyed Fabric which are received from Job work. A list of major suppliers as on March 31, 2015 is as follows:

Name	Value (₹ in Lakhs )	As % of total
Prateek Impex	276.66	4.05
C.T.M. Textile Mills	239.52	3.50
Shri Lakshmi Cotsyn Ltd.	190.24	2.78
Pradip Overseas Ltd	187.37	2.74
Cauvery Textiles	176.94	2.59
Malchand & Co. Fabric Pvt. Ltd	171.22	2.50
Malchand Export	147.09	2.15
Prateek Enterprises	138.37	2.02
V.S. Texmills Pvt. Ltd	137.61	2.01
Vishal Fabric P Ltd	122.60	1.79
<b>TOTAL</b>	<b>1787.62</b>	<b>26.13</b>

**Power:** The requirement of power for our operations, like power for lighting and operating the machinery/equipment is met through the state electricity board (JVNNL). Our company has also installed a diesel generator set 160 KVA, 195 HP for backup power supply. Our back-up diesel generators are crucial to our operations in case of power failures.

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

**Manpower:** We believe that our employees are key contributors to the success of our business. To achieve this, we focus on attracting and retaining the best possible talent. We endeavor to achieve and maintain a high standard of Ethics, professional conduct and work performance to ensure the Company maintains its reputation with all internal and external stakeholders.

**Employee Profile:** Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our management team have enabled us to successfully implement our growth plans.



Number of permanent full-time employee as on August 31, 2015:-

Category	No. of employees
Administrative staff	33
Skilled Worker	90
Semi Skilled Workers	22
Un-Skilled Workers	38
<b>Total</b>	<b>183</b>

In addition to the above, we also employ contract labour on subcontract basis from a number of Subcontractors according to production requirement. As on August 31, 2015, total of 256 contract labour are employed in our factory.

### **PROPERTY:-**

#### **Intellectual Property**




##### **Trademarks registered in the name of our company**

Set forth below are the trademarks registered in the name of our company. Under the Trademarks Act, 1999:








S. No	Brand Name/Logo Trademark	Class	Trademark	Owner	Application No. & Date	Date of Grant	Expiry Date
1.	HOME CENTER	24		Gupta Fabtex Pvt. Ltd	1796644/ 18.03.2009	11.10.2011	18.03.2019
2.	HOME CENTRE	24		Gupta Fabtex Pvt. Ltd	1806584/ 15.04.2009	26.02.2011	15.04.2019



##### **Trademarks applied in the name of our company**

Set forth below are the trademarks applied in the name of our company. Under the Trademarks Act, 1999:

S. No	Brand Name/Logo Trademark	Class	Trademark	Owner	Application No. & Date	Remark
1.	ROYAL HOME	24		Gupta Fabtex Pvt. Ltd	2982253/ 11.06.2015	The Status of the Trademark applied by the Company is Formalities Chk Pass
2.	BELLA CASA	24		Gupta Fabtex Pvt. Ltd	2982252/ 11.06.2015	The Status of the Trademark applied by the Company is Formalities Chk Pass
3.	HOME STYLE	24		Gupta Fabtex Pvt. Ltd	1796643/ 18.03.2009	The Company has applied for the trademark and the present status of the application is Advertised bef acc



4.	HOME ONE	24		Gupta Fabtex Pvt. Ltd	2444582/ 18.12.2012	The Company has applied for the trademark and the present status of the application is Advertised bef acc
5.	MY HOME	24		Gupta Fabtex Pvt. Ltd	2444583/ 18.12.2012	The Company has applied for the trademark and the present status of the application is Advertised bef acc
6.	MAPLE	24		Gupta Fabtex Pvt. Ltd	1788941/ 24.02.2009	The Company has applied for the trademark and the present status of the application is Advertised bef acc
7.	MAPLE VILLE	24		Gupta Fabtex Pvt. Ltd	1813383/ 01.05.2009	The Company has applied for the trademark and the present status of the application is objected
8.	MEA CASA	24		Gupta Fabtex Pvt. Ltd	1813384/ 01.05.2009	The Company has applied for the trademark and the present status of the application is objected
9.	COZY DREAMS	24		Gupta Fabtex Pvt. Ltd	1796645/ 18.03.2009	The Company has applied for the trademark and the present status of the application is opposed
10.	TOSCA	24		Gupta Fabtex Pvt. Ltd	2483322/ 22.02.2013	The Company has applied for the trademark and the present status of the application is opposed
11.	LAUREN CHRISTOPHER	24		Gupta Fabtex Pvt. Ltd	2483323/ 22.02.2013	The Company has applied for the trademark and the present status of the application is objected

12.	STARHOME	24		Gupta Fabtex Pvt. Ltd	1788940/ 24.02.2009	The Company has applied for the trademark and the present status of the application is Advertised bef acc
13.	STAR HOME (LABEL)	24		Gupta Fabtex Private Limited	1562357 May 28th , 2007	The Company has applied for the trademark and the present status of the application is Abandoned

**Copyrights registered/Applied in the name of our company**

Set forth below are the copyrights registered in the name of our company:

S. No	Name, address of the Applicant	Nature of applicant's Interest	Class and description of the work	Title of Work	Registration No. & Date of Registration	Diary No.	Whether the work is published or unpublished	Date of Application
1.	Gupta Fabtex Private Limited	Owner	Artistic	HOME STYLE	A-85813/2009 10.06.2009	1851/2009 -CO/A	Published	04.03.2009
2.	Gupta Fabtex Private Limited	Owner	Artistic	MAPLE URBAN	A-85814/2009 10.06.2009	1852/2009 -CO/A	Published	04.03.2009
3.	Gupta Fabtex Private Limited	Owner	Artistic	COZY DREAMS	A-89656/2011 11.01.2011	2060/2010 -CO/A	Published	23.02.2010
4.	Gupta Fabtex Private Limited	Owner	Artistic	LAUREN CHRISTOPHER	A-92029/2012 07.05.2012	8773/2010 -CO/A	Published	10.08.2010
5.	Gupta Fabtex Private Limited	Owner	Artistic	TOSCA	A-92116/2012 22.05.2012	8843/2010 -CO/A	Published	10.08.2010

**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, ID and Address	Creation Date	Registration Expiry Date
1.	Guptafabtex.net 1857400103_DOMAIN_NET-VRSN	GoDaddy.com, LLC 146	Gaurav Gupta E-102, EPIP, Sitapura Industrial Area	05.05.2014	05.05.2017
2.	bellacasa.in D9620191-AFIN	GoDaddy.com, LLC 146	Gaurav Gupta CR198331749 E-102, EPIP, Sitapura Industrial Area, Jaipur	04.07.2015	04.07.2017
3.	guptafabtex.com 118668940_DOMAIN_COM-VRSN	NETWORK SOLUTIONS, LLC. 2	Gaurav Gupta E-102/103, EPIP, Sitapura Industrial Area, Jaipur	29.04.2004	29.04.2016

**IMMOVABLE PROPERTY**

Details of the property owned/ leased/ rented are as follows: -

**Registered & Corporate Office**

S. No.	Details of the Property	Use	Owned/ Leased/License	Licensor/Lessor/Vendor	Consideration/ Lease Rental/ License Fees (₹)
1.	E-102, EPIP, Sitapura Industrial Area, Jaipur – 302022	Currently the premise is used as Registered office, Corporate office and Factory	Leased Property	The property has been taken on lease by our Company from RIICO vide Lease Agreement between Gupta Fabtex Private Limited and RIICO.	Original lease deed dated March 06, 2007 executed by RIICO in favour of Gupta Fabtex Private limited duly registered with Sub Registrar dated March 07, 2007 for a period of ninety nine years from September 23, 2003 on Lease rental of ₹ 177 towards annual economic rent as per the deed.
2.	E-103, EPIP, Sitapura Industrial Area, Jaipur – 302022	Currently the premise is used as Registered office, Corporate office and Factory	Rented	Rent Agreement between Mr. Pawan Kumar Gupta partner of firm M/s Gupta Exports and Mr. Harish Kumar Gupta Director of M/s Gupta Fabtex Private Limited dated April 1, 2015.	Rent agreement dated April 1 2015 executed between Mr. Pawan Kumar Gupta partner of M/s Gupta Exports and Mr. Harish Kumar Gupta director of M/s Gupta Fabtex Private Limited at a rent of ₹ 50,000 per month. This rent Agreement shall remain in force for a period of 11 months from the date of execution.

**Other Properties Leased or Owned by the Company**

S. No.	Details of the Property	Use	Owned/ Leased/License	Licensor/Lessor/Vendor	Consideration/ Lease Rental/ License Fees (₹)
1	Shop No. 123, Ground Floor, New Cloth Market, Sarangpur, Ahmadabad – 380002, Gujarat, India	Sale Office	Rented	The said property has been taken on rent from Mr. Pokhardas Harumal Thadani vide a agreement between Mr. Harish Kumar Gupta Director of Our Company dated July 18, 2015.	Rent agreement dated July 18, 2015 executed between Mr. Pokardas Harumal Thadani and Mr. Harish Kumar Gupta director of M/s Bella Casa Fashion & Retail Private Limited at a rent of ₹ 1,31,000 per year. This rent Agreement shall remain in force for a period of 11 months 29 days from the date of April 1, 2015.

**Insurance Details:**

We maintain insurance policies for our moveable and immovable properties. We have obtained Standard Fire and Special Perils Policy for our units. We 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 details pertaining of the same are tabulated below:

S. No	Policy No.	Name of the Insurer	Description of the Policy	Assets insured/ Risk Covered	Address of the Properties where the insured assets are situated	Sum Insured /IDV	Date of Expiry	Premium Paid (Rs)
1	142100 1115P1 026866 34	United India Insurance Company Limited	Standard Fire and Special Perils Policy	Earthquake (Plant & Machinery)	E-102 and 103, Sitapura Area, IND. Jaipur	5,00,00,000	10.06.2016	15,995
2	142100 1215P1 026922 37	United India Insurance Company Limited	Burglary and House Breaking Policy	Heavy machinery, Plant & Machinery including its aparts.	E-102 and 103, Sitapura Area, IND. Jaipur	5,00,00,000	10.06.2016	570
3.	142100 1215P1 027044 06	United India Insurance Company Limited	Burglary Standard Policy	Furniture and Office Equipment	E-102 and 103, Sitapura Area, IND. Jaipur	1,45,00,000	10.06.2016	165
4	142100 1115P1 026962 01	United India Insurance Company Limited	Standard Fire and Special Perils Policy	Earthquake (Furniture and Office Equipment)	E-102 and 103, Sitapura Area, IND. Jaipur	1,45,00,000	10.06.2016	5,165
5	142100 1115P1 026980 25	United India Insurance Company Limited	Standard Fire and Special Perils Policy	Earthquake (Stock)	E-102 and 103, Sitapura Area, IND. Jaipur	25,00,00,000	10.06.2016	91,200
6	142100 1215P1 026997 07	United India Insurance Company Limited	Burglary Standard Policy	Stock in Trade and other general goods	E-102 and 103, Sitapura Area, IND. Jaipur	25,00,00,000	10.06.2016	2850
7	142100 1115P1 026639 55	United India Insurance Company Limited	Standard Fire and Special Perils Policy	Earthquake (Factory Building)	E-102 and 103, Sitapura Area, IND. Jaipur	9,00,00,000	10.06.2016	24,368
8	OG-15- 1401- 1801- 000112 16	Bajaj Allianz	Car Package Policy	Audi A6 RJ 14 CU 9545	E-102 and 103, Sitapura Area, IND. Jaipur	34,32,641	22.12.2015	1,01,949
9	OG-15- 1401- 1801- 000112 17	Bajaj Allianz	Car Package Policy	Audi A6 RJ 14 CU 9544	E-102 and 103, Sitapura Area, IND. Jaipur	34,32,641	22.12.2015	89,053
10	142100 3115P1 031280 33	United India Insurance Co Ltd	Motorcycle Package policy	Platina Bajaj RJ 14 ST 5357	E-102 and 103, Sitapura Area, IND. Jaipur	11,300	26.06.2016	705

11	P00161 00004/4 101/100 096	Magma HDI General Insurance Company Ltd	Car Package Policy	Maruti Alto Car RJ 14 CA 8877	E-102 and 103,Sitapura IND. Area, Jaipur	65,000	19.04.2016	3424
12	915101 002306 900200	L & T Insurance	Car Package Policy	Mitsubishi Pajero RJ 14 UD 4545	Gupta Fabtex Private Limited , EPIP IND. Area, Jaipur	12,96,000	05.09.2016	35,705
13	915101 003677 560100	L & T Insurance	Car Package Policy	Chevrolet Cruze RJ 14 CM 7528	E-102 and 103,Sitapura IND. Area, Jaipur	8,37,000	26.07.2016	24,708

We are also maintaining insurance policies for the stock at the premises of the Job workers which we believe, is in accordance with customary industry practices. Descriptions of Stock Insurance Policies are as below:-

Description of the Policy	Total Nos. of Policies	Name of the Insurer	Assets insured/ Risk Covered	Total Sum Insured /IDV	Date Expiry of	Total Premium Paid (Rs)
Standard Fire and Special Perils Policy	15	United India Insurance Co. Ltd.	Earthquake (Stock)	6,45,00,000	10.06.2016	36,970
Burglary and House Breaking Policy	15	United India Insurance Co. Ltd.	Stock in trade or goods in the custody of the Insured-other general goods	6,45,00,000	10.06.2016	1,710

## **KEY INDUSTRY REGULATIONS 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 in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the 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 only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page 206 of this Prospectus.*

### **Important General laws:**

#### ***Foreign Exchange Management Act, 1999***

The Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

#### ***The Foreign Trade (Development & Regulation) Act, 1992***

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

#### ***The Companies Act, 1956***

The Companies Act, 1956 dealt with laws relating to companies and certain other associations. It was enacted by the Parliament in 1956. The Act primarily regulated the formation, financing, functioning and winding up of companies. The Act prescribed regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constituted the main focus of the Act. In the functioning of the corporate sector, although freedom of companies was important, protection of the investors and shareholders, on whose funds they flourish, was equally important. The Act played the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### ***The Companies Act, 2013***

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 Competition Act, 2002***

The Competition Act, 2002 (the “Competition Act”) prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came 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 Indian Contract Act, 1872 (“Contract Act”)***

The Contract Act 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

#### ***Shops & Commercial Establishments Acts of the respective States in which Our Company has an established place of business/Office (“Shops Act”)***

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of the Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under supervision of Labour Commissioner.

#### ***Motor Vehicles Act, 1988 and Central Motor Vehicle Rules, 1989***

The purpose of Motor Vehicles Act, 1988 is to regulate the activities associated with the driving licences, vehicle registration, vehicles safety etc. The Central Motor Vehicle Rules, 1989 framed under the above Act also prescribe various road safety measures. The Motor Vehicles Act, 1988 and the Central Motor Vehicle Rules, 1989 (Chapter- II) prescribes stringent procedure for grant of Driving Licences. Changes in the said Act and related rules have a bearing on the business of the Company

#### ***Industrial (Development and Regulation) Act, 1951(IDRA)***

The IDRA 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.

#### ***Micro, Small and Medium Enterprises Development Act, 2006***

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (***MSMED Act***) seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in the manufacturing and production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, the classification of an enterprise will be as follows:

- a. where the investment in plant and machinery does not exceed twenty-five lakh rupees shall be regarded as a micro enterprise;
- b. where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees shall be regarded as a small enterprise;

- c. where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees shall be regarded as a medium enterprise.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (*'Council'*). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

#### ***Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 (*'Metrology Act'*) (i) establishes and enforces standards of weights and measures; (ii) regulates trade and commerce in weights; (iii) and measures other goods which are sold or distributed by weight, measure or number and for matters connected therewith. The Metrology Act states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the Metrology Act. Moreover, the Metrology Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. *The Legal Metrology (General) Rules, 2011*, may be followed for due compliance, if the respective State does not provide for Rules in this regard.

#### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013("SHWW Act")***

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("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 ₹ 50,000.

#### **Tax Related Legislations**

##### ***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 inter-State 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.

### ***Income-tax Act, 1961 ("IT Act")***

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and the like. Every such company is also required to file its returns by September 30 of each assessment year.

### ***Service Tax***

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

### ***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.

### ***Rajasthan Value Added Tax Act, 2003 (RVAT Act)***

VAT is the most progressive way of taxing consumption rather than business. Rajasthan Value Added Tax Act, 2006 has come into effect from 1st January 2007. 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.

### ***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).

***Consumer Protection Act, 1986(COPRA)***

The Consumer Protection Act, 1986 (“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.

**Laws relating to Employment and Labour*****Factories Act, 1948***

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 there under, 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 (EPF Act)***

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India 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(ESI 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(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 Rs.1 million.

***Payment of Wages Act, 1936 ("Wages Act")***

Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is Less than ₹ 10,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

***Minimum Wages Act, 1948(MWA)***

The MWA provides a framework for State governments to stipulate the minimum wage applicable to a particular industry. 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. Contravention of the provisions of this legislation may result in imprisonment for a term up to six months or a fine up to ₹ 500 or both.

***Industrial Disputes Act, 1947(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.

***The Maternity Benefit Act, 1961 ("Maternity Act")***

The purpose of Maternity Act 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc.

***Child Labour (Prohibition and Regulation) Act, 1986***

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

***Industrial Employment Standing Orders Act, 1946***

Every establishment employing more than 100 employees is required to formulate rules and regulations for its employees and the same should be submitted for approval to the Deputy Labour Commissioner.

***Payment of Bonus Act, 1965("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.

***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**

***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**

***The Trademarks Act, 1999 (“TM Act”)***

The TM 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 **TM Act** who is the Registrar of Trademarks for the purposes of the **TM Act** . The **TM 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 Copyrights 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 the 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.

***Standards of Weights and Measures Act, 1976 (“Act”) and Standards of Weights and Measures (Packaged Commodities) Rules, 1977 (“Rules”)***

The Act aims at introducing standards in relation to weights and measures used in trade and commerce. The rules made there under, lay down the norms to be followed, in the interests of consumer safety, when commodities are sold or distributed in packaged form in the course of inter-state trade or commerce. The Act and rules formulated thereunder regulate, inter-alia, inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures.

***Bureau of Indian Standards Act, 1986***

Bureau of Indian Standards Act, 1986, as amended from time to time (***BIS Act***), provides for the “*harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith*”. Specifically, it establishes of a bureau for the standardization, marking and quality certification of goods, called the Bureau of Indian Standards (***BIS***). The BIS Act provides for the powers, duties and functions of the BIS, which, *inter alia*, include:

- a. recognition of any standard established for any article or process by any other institution in India, or elsewhere as an ‘Indian Standard’;
- b. establishment, publishing and promotion, in such manner as may be prescribed, of the Indian Standard, in relation to any article or process;
- c. Specification of a Standard Mark to be called the ‘Bureau of Indian Standards Certification Mark’ which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian Standard
- d. granting, renewal, suspension or cancellation of a licence for the use of the Standard Mark; and
- e. making such inspection and taking such samples of any material or substance, as may be necessary, to see whether any article or process in relation to which the Standard Mark has been used, conforms to the Indian Standard or whether the Standard Mark has been improperly used in relation to any article or process with or without a license.

**Environmental Laws*****The Environment (Protection) Act, 1986(EPA)***

The EPA is umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India 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.

***The Water (Prevention and Control of Pollution) Act, 1974 (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 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. Penalties for noncompliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of ₹ 1,000 or both and penalty for non-payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

***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.

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

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 as amended from time to time (**‘Hazardous Wastes Rules’**) aims to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the state pollution control board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste.

***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.

### ***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.

### ***The Registration Act, 1908***

The 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 non- testamentary 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.

### ***Indian Stamp Act, 1899(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. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

### ***The Rajasthan Stamp Act, 1998***

The purpose of Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. The features of the legislation, the State law will provide for levy of stamp duty on all instruments falling under the State List, for example, sale or mortgage of immovable properties. The Bill envisages certain significant amendments to the Central law. The levy of stamp duty on transactions regarding securities would not lead to any adverse effect, another official replies that even now, brokers are collecting from their clients money for stamp duties.

### ***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.

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

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881, 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 dishonour 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.

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

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.



**HISTORY AND CERTAIN CORPORATE MATTERS****Our History and Background**

Our Company was incorporated as Gupta Fabtex Private Limited on February 05, 1996 under the provisions of Companies Act, 1956 with Registrar of Companies, Jaipur, Rajasthan vide registration no. 17-011522 (CIN: U17124RJ1996PTC011522). Pursuant to Shareholders Resolution passed at the Annual General Meeting held on June 29, 2015, name of our company was changed to “Bella Casa Fashion & Retail Private Limited” vide a fresh Certificate of Incorporation dated July 15, 2015 issued by the Registrar of Companies, Jaipur, Rajasthan. Further pursuant to Shareholders resolution passed at the Extra Ordinary General Meeting held on dated June 15, 2015 our Company was converted into a Public Limited Company and the status of our Company was changed to “Bella Casa Fashion & Retail Limited” vide a fresh Certificate of Incorporation dated July 31, 2015 issued by the Registrar of Companies, Jaipur, Rajasthan.

The Corporate Identification Number of our Company is U17124RJ1996PLC011522.

**Address of Registered Office, Corporate Office, Factory and Branch Office**

<b>Registered Office &amp; Corporate Office</b>	E-102, 103, EPIP, Sitapura Industrial Area Jaipur – 302022, Rajasthan, India Tel No: +91-0141-6500271
<b>Factory &amp; Warehouse</b>	E-102, 103, EPIP, Sitapura Industrial Area Jaipur– 302022, Rajasthan, India
<b>Sales Office</b>	123, Ground Floor, New Cloth Market, Sarangpur, Ahmedabad – 380002, Gujarat, India

**Changes in the Registered Office**

From	To	With Effect From	Reason For Change
---	S-30, Adarsh Nagar Shopping Centre, Near Adarsh Nagar Police Station, Jaipur	Since Incorporation	NA
S-30, Adarsh Nagar Shopping Centre, Near Adarsh Nagar Police Station, Jaipur	CC – 228, Gole Market, Jawahar Nagar, Jaipur	01.10.1997	Better Operational Efficiency
CC – 228, Gole Market, Jawahar Nagar, Jaipur, Rajasthan	E-10, EPIP, Sitapura Industrial Area, Jaipur – 302022	*	For better operational efficiency our registered address was changed to E-102,103, EPIP, Sitapura Industrial Area, Jaipur – 302022, but due to clerical error in form filing ROC records were updated with E-10, EPIP, Sitapura Industrial Area, Jaipur – 302022. Error later rectified by filing revised form with ROC.
E-10, EPIP, Sitapura Industrial Area, Jaipur – 302022	E-102,103, EPIP, Sitapura Industrial Area, Jaipur – 302022	13.03.2012	Rectification of earlier error

\*A major fire occurred at the Oil Depot of Indian Oil Corporation on Oct. 29, 2009 in Sitapura Industrial Area, Jaipur being in close vicinity to our Registered office, caused damage to our Factory and Office premises. Our Company has lodged a first information report (FIR) with the jurisdictional police station for the damage caused to our Office and Factory Premises. Due to the damage caused in our Office and Factory Premises some of our Statutory records were misplaced which we are not able to retrieve; We also conducted a physical search on June 10, 2015 at the offices of the ROC, Jaipur but we could not obtain some of the ROC forms which have been filed/updated before 2006 with ROC, Jaipur.

**Key Events and Mile Stones**

Year	Key Events / Milestone
Feb. 1996	Our Company was incorporated as “Gupta Fabtex Private Limited” a private limited company Under the Companies Act, 1956 on February 05,1996.
Oct.1997	Our Company’s Registered office has been shifted S-30, Adarsh Nagar Shopping Centre, Near Adarsh Nagar Police Station, Jaipur, Rajasthan, India to CC – 228, Gole Market, Jawahar Nagar, Jaipur, Rajasthan, India.
*	Our Company’s Registered office has been shifted from CC – 228, Gole Market, Jawahar Nagar,Jaipur, Rajasthan, India to E-10, EPIP, Sitapura Industrial area Jaipur, Rajasthan, India.
Mar. 2012	Our Company’s Registered office has been shifted from E-10, EPIP, Sitapura Industrial area Jaipur , Rajasthan, India to E-102, 103, EPIP, Sitapura Industrial area Jaipur, Rajasthan, India.
June 2015	Our Company’s name changed to “Bella Casa Fashion & Retail Private Limited” on June 29, 2015.
July 2015	Our Company was converted into a public limited company and the name of our Company was changed to “Bella Casa Fashion & Retail Limited” on July 15, 2015.

\*A major fire occurred at the Oil Depot of Indian Oil Corporation on Oct. 29, 2009 in Sitapura Industrial Area, Jaipur being in close vicinity to our Registered office, caused damage to our Factory and Office premises. Our Company has lodged a first information report (FIR) with the jurisdictional police station for the damage caused to our Office and Factory Premises. Due to the damage caused in our Office and Factory Premises some of our Statutory records were misplaced which we are not able to retrieve; We also conducted a physical search on June 10, 2015 at the offices of the ROC, Jaipur but we could not obtain some of the ROC forms which have been filed/updated before 2006 with ROC, Jaipur.

**Awards and Certifications**

Year	Awards /Certifications
2012	Innovative Practices award from RIICO
2012	Best Women’s Indian Wear Supplier Partner – North award from Reliance Trends for the year 2011
2013	Award of Merit received form Hyper-city Retails (India) Ltd.
2013	Certificate of Accreditation received from Aditya Birla Group for fabrication of Birla Cellulose based Fabrics.

**Main Objects of our Company**

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

- To carry on the business of spinner, weavers, manufacturing, buying, selling, importing, exporting, and dealers in all kind of suitings, shirting’s, sarees, dress materials, Fabrics, Textiles, Ready-made garments, cloth made-ups suitings, home furnishings, home textile, all fabrics including cotton, , linen, hemp, jute, wool, polystern, synthetic acrylics, silkm, artificial silk, rayon, manmade synthetic, bibres, staple synthetic yarn and other fibrous material, allied products, by-products and to treat and utilise any waste arising from any such manufacturing production or process.
- To carry on the business of manufactures, processors, producers, jobbers, including doing the job work for others and getting the job work done from others, designers, distributors, stockists, importers and exporters, buyers, sellers and dealers of all or any of the products fabrics waste threads fibre, fabrics and textiles, industrial fabrics, tericurtain cloths, khhadar, towels, blankets, and other products as are prepared or manufactured from nylon, polyesters acrylics, rayon, slik, artificial silk, linen, cotton wool, jute and other synthetic, artificial and natural fibers including fibre glass and intermediates, of all types, grades and formulation and including specifically plastics, polyester fibres, polyacrylonitrile, polyvinylacetate, polypropelene, polypropelene, nylon and rayon.

**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	Authorised Capital with ₹1,00,000 divided into in 10,000 Equity Shares of ₹10/- each	Incorporation	-
2	Increase in the authorized share capital of the Company from ₹	*	

	1,00,000 divided into 10,000 Equity Shares of ₹10.00 each to ₹11,00,000 divided into 1,10,000 Equity Shares of ₹10.00 each.		
3	Increase in the authorized share capital of the Company from ₹ 11,00,000 divided into 1,10,000 Equity Shares of ₹10.00 each to ₹25,00,000 divided into 2,50,000 Equity Shares of ₹10.00 each.	27-April-2006	EGM
4	Increase in the authorized share capital of the Company from ₹25,00,000 divided into 2,50,000 Equity Shares of ₹10.00 each to ₹85,00,000 divided into 8,50,000 Equity Shares of ₹10.00 each.	27-Mar-2008	EGM
5	Increase in the authorized share capital of the Company from ₹ 85,00,000 divided into 8,50,000 Equity Shares of ₹10.00 each to ₹1,24,50,000 divided into 12,45,000 Equity Shares of ₹10.00 each.	06-Dec-2010	EGM
6	Increase in the authorized share capital of the Company from ₹ 1,24,50,000 divided into 12,45,000 Equity Shares of ₹10.00 each to ₹2,05,00,000 divided into 20,50,000 Equity Shares of ₹10.00 each.	23-June-2011	EGM
7	1. Increase in the authorized share capital of the Company from ₹ 205,00,000/- divided into 20,50,000 Equity Shares of ₹ 10/- each to ₹ 10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹ 10/- each. 2. Change of Name from Gupta Fabtex Private Limited to Bella Casa Fashion & Retail Private Limited 3. Change in Object Clause of the company 4. Changes in MOA to reflect the changes of Companies Act, 2013	29-June-2015	AGM
8.	Conversion of our Company from a Private Limited to a Public Limited Company. Consequently status of the Company has been changed to Bella Casa Fashion & Retail Limited from Bella Casa Fashion & Retail Private Limited and a fresh Certificate of Incorporation dated 31.07.2015 bearing CIN No. U17124RJ1996PLC011522 was issued by Registrar of Companies, Rajasthan.	15- July-2015	EGM

*\*A major fire occurred at the Oil Depot of Indian Oil Corporation on Oct. 29, 2009 in Sitapura Industrial Area, Jaipur being in close vicinity to our Registered office, caused damage to our Factory and Office premises. Our Company has lodged a first information report (FIR) with the jurisdictional police station for the damage caused to our Office and Factory Premises. Due to the damage caused in our Office and Factory Premises some of our Statutory records were misplaced which we are not able to retrieve; We also conducted a physical search on June 10, 2015 at the offices of the ROC, Jaipur but we could not obtain some of the ROC forms which have been filed/updated before 2006 with ROC, Jaipur*

#### **Adopting New Articles of Association of the Company**

Our Company has adopted a new set of Articles of Association of the Company, in the Extra Ordinary General Meeting of the Company dated July 15, 2015.

#### **Injunctions or Restraining Orders**

There are no injunctions/ restraining orders that have been passed against the Company.

#### **Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets etc.**

There are no acquisitions of business/undertakings, mergers, amalgamation, revaluation of assets etc.

#### **Revaluation of Assets**

Our company has not revalued its assets since incorporation.

#### **Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity**

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders. Further, none of our loans have been converted into equity.

**Number of Shareholders of our Company:**

Our Company has Nine (9) shareholders as on the date of filing of this Prospectus.

**Changes in the activities of our Company during the last five years**

There has been no change in the business activities of our Company since incorporation till the date of this Prospectus which may have had a material effect on the profit/loss account of our Company. Except as mention in Material development in chapter titled “**Management’s discussion and analysis of financial conditions & results of operations**” beginning on page 186 of this Prospectus,

**Shareholders Agreement**

There are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

**OTHER AGREEMENTS:**

**Non Compete Agreement**

Our Company has not entered into any Non-compete Agreement as on the date of filing this Prospectus.

**Joint Venture**

Except the agreements entered in the ordinary course of the business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

**Strategic Partners**

Our Company does not have any strategic partners as on the date of filing this Prospectus.

**Financial Partners**

Our Company does not have any financial partners as on the date of filing this Prospectus.

**Details of Subsidiaries**

Our Company does not have any Subsidiary Company as on the date of filing this Prospectus.

**Details of Holding Company**

Our Company does not have any Holding Company as on the date of filing this Prospectus.

**Lock-out or strikes.**

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

**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 94,186 and 71 of this Prospectus.

**Capital raising (Debt / Equity)**

For details of the equity capital raising of our Company, please refer to the chapter titled “*Capital Structure*” on page 44 of this Prospectus. We have not done any debt issuances or raised any long term debt since incorporation till date.

**OUR MANAGEMENT**

Under our Articles of Association we are required to have not less than 3 directors and not more than 15 directors.

Currently, our company has 8 (Eight) Directors out of which 4(Four) are Independent Directors. We confirm that the composition of our Board of Directors complies with clause 52 of the SME Listing Agreement of BSE.

Mr. Harish Kumar Gupta (Chairman and Whole Time Director), Mr. Pawan Kumar Gupta (Managing Director), Mr. Gaurav Gupta (Whole Time Director) & Mr. Saurav Gupta (Whole Time Director) are suitably supported by team of qualified and experienced executives who carry out the day to day affairs of the business of our Company. All Executive Directors of our Company are under the direct control & superintendence of the Board of Directors.

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

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications, DIN & Nationality	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
1	<b>Name:</b> Mr. Harish Kumar Gupta <b>S/o:</b> Mr. Kulwant Rai Gupta <b>Age:</b> 58 Years <b>Designation:</b> Chairman & Whole Time Director <b>Address</b> A-669, Shiv Marg Malviya Nagar, Jaipur- 302017, Rajasthan. <b>Experience:</b> 41 Years <b>Occupation:</b> Business <b>Qualifications:</b> B.com <b>DIN:</b> 01323944 <b>Nationality:</b> Indian	Appointed on the Board w.e.f February 5 ,1996  Designated as Chairman and Whole Time Director in EGM dated July 31, 2015 for a period of 5 years subject to him be liable to retire by rotation.	10,11,483 Shares  (14.95%)	Nil
2	<b>Name:</b> Mr. Pawan Kumar Gupta <b>S/o:</b> Mr. Kulwant Rai Gupta <b>Age:</b> 54 Years <b>Designation:</b> Managing Director <b>Address:</b> 71, Vidyut Abhiyanta Colony, Malviya Nagar, Jaipur, Rajasthan - 302017. <b>Experience:</b> 39 Years <b>Occupation:</b> Business <b>Qualifications:</b> B.Com <b>DIN:</b> 01543446 <b>Nationality:</b> Indian	Appointed on the Board w.e.f February 5 ,1996  Designated as Managing Director in EGM dated July 31, 2015 for a period of 5 years not liable to retire by rotation.	9,90,033 Shares  (14.63%)	Nil
3	<b>Name:</b> Mr. Gaurav Gupta <b>S/o:</b> Mr. Harish Kumar Gupta <b>Age:</b> 34 Years <b>Designation:</b> Whole Time Director <b>Address:</b> A-669, Shiv Marg Malviya Nagar, Jaipur, Rajasthan-302017. <b>Experience:</b> 15 Years <b>Occupation:</b> Business <b>Qualifications:</b> PGDM in International Trade & Diploma in Textile Designing <b>DIN:</b> 07106587 <b>Nationality:</b> Indian	Appointed on the Board w.e.f March 20, 2015.  Designated as Whole Time Director in EGM dated July 31, 2015 for a period of 5 years liable to retire by rotation.	9,24,000 Shares  (13.66%)	NIL

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications, DIN & Nationality	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
4	<p><b>Name:</b> Mr. Saurav Gupta  <b>S/o:</b> Mr. Pawan Kumar Gupta  <b>Age:</b> 34 years  <b>Designation:</b> Whole Time Director  <b>Address:</b> 71, Vidyut Abhiyanta Colony, Malviya Nagar, Jaipur, Rajasthan - 302017.  <b>Experience:</b> 11 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> PGDM in Apparel Marketing &amp; Merchandising from NIFT  <b>DIN:</b> 07106619  <b>Nationality:</b> Indian</p>	<p>Appointed on the Board w.e.f March 20, 2015.</p> <p>Designated as Whole Time Director in EGM dated July 31, 2015 for a period of 5 years liable to retire by rotation.</p>	<p>8,76,975 Shares    (12.96%)</p>	NIL
5.	<p><b>Name:</b> Mr. Gunjan Jain  <b>S/o:</b> Mr. Anil Kumar Jain  <b>Age:</b> 33 years  <b>Designation:</b> Non Executive &amp; Independent Director  <b>Address:</b> C-49, Panchseel Colony, Near Purani Chungi, Ajmer Road, Jaipur, Rajasthan-302006.  <b>Experience:</b> 10 years  <b>Occupation:</b> Business  <b>Qualifications:</b> B.Com  <b>DIN:</b> 07223400  <b>Nationality:</b> Indian</p>	<p>Appointed as Non- Executive &amp; Independent Director vide EGM Resolution dated July 15, 2015 for a period of 5 years</p>	Nil	Nil
6.	<p><b>Name:</b> Kalpana Juneja  <b>D/o:</b> Mr. Kundan Lal Juneja  <b>Age:</b> 34 years  <b>Designation:</b> Non Executive &amp; Independent Director  <b>Address:</b> A-38, Jai Shiv Apartments, West Enclave, Pitam Pura, New Delhi-110034.  <b>Experience:</b> 10 years  <b>Occupation:</b> Business  <b>Qualifications:</b> MCA  <b>DIN:</b> 07226135  <b>Nationality:</b> Indian</p>	<p>Appointed as Non- Executive &amp; Independent Director vide EGM Resolution dated July 15, 2015 for a period of 5 years</p>	Nil	Nil
7.	<p><b>Name:</b> Mr. Sharad Mangal  <b>S/o:</b> Mr. Rakesh Mangal  <b>Age:</b> 34 years  <b>Designation:</b> Non Executive &amp; Independent Director  <b>Address:</b> C-7, Ram Marg, Tagore School ke pass wali Gali, Shastri Nagar, Jaipur.  <b>Experience:</b> 12 years  <b>Occupation:</b> Business  <b>Qualifications:</b> M.Com  <b>DIN:</b> 01127317  <b>Nationality:</b> Indian</p>	<p>Appointed as Non- Executive &amp; Independent Director vide EGM Resolution dated July 15, 2015 for a period of 5 years</p>	Nil	✓ Shree Mangal Sodium India Private Limited

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications, DIN & Nationality	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
8.	<b>Name:</b> Dr. Vikas Mathur <b>S/o:</b> Mr. Krishan Behari Mathur <b>Age:</b> 34 years <b>Designation:</b> Non Executive & Independent Director <b>Address:</b> B-125, Mangal Marg, Bapu Nagar, Jaipur <b>Experience:</b> 7 years <b>Occupation:</b> Profession <b>Qualifications:</b> Master of Physiotherapy <b>DIN:</b> 07252879 <b>Nationality:</b> Indian	Appointed as Non- Executive & Independent Director vide EGM Resolution dated 31.07.2015 for a period of 5 years.	Nil	Nil

### **BRIEF PROFILE OF OUR DIRECTORS**

- **Mr. Harish Kumar Gupta, Chairman & Whole time Director, Age: 58 Years**

Mr. Harish Kumar Gupta aged approximately 58 years is the Chairman and Whole Time Director of our Company. He has been Managing Director on the Board since incorporation. Over the years, Mr. Harish Kumar Gupta has acquired expertise in various areas of manufacturing of apparels and home furnishings. He is the founder promoter of the Company and has been responsible for growth and development of the company since its inception. Presently, his vast experience of more than 41 years in textile industry is enshrined on the company for formation of policies and developmental activities of the company. He is involved in identifying, developing and directing the implementation of business strategy. He is engaged in developing business plans and preparing comprehensive business reports and he also lays emphasis on improving margins and maintaining high quality standards to clients. He is also responsible for the Companies health and legislative adherence and maintains links with other trade and professionals associations. Further, he is heavily involved in maintaining the budget of the company and ensures that the expenditure does not cross the actual limit of the company. He has been paid gross Remuneration of Rs 9.00 Lacs during Financial Year 2014-15

Mr. Harish Kumar Gupta has been a keen social person and is actively engaged/involved in many philanthropic activities. He also undertakes many curriculums to extend ways for development among peoples around him.

- **Mr. Pawan Kumar Gupta, Managing Director, Age: 54 years**

Pawan Kumar Gupta aged approximately 54 years is the Managing Director of our company. He has been on the Board since incorporation. He is the founder promoter of the Company and has more than 23 Years of experience in textile trading and 16 of experience in textile manufacturing. Under his dynamic leadership and vast experience, we are able to deliver constant value to our Company's projects and expansion strategy. Being the founder of the organization he has worked on almost all areas in the organisation which helps him understand and handle major function of Purchasing and Resource Management of our company. He is responsible for building client relationship that results in revenue and profitability growth. He is also involved in planning and organizing the activities of the Company to achieve its desired objective. He has a key role in motivating and development of the personnel's of management of the company. His varied experience helps us work united towards the same goals of the vision set by the management. He has been paid gross Remuneration of ₹ 9.00 Lacs during Financial Year 2014-15

- **Mr. Gaurav Gupta, Whole-time Director, Age: 34 years**

Mr. Gaurav Gupta aged approximately 34 years is a Whole Time Director of our Company. He has a post graduate diploma in International Trade from Bhartiya Vidya Bhawan and also Diploman in textile design. He has a rare distinction of having done his education in two varied but important fields. He handles all the production related functions of the

company from last 15 years. His expertise has promoted the company into home furnishing and exports. He has been paid gross Remuneration of ₹ 9.00 Lacs during Financial Year 2014-15.

• **Mr. Saurav Gupta, Whole-time Director, Age: 34 years**

Mr. Saurav Gupta aged approximately 34 years is a Whole Time Director of our Company. He is a Post Graduate Diploma in Apparel Marketing & Merchandising from NIFT. He has been handling the marketing, merchandising and product development functions of the company from past 11 years . His expertise has helped in accelerating growth in the apparel section of the company. He has been paid gross Remuneration of ₹ 9.00 Lacs during Financial Year 2014-15.

• **Mr Gunjan Jain, Non Executive & Independent Director, Age: 33 years**

Mr. Gunjan Jain aged approximately 33 Years is the Non Executive Independent Director of Our Company with effect from 15<sup>th</sup> July, 2015 He is a graduate and has wide experience of working for 10 years in International Journal House and is also a major partner in Overlay. As such no remuneration /sitting fees was paid to him for the financial year 2014-15 as he was appointed on our Board in the financial year 2015-16.

• **Ms. Kalpana Juneja, Non Executive & Independent Director, Age: 34 years**

Ms. Kalpana Juneja aged approximately 34 Years is the Non Executive Independent Director of Our Company with effect from 15<sup>th</sup> July, 2015. She is a graduate and has wide experience of working for 10 years in sales and marketing. As such no remuneration /sitting fees was paid to her for the financial year 2014-15 as he was appointed on our Board in the financial year 2015-16

• **Mr. Sharad Mangal, Non Executive & Independent Director, Age 34 years**

Mr. Sharad Mangal aged approximately 34 Years is the Non Executive Independent Director of Our Company with effect from 15th July, 2015 He is a Post graduate in Commerce and has wide experience of working for 12 years in cables and conductor industry. He is also a Director in Shree Mangal Sodium India Private Limited and major partner in Shri Nath Cables and Shri Krishna Wire & Electronics. As such no remuneration /sitting fees was paid to him for the financial year 2014-15 as he was appointed on our Board in the financial year 2015-16.

• **Dr.Vikas Mathur , Non Executive & Independent Director, Age 34 years**

Dr.Vikas Mathur aged approximately 34 Years is the Non Executive Independent Director of Our Company with effect from 31 July, 2015 He is a Master of Physiotherapy and has wide experience of working around 7 years. As such no remuneration /sitting fees was paid to him for the financial year 2014-15 as he was appointed on our Board in the financial year 2015-16

**Nature of any family relationship between any of our Directors**

The present Directors in our Board are related to each other, details of which are as follows:

Sr. No.	Name of Director	Relationship with Directors
1.	Mr. Harish Kumar Gupta	Brother of Mr. Pawan Kumar Gupta Father of Mr. Gaurav gupta
2.	Mr. Pawan Kumar Gupta	Brother of Mr. Harish Kumar Gupta Father of Mr. Saurav Gupta
3.	Mr. Gaurav Gupta	Son of Mr. Harish Kumar Gupta
4.	Mr. Saurav Gupta	Son of Mr. Pawan Kumar Gupta.

We confirm that:

1. 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.
2. The terms of appointment with our Managing Director do not provide for any benefit upon termination of employment



- except the retirement benefits as applicable by law.
3. None of our Directors is / was a Director in any listed Company, during the last five years from the date of filing of Prospectus, whose shares have been / were suspended from being traded on the Bombay Stock Exchange Limited and / or National Stock Exchange of India Limited.
  4. Further, none of our Directors is / was a Director of any listed Company which has been / was delisted from any recognized Stock Exchange.
  5. None of our director are on the RBI willful list of defaulter as on date of this Prospectus.
  6. None of our Promoters, Promoter Group or Directors or persons in control of the issuer is debarred from accessing the capital market by the SEBI.

#### Details of Borrowing Powers of Directors

Our Company has passed a resolution in the Extra Ordinary General Meeting of the members held on May 26<sup>th</sup>, 2014 authorizing the Directors of the Company 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 50 Crores (Rupees Fifty Crores only).

#### Details of Power of Board to Sell, Lease or otherwise whole or substantially the whole of the undertaking of the company

Our Company has passed a resolution in the Extra Ordinary General Meeting of the members held on May 26, 2014 authorizing the Directors of the Company to Sell, Lease or otherwise whole or substantially the whole of the undertaking of the company.

#### Compensation of our Managing Director and Whole Time Directors

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. Harish Kumar Gupta	Mr. Pawan Kumar Gupta	Mr. Gaurav Gupta	Mr. Saurav Gupta
Resolution for appointment	EGM Resolution dated July 31 <sup>th</sup> , 2015	EGM Resolution dated July 31 <sup>th</sup> , 2015	EGM Resolution dated July 31 <sup>th</sup> , 2015	EGM Resolution dated July 31 <sup>th</sup> , 2015
Designation	Chairman & Whole Time Director	Managing Director	Whole Time Director	Whole Time Director
Term	5 years Liable to Retire by Rotation	5 years	5 years Liable to Retire by Rotation	5 years Liable to Retire by Rotation
Remuneration	Upto ₹1,25,000/- pm	Upto ₹1,25,000/- pm	Upto ₹1,25,000/- pm	Upto ₹1,25,000/- pm

#### SITTING FEE

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director & Whole-time Directors) for attending a meeting of the Board or a Committee thereof shall be decided by Board of Directors from time to time. Our Board of Directors have resolved in their meeting dated August 01, 2015 for payment of an amount of ₹ 1500 (₹ Fifteen hundred only) each to all Non-Executive Directors for attending each such meeting of the Board or Committee thereof.

**Compensation paid and benefits in kind granted to Directors during the financial year 2014-15.**

Following is the detail of compensation paid and benefits in kind granted to the Board of Directors of the Company during the financial year 2014-15:

Particulars	Compensation (₹)
Mr. Harish Kumar Gupta	9,00,000
Mr. Pawan Kumar Gupta	9,00,000
Mr. Gaurav Gupta	9,00,000
Mr. Saurav Gupta	9,00,000

**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.

The Directors may also be regarded as interested in the Equity Shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies and firms, in which they are interested as Directors, Members and 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.

The Managing Director and Whole-time Directors of our Company are interested to the extent of remuneration paid to them for services rendered as officer or employee of our Company. Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company. Our Directors are interested to the extent of unsecured Loan and Interest thereon as may be outstanding to be paid to them by our Company.

Further except as provided hereunder, our Directors are not interested in our Company in any manner:

Sr. No.	Director	Interest
1.	Mr. Harish Kumar Gupta	<ol style="list-style-type: none"> <li>The factory of the company situated at E-103, Sitapura Industrial Area is provided on Rent by Gupta Exports which is a Partnership firm of Mr. Harish Kumar Gupta, Chairman and Mr. Pawan Kumar Gupta, Managing Director of the Company, and the company is paying rent for the premises of ₹50,000/- p.m. each.</li> <li>Has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank.</li> <li>Has Provided Mortgage on E-103, Sitapura Industrial Area by Gupta Export against total borrowings of ₹ 2543 lacs taken by the Company from HDFC Bank.</li> <li>M/s Gupta Export, which is a Partnership firm of Mr. Harish Kumar Gupta, Chairman and Mr. Pawan Kumar Gupta, Managing Director of the Company has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank.</li> </ol>
2.	Mr. Pawan Kumar Gupta	<ol style="list-style-type: none"> <li>The factory of the company situated at E-103, Sitapura Industrial Area is provided on Rent by Gupta Exports which is a Partnership firm of Mr. Harish Kumar Gupta, Chairman and Mr. Pawan Kumar Gupta, Managing Director of the Company, and the company is paying rent for the premises of ₹50,000/- p.m. each.</li> <li>Has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank</li> <li>Has Provided Mortgage on E-103, Sitapura Industrial Area by Gupta Export against total borrowings of ₹ 2543 lacs taken by the Company from HDFC Bank.</li> </ol>

		4. M/s Gupta Export, which is a Partnership firm of Mr. Harish Kumar Gupta, Chairman and Mr. Pawan Kumar Gupta, Managing Director of the Company has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank.
3.	Mr. Gaurav Gupta	1. The domain of the company is presently registered in his name, however, he is not drawing any compensation for the said purpose. 2. Has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank
4.	Mr. Saurav Gupta	1. Has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank

The Directors have no interest in any property acquired by the Company within two years from the date of this Prospectus except the mentioned below:

Sr.No.	Name of Promoter	Interest and nature of interest
1.	Mr. Harish Kumar Gupta & Mr. Pawan Kumar Gupta Partner of M/s Gupta Exports	Our Company has taken on rent a part of registered office situated at Plot No. E-103, EPIP, Sitapura Industrial Area, Jaipur, Rajasthan - 302022 from M/s Gupta Exports vide Rent Agreement dated April 01, 2015 entered by our Company against rent of ₹50,000/- p.m.

Further each of the Directors is interested as relatives of each other, except the Independent Directors.

Further our directors are interested to the extent of unsecured loans provided by them to the Company and for details of the same please refer to Annexure R ("**Statement of Related Party Transaction**") page no 178 of this Prospectus).

Except as stated in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the 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.

#### SHAREHOLDING OF OUR DIRECTORS AS ON THE DATE OF THIS PROSPECTUS

Sr. No.	Name of the Director	No. of Shares Held	Holding in %
1.	Mr. Harish Kumar Gupta	1011483	14.95%
2.	Mr. Pawan Kumar Gupta	990033	14.63%
3.	Mr. Gaurav Gupta	924000	13.66%
4.	Mr. Saurav Gupta	876975	12.96%
<b>TOTAL</b>		<b>3802491</b>	<b>56.21%</b>

None of the Independent Directors of Company holds any Equity Shares of Bella Casa Fashion and Retail Limited as on the date of this Prospectus.

We do not have any subsidiary and associate Company as defined under Section 2(6) of the Companies Act, 2013.

#### CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Gaurav Gupta	Appointment as Director of the company on March 20th ,2015 and Change in designation w.e.f. July 31 ,2015 as whole time Director	To ensure better Corporate Governance
2.	Mr. Saurav Gupta	Appointment as Director of the company on March 20th ,2015 and Change in designation w.e.f. July 31, 2015 as whole time Director	To ensure better Corporate Governance
3.	Mr. Harish Kumar Gupta	Change in designation w.e.f. July 31 <sup>th</sup> , 2015 as Chairman and Whole Time Director	To ensure better Corporate Governance

4.	Mr. Pawan Kumar Gupta	Change in designation w.e.f. July 31 <sup>th</sup> , 2015 as Managing Director	To ensure better Corporate Governance
5.	Mr. Gunjan Jain	Appointment as Non- Executive & Independent Director of the company on July 15,2015	To ensure better Corporate Governance
6.	Kalpna Juneja	Appointment as Non- Executive & Independent Director of the company on July 15,2015	To ensure better Corporate Governance
7.	Mr. Sharad Mangal	Appointment as Non- Executive & Independent Director of the company on July 15,2015	To ensure better Corporate Governance
8.	Dr.Vikas Mathur	Appointed as Non- Executive & Independent Director of the company on July 31, 2015.	To ensure better Corporate Governance

## COMPLIANCE WITH CORPORATE GOVERNANCE

The provisions of the SME Listing Agreement to be entered into with BSE with respect to corporate governance and the 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 BSE Limited. Our Company is in compliance with Corporate Governance Code as per Clause 52 of the SME Listing Agreement to be entered into with the BSE Limited on listing. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Shareholder/ Investor Grievance Committee and Nomination and Remuneration / Compensation Committees have already been complied with. Our Board of Directors consists of 8 directors of which 4 are Non-Executive Independent Directors (as defined under Clause 52), which constitutes 50% of the Board of Directors, which is in compliance with the requirements of Clause 52. Our Company has already constituted the following committees:

### 1. Audit Committee

Our Company has formed the Audit Committee vide Resolution passed in the meeting of the Board of Director dated August 01, 2015 The constituted Audit Committee comprises following members and the committee shall meet at least 4 times a year:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Sharad Mangal	Chairman	Non Executive-Independent Director
Mr. Gunjan Jain	Member	Non Executive-Independent Director
Mr. Harish Kumar Gupta	Member	Chairman & Whole Time 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 than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven day's notice in advance.

**C. Role and Powers:** The Role of Audit Committee together with its powers shall be as under:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Approving initial or any subsequent modification of transactions of the company with related parties;
- Scrutinizing inter-corporate loans and investments
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters

- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
  - a. 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 134 of the Companies Act, 2013 ;
  - b. changes, if any, in accounting policies and practices along with reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions; and
  - g. Qualifications in the audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- 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;
- Discussing with the internal auditors any significant findings and follow up there on;
- 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;
- 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;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
- 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
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

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.

## 2. Shareholder's / Investors Grievance Committee

Our Company has formed the Shareholders / Investors Grievance Committee vide Resolution passed in the meeting of the Board of Director dated August 01, 2015. The constituted Shareholders / Investors Grievance Committee comprises following the Chairman and members:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Kalpana Juneja	Chairman	Non Executive-Independent Director
Mr. Sharad Mangal	Member	Non Executive-Independent Director
Mr. Pawan Kumar Gupta	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Shareholders / Investors Grievance Committee. The scope and function of the Shareholders / Investors Grievance Committee and its terms of reference shall include the following:

**A. Tenure:** The Shareholders / Investors Grievance 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:** The Shareholders'/Investors' Grievance 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 cages in the reverse for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
- Review the process and mechanism of redressal of Shareholders /Investors 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 (Probation of insider Trading) Regulations, 1992 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,
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### 3. Nomination and Remuneration/ Compensation Committee

Our Company has formed the Nomination and Remuneration/ Compensation Committee vide Resolution of the Board of Directors dated July 16, 2015. The Nomination and Remuneration/ Compensation Committee comprises following Chairman and the members:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Kalpana Juneja	Chairman	Non Executive-Independent Director
Mr. Sharad Mangal	Member	Non Executive-Independent Director
Mr. Gunjan Jain	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/ Compensation Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

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

**C. 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.
- 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.
- To formulate and administer the Employee Stock Option Scheme.

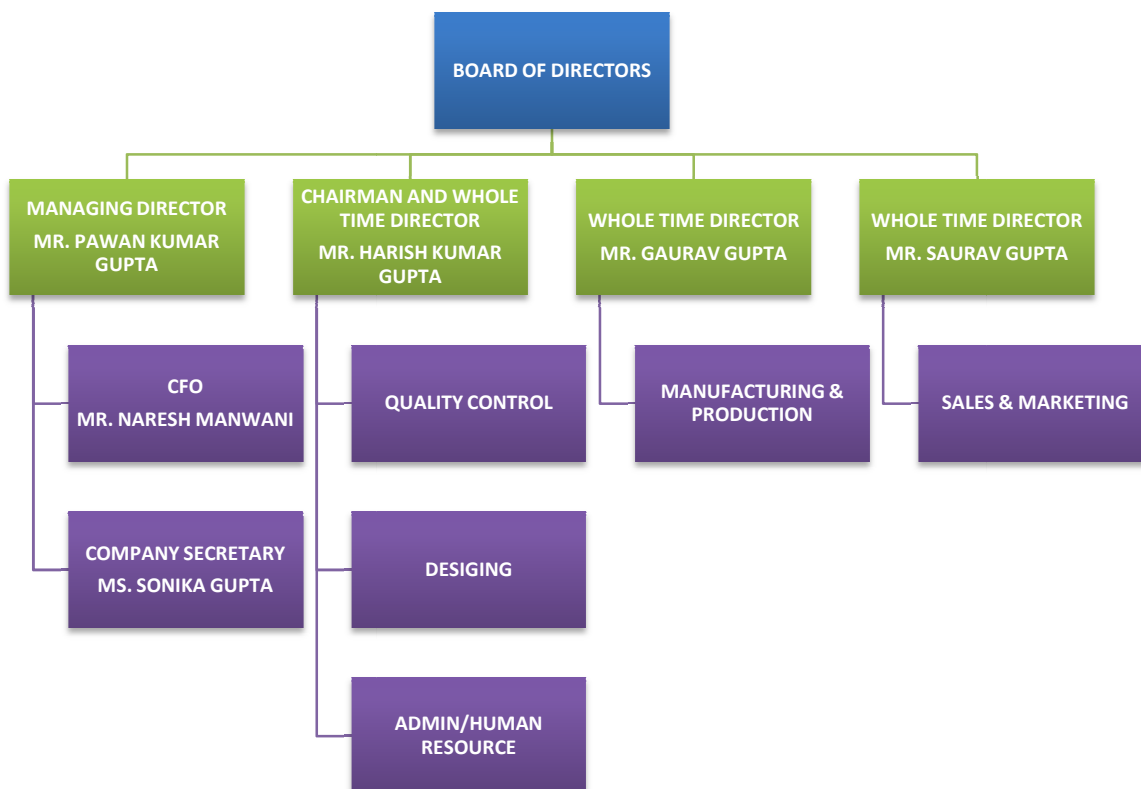
**Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

The provision of 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 BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on August 01, 2015 have approved and adopted the policy on insider trading in view of the proposed public issue.

Ms. Sonika Gupta, 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.

**Our Organization Chart**

The following chart depicts our Management Organization Structure:



**OUR KEY MANAGERIAL PERSONNEL**

Our Company is supported by a well-laid team of experts having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

<b>Name, Designation &amp; Educational Qualification</b>	<b>Age (Years)</b>	<b>Date of joining</b>	<b>Compensation paid for the F.Y ended 2015 (in Rs Lacs)</b>	<b>Over all experience (in years)</b>	<b>Previous employment</b>
<b>Name:</b> Mr. Harish Kumar Gupta <b>Designation:</b> Chairman & WTD <b>Qualifications:</b> B.Com	58	Since Incorporation	9.00	41	Nil
<b>Name:</b> Mr. Pawan Kumar Gupta <b>Designation:</b> Managing Director <b>Qualification:</b> B.Com	54	Since Incorporation	9.00	39	Nil
<b>Name:</b> Mr. Gaurav Gupta <b>Designation:</b> Whole Time Director <b>Qualification:</b> : PGDM in International Trade & Diploma in Textile Designing	34	01.04.2000*	9.00	15	Nil
<b>Name:</b> Mr. Saurav Gupta <b>Designation:</b> Whole Time Director <b>Qualification:</b> PGDM in Apparel Marketing & Merchandising from NIFT	34	09.05.2004**	9.00	11	Nil
<b>Name:</b> Mr. Naresh Manwani <b>Designation:</b> Chief financial Officer <b>Qualification:</b> B.Com	36	23.06.2014***	2.65	14	Cardekho.com
<b>Name:</b> Ms. Sonika Gupta <b>Designation:</b> Company secretary & Compliance Officer <b>Qualification:</b> B.Com & Company Secretary	24	29.06.2015	NIL	NIL	NIL

\*Mr. Gaurav Gupta was appointed as Production Head before he was appointed as Director in the company on March 20, 2015

\*\* Mr Saurav Gupta was appointed as Marketing Head before he was appointed as Director in the company on March 20, 2015

\*\*\* Mr. Naresh Manwani was Accounts Head before he was appointed as Chief Financial Officer of the company on June 12, 2015

**BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

- **Mr. Harish Kumar Gupta, Chairman & Whole Time Director, Age: 58 Years**

Mr. Harish Kumar Gupta aged approximately 58 years is the Chairman and Whole Time Director of our Company. He has been Managing Director on the Board since incorporation. Over the years, Mr. Harish Kumar Gupta has acquired expertise in various areas of manufacturing of apparels and home furnishings. He is the founder promoter of the Company and has been responsible for growth and development of the company since its inception. Presently, his vast experience of more than 41 years in textile industry is enshrined on the company for formation of policies and developmental activities of the company. He is responsible for the Companies health and legislative adherence and maintains links with other trade and professionals associations. Further, he is heavily involved in maintaining the budget of the company and ensures that the expenditure does not cross the actual limit of the company

He is presently drawing salary of ₹ 15.00 Lacs p.a.



- **Mr. Pawan Kumar Gupta, Managing Director, Age: 54 years**

Pawan Kumar Gupta aged approximately 54 years is the Managing Director of our company. He has been on the Board since incorporation. He is the founder promoter of the Company and has more than 23 Years of experience in textile trading and 16 years of textile manufacturing. Under his dynamic leadership and vast experience, we are able to deliver constant value to our Company's projects and expansion strategy. Being the founder of the organization he has worked on almost all areas in the organisation which helps him understand and handle major function of Purchasing and Resource Management of our company. He is responsible for building client relationship and also involved in planning and organizing the activities of the Company. He has a key role in motivating and development of the personnel's of management of the company. His varied experience helps us work united towards the same goals of the vision set by the management.

He is presently drawing salary of ₹ 15.00 Lacs p.a.

- **Mr. Gaurav Gupta, Whole Time Director, Age: 34 years**

Mr. Gaurav Gupta aged approximately 34 years is a Whole Time Director of our Company. He has a post graduate diploma in International Trade from Bhartiya Vidya Bhawan and also Diploma in textile design from NIFD, Jaipur. He has a rare distinction of having done his education in two varied but important fields. He handles all the production related functions of the company from past 15 years. His expertise has promoted the company into home furnishing and exports.

He is presently drawing salary of ₹ 15.00 Lacs p.a.

- **Mr. Saurav Gupta, Whole Time Director, Age: 34 years**

Mr. Saurav Gupta aged approximately 34 years is a Whole Time Director of our Company. He is a Post Graduate Diploma in Apparel Marketing & Merchandising from NIFT, New Delhi. He has been handling the marketing, merchandising and product development functions of the company from past 11 years. His expertise has helped in accelerating growth in the apparel section of the company.

He is presently drawing salary of ₹ 15.00 Lacs p.a.

- **Mr. Naresh Manwani, Chief Financial Officer, Age: 36 years**

Mr. Naresh Manwani is Chief Financial Officer of our company. He is a graduate and has experience of 14 years with Car Dekho.com in their accounts department. At present he looks after the Finance and Accounts matters of our company. He joined our Company as CFO on June 12, 2015

- **Ms. Sonika Gupta, Company Secretary & Compliance Officer, Age : 24 years**

Ms. Sonika Gupta is Company Secretary and Compliance officer of our Company. She holds a Company Secretary degree from Institute of Company Secretaries of India. At present she looks after Secretarial matters of our Company. She joined our Company on June 29, 2015.

We confirm that:

- 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.
- 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 Prospectus except as under:

Sr. No.	Name of KMP	No. of shares
1.	Mr. Harish Kumar Gupta	1011483
2.	Mr. Pawan Kumar Gupta	990033
3.	Mr. Gaurav Gupta	924000
4.	Mr. Saurav Gupta	876975

- g. Presently, we do not have ESOP/ESPS scheme for our employees.  
h. The turnover of KMPs is not high, compared to the Industry to which our Company belongs.  
i. Except as provided hereunder none of our KMPs are related to each other:

Sr. No.	Name of KMP	Relationship with other KMP
1.	Mr. Harish Kumar Gupta	Brother of Mr. Pawan Kumar Gupta Father of Mr. Gaurav Gupta
2.	Mr. Pawan Kumar Gupta	Brother of Mr. Harish Kumar Gupta Father of Mr. Saurav Gupta
3.	Mr. Gaurav Gupta	Son of Mr. Harish Kumar Gupta
4.	Mr. Saurav Gupta	Son of Mr. Pawan Kumar Gupta.

#### 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 three year except as stated below:

Sr. No.	Name	Designation	Date of Appointment/Cessation/Promotion/Transfer/Change in Designation	Reasons
1.	Mr. Gaurav Gupta	Director	March 20 <sup>th</sup> , 2015	Appointment
2.	Mr. Saurav Gupta	Director	March 20 <sup>th</sup> , 2015	Appointment
3.	Mr. Naresh Manwani	Chief Financial Officer	June 12 <sup>th</sup> , 2015	Change in Designation
4.	Ms. Sonika Gupta	Company Secretary	June 29 <sup>th</sup> , 2015	Appointment
5.	Mr. Harish Kumar Gupta	Chairman & Whole Time Director	July 31 <sup>th</sup> , 2015	Change in Designation
6.	Mr. Pawan Kumar gupta	Managing Director	July 31 <sup>th</sup> , 2015	Change in Designation
7.	Mr. Gaurav Gupta	Whole Time Director	July 31 <sup>th</sup> , 2015	Change in Designation
8.	Mr. Saurav Gupta	Whole Time Director	July 31 <sup>th</sup> , 2015	Change in Designation

#### INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY

Apart than shares held in the Company, remuneration drawn by them, unsecured loan granted to the Company and other than as mentioned below, our Key Managerial Personnel are not interested in our Company:

Sr. No.	Director	Interest
1.	Mr. Harish Kumar Gupta	1. The factory of the company situated at E-103, Sitapura Industrial Area is provided on Rent by Gupta Exports which is a Partnership firm of Mr. Harish Kumar Gupta, Chairman and Mr. Pawan Kumar Gupta, Managing Director of the Company, and the company is paying rent for the premises of ₹50,000 /- p.m. each.

		<ol style="list-style-type: none"> <li>2. Has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank.</li> <li>3. Has Provided Mortgage on E-103, Sitapura Industrial Area by Gupta Export against total borrowings of ₹ 2543 lacs taken by the Company from HDFC Bank.</li> <li>4. M/s Gupta Export, which is a Partnership firm of Mr. Harish Kumar Gupta, Chairman and Mr. Pawan Kumar Gupta, Managing Director of the Company has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank.</li> </ol>
2.	Mr. Pawan Kumar Gupta	<ol style="list-style-type: none"> <li>1. The factory of the company situated at E-103, Sitapura Industrial Area is provided on Rent by Gupta Exports which is a Partnership firm of Mr. Harish Kumar Gupta, Chairman and Mr. Pawan Kumar Gupta, Managing Director of the Company, and the company is paying rent for the premises of ₹50,000 /- p.m. each.</li> <li>2. Has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank</li> <li>3. Has Provided Mortgage on E-103, Sitapura Industrial Area by Gupta Export against total borrowings of ₹ 2543 lacs taken by the Company from HDFC Bank.</li> <li>4. M/s Gupta Export, which is a Partnership firm of Mr. Harish Kumar Gupta, Chairman and Mr. Pawan Kumar Gupta, Managing Director of the Company has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank.</li> </ol>
3.	Mr. Gaurav Gupta	<ol style="list-style-type: none"> <li>1. The domain of the company is presently registered in his name, however, he is not drawing any compensation for the said purpose.</li> <li>2. Has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank</li> </ol>
4.	Mr. Saurav Gupta	<ol style="list-style-type: none"> <li>1. Has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank</li> </ol>

Except as mention in Material development in chapter titled “**Management’s discussion and analysis of financial conditions & results of operations**” beginning on page 186 of this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

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 178 and refer to “**Statement of Financial Indebtedness**” page no 182 of the Prospectus.

#### **BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL**



Our Company does not have any profit sharing plan with its Directors or its key managerial personnel.

#### **Other benefits to our Key Managerial Personnel**

Except as stated in this Prospectus there are no other benefits payable to our Key Managerial Personnel.

OUR PROMOTERS

	<b>Mr. Harish Kumar Gupta: Chairman &amp; Whole time Director</b>	
	<b>Qualification</b>	B. Com
	<b>Age</b>	58 Years
	<b>Address</b>	A-669 Shiv Marg, Malviya Nagar, Jaipur -302017, Rajasthan
	<b>Experience</b>	41 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AACPH3652B
	<b>Passport Number</b>	G0876024
	<b>Name of Bank &amp; Bank Account Details</b>	<b>HDFC Bank Ltd, - “SDC VINAY”, 36-37, Moji Colony, Malviya Nagar Bank Account No: 50100065710477</b>
	<b>Driving License Number</b>	RJ 14 20080763915
	<b>No. of Equity Shares held in our company [% of Shareholding (Pre Issue)]</b>	10,11,483 Equity Shares of ₹ 10 each; 14.95 % of Pre- Issue Paid up capital
	<b>Other Interests</b>	<b>Directorships in other Companies: NIL</b> <b>Proprietorship Concern:- Nil</b> <b>HUF:- Nil</b> <b>Partnership Firm:- M/s Gupta Exports</b>
		<b>Mr. Pawan Kumar Gupta: Managing Director</b>
<b>Qualification</b>		B.Com
<b>Age</b>		54 Years
<b>Address</b>		71, Vidhyut Abhiyanta Colony, Malviya Nagar, Jaipur – 302017, Rajasthan
<b>Experience</b>		39 years
<b>Occupation</b>		Business
<b>Permanent Account Number</b>		AASPG4855F
<b>Passport Number</b>		M5547071
<b>Name of Bank &amp; Bank Account Details</b>		<b>ICICI Bank, - “AS-1”, Sitapura Industrial Area, Jaipur – 302022 Bank Account No: 001201557577</b>
<b>Driving License Number</b>		RJ 14/DLC/05/400620
<b>No. of Equity Shares held in Our Company &amp; [% of Shareholding (Pre Issue)]</b>		9,90,033 Equity Shares of ₹ 10 each; 14.63 % of Pre- Issue Paid up capital
<b>Other Interests</b>		<b>Directorships in other Companies: NIL</b> <b>Proprietorship Concern:- Nil</b> <b>HUF:- Nil</b> <b>Partnership Firm:- M/s Gupta Exports</b>

	<b>Mr. Saurav Gupta: Whole Time Director</b>	
	<b>Qualification</b>	PGDM in Apparel Marketing & Merchandising from NIFT
	<b>Age</b>	34 Years
	<b>Address</b>	71, Vidyut Abhiyanta Colony, Malviya Nagar, Jaipur, 302017, Rajasthan, India
	<b>Experience</b>	11 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AEOPG4001R
	<b>Passport Number</b>	H4678301
	<b>Name of Bank &amp; Bank Account Details</b>	<b>Name of Bank</b> – HDFC Bank, Ashok Marg, C-Scheme <b>Bank Account No:</b> 00541000165845
	<b>Driving License Number</b>	RJ-14/DLC/99/74992
	<b>No. of Equity Shares held in BCFRL &amp; [% of Shareholding (Pre Issue)]</b>	8,76,975 Equity Shares; 12.96 % of Pre-Issue Paid up capital
	<b>Other Interests</b>	<b>Directorships in other Companies:</b> No <b>HUF:-</b> Saurav Gupta Karam Gupta HUF <b>Trust:-</b> No <b>Partnership Firm:-</b> No
		<b>Mr. Gaurav Gupta: Whole Time Director</b>
<b>Qualification</b>		PGDM in International Trade & Diploma in Textile Designing
<b>Age</b>		34 Years
<b>Address</b>		A-669, Shiv Marg, Malviya Nagar, Jaipur, 302017, Rajasthan, India
<b>Experience</b>		15 years
<b>Occupation</b>		Business
<b>Permanent Account Number</b>		AESPG0416J
<b>Passport Number</b>		H1718918
<b>Name of Bank &amp; Bank Account Details</b>		<b>Name of Bank</b> – Kotak Mahindra Bank, Sardar Patel Marg <b>Bank Account No:</b> 02710010002811
<b>Driving License Number</b>		RJ-14/DLC/99/74993
<b>No. of Equity Shares held in BCFRL &amp; [% of Shareholding (Pre Issue)]</b>		9,24,000 Equity Shares; 13.66 % of Pre-Issue Paid up capital
<b>Other Interests</b>		<b>Directorships in other Companies:</b> No <b>HUF:-</b> Gaurav Gupta Manan Gupta(HUF) <b>Trust:-</b> No <b>Partnership Firm:-</b> No

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of the Promoter have been submitted to BSE Limited at the time of filing of this Prospectus with them.

#### Confirmations from our Promoters

Our Promoters have confirmed that they have not been declared as willful defaulter by RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past, nor any such proceedings are pending against our Promoters. Our Promoters has further confirmed that they have not been prohibited or debarred from accessing or operating in the capital markets for any reasons, or restrained from buying, selling or dealing in securities, under any order or directions made by SEBI or any other authorities and that no action has been taken against them or any entity promoted or controlled by them by any regulatory authorities.

**Common Pursuits/ Conflict of Interest**

Our Promoters Mr. Harish Kumar Gupta and Mr. Pawan Kumar Gupta have promoted our Promoter Group entity viz M/s Gupta Exports (Partnership Firm), which is in similar line of business although presently the major source of Income of our Promoter Group entity is from Rent Income. However we have not entered into non-compete agreement and also there can be no assurance that in future 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. This may adversely affect our business operations and financial condition of our Company. For details of our Promoter Group refer to Section titled “**Our Promoter Group and Group Entities**” on page 142 of the 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 Promoters**

Our Promoters Mr. Harish Kumar Gupta, Mr. Pawan Kumar Gupta, Mr. Saurav Gupta and Mr. Gaurav Gupta are interested to the extent of their shareholding and shareholding of their relatives in our Company. Our Promoter, who are also the Executive Director of our Company may 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.

Further except as provided hereunder, our promoter is not interested in our Company in any manner:

Sr. No.	Interest and nature of interest
1.	Our promoters Mr. Harish Kumar Gupta, Mr. Pawan Kumar Gupta are Brother. Further, Harish Kumar Gupta is Father of Gaurav Gupta and Pawan Kumar Gupta is Father of Saurav Gupta.
2.	Our promoters Mr. Harish Kumar Gupta, Mr. Pawan Kumar Gupta, Mr Saurav Gupta and Mr. Gaurav Gupta has provided personal guarantee of ₹ 2543 lakh each to HDFC Bank against the amount borrowed by the Company M/s Gupta Export, which is a Partnership firm of Mr. Harish Kumar Gupta and Mr. Pawan Kumar Gupta has extended personal guarantee against the total borrowings of ₹ 2543 Lacs taken by our Company from HDFC Bank.
3.	The part of our registered office of the company situated at E- 103, EPIP, Sitapura Industrial Area, Jaipur – 302022, Rajasthan has been taken on Rent by Gupta Exports which is a Partnership firm and Mr. Harish Kumar Gupta and Mr. Pawan Kumar Gupta for Rent of ₹50,000/- p.m. each.
4.	E- 103, EPIP, Sitapura Industrial Area, Jaipur – 302022, Rajasthan property of Gupta Exports which is a Partnership firm of Mr. Harish Kumar Gupta and Mr. Pawan Kumar Gupta is mortgaged to HDFC Bank for amount of borrowing of ₹ 2543 lakh provided to the company
5.	Our Promoter Mr. Pawan Kumar Gupta, Mr. Saurav Gupta and Mr. Gaurav Gupta have provided unsecured loan of ₹ 10.00 lacs, 43.00 Lacs and 18.50 Lacs respectively to Our Company. For further details of the Unsecured loan please refer section “ <b>Financial Indebtedness</b> ” on page182

For transaction in respect of loans and other monetary transaction entered in past please refer **Annexure R** on “**Related Party Transactions**” on page 178 forming part of “**Financial information of the Company**” of this Prospectus.

**Interest in the property of Our Company**

Except as mentioned hereunder, 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 Prospectus or proposed to be acquired by us as on date of filing the Prospectus.

Sr.No.	Name of Promoter	Interest and nature of interest
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1.	Mr. Harish Kumar Gupta & Mr. Pawan Kumar Gupta Partner of M/s Gupta Exports	Our Company has taken on rent a part of registered office situated at E-103, EPIP, Sitapura Industrial Area, Jaipur, Rajasthan - 302022 from M/s Gupta Exports vide Rent Agreement dated April 01, 2015 entered by our Company against rent of ₹50,000/- p.m.
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### **Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled “*Annexure - R*” *Related Party Transactions*” on page 178 of this Prospectus.

Except as stated in “*Annexure - R*” *Related Party Transactions*” beginning on page 178 of the Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

### **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*” on page 123. Also refer *Annexure R* on “*Related Party Transactions*” on page 178 forming part of “*Financial information of the Company*” and Paragraph on “*Interest of Promoters*” under section “*Our Promoters*” beginning on page 138 of this Prospectus.

### **Other ventures of our Promoters**

Save and except as disclosed in this section titled “*Our Promoters*” and “*Our Promoter Group and Group Entities*” beginning on page 138 & 142 respectively of this 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 198 of this Prospectus.

**OUR PROMOTER GROUP AND GROUP ENTITIES**

In addition to the Promoters named above, the following natural persons form part of our Promoter Group in terms of Regulation 2(1) (zb) (ii) of SEBI ICDR Regulations, 2009:

<b>Relationship</b>	<b>Mr. Harish Kumar Gupta</b>
<b>Father</b>	Late Mr. Kulwant Rai Gupta
<b>Mother</b>	Late Mrs..Agyawati
<b>Spouse</b>	Mrs. Sunita Gupta
<b>Brother</b>	Mr Pawan Kumar Gupta
<b>Sister</b>	Mrs. Urmila Agarwal
<b>Son</b>	Mr. Gaurav Gupta
<b>Daughter</b>	Mrs. Pooja Singhal
<b>Spouse's Father</b>	Late Mr Satyaprakash
<b>Spouse's Mother</b>	Late Mrs. Phoolan Rani
<b>Spouse's Brother</b>	Mr Ashok Gupta
	Mr. Gautam Gupta
<b>Spouse's Sister</b>	-

<b>Relationship</b>	<b>Mr. Pawan Kumar Gupta</b>
<b>Father</b>	Late Mr. Kulwant Rai Gupta
<b>Mother</b>	Late Mrs..Agyawati
<b>Spouse</b>	Mrs. Anita Gupta
<b>Brother</b>	Mr. Harish Kumar Gupta
<b>Sister</b>	Mrs. Urmila Agarwal
<b>Son</b>	Mr Saurav Gupta
<b>Daughter</b>	Mrs.Richa Gupta
<b>Spouse's Father</b>	Late Mr Hansraj Agarwal
<b>Spouse's Mother</b>	Late Mrs.Ram Pyari
<b>Spouse's Brother</b>	Late Mr Harbans Lal
	Mr. Madan Mohan
	Mr. Ravi Mohan
<b>Spouse's Sister</b>	Mrs. Krishna Singhla
	Mrs. Indra Garg

<b>Relationship</b>	<b>Mr. Saurav Gupta</b>
<b>Father</b>	Mr. Pawan Kumar Gupta
<b>Mother</b>	Mrs. Anita Gupta
<b>Spouse</b>	Mrs. Shikha Gupta
<b>Brother</b>	--
<b>Sister</b>	Mrs. Richa Agarwal
<b>Son</b>	Mr. Karam Gupta
<b>Daughter</b>	--
<b>Spouse's Father</b>	Mr. Vijay Choudhary
<b>Spouse's Mother</b>	Mrs. Pushpa Choudhary
<b>Spouse's Brother</b>	Mr. Hitesh Choudhary
<b>Spouse's Sister</b>	Mrs Tanu Natia

<b>Relationship</b>	<b>Mr. Gaurav Gupta</b>
<b>Father</b>	Mr. Harish Kumar Gupta
<b>Mother</b>	Mrs. Sunita Gupta
<b>Spouse</b>	Mrs Neha Gupta
<b>Brother</b>	--



<b>Sister</b>	Mrs Puja Singhal
<b>Son</b>	Mr. Manan Gupta
<b>Daughter</b>	Ms Anaya Gupta
<b>Spouse's Father</b>	Mr. Ramesh Chand Kanodia
<b>Spouse's Mother</b>	Mrs. Satyabhama Kanodia
<b>Spouse's Brother</b>	Mr. Keshav Kanodia
<b>Spouse's Sister</b>	Mrs. Kavita Bansal
	Mrs. Shama Gupta
	Mrs. Manju Goyal
	Mrs. Santosh Jindal
	Mrs. Seema Gupta

**Our Promoter Group as defined under Regulation 2 (zb) (iv) of the SEBI (ICDR) Regulations, 2009 includes following entities:**

<b>Nature of Relationship</b>	<b>Entity</b>
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.	--
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	<b>Partnership Firm</b> : M/s Gupta Exports <b>HUF</b> : Gaurav Gupta Manan Gupta (HUF) Saurav Gupta Karam Gupta HUF <b>Proprietorships</b> : Nil

### **OUR PROMOTER GROUP ENTITIES**

#### **COMPANIES**

NIL

#### **PROPRIETORSHIP FIRM:**

NIL

#### **PARTNERSHIP FIRMS**

##### ***M/s Gupta Exports***

M/s Gupta Exports is a partnership firm having partners Mr. Harish Kumar Gupta and Mr. Pawan Kumar Gupta.

M/s Gupta Exports was originally formed by a partnership deed dated October 16<sup>th</sup>, 2002. Further, *vide* Deed of Reconstitution of partnership dated April 17, 2012 entered into by and between Mr. Harish Kumar Gupta and Mr. Pawan Kumar Gupta the said partnership firm has been reconstituted.

<b>Date of Formation</b>	October 16, 2002
<b>Date of Reconstitution Partnership Deed</b>	April 17, 2012
<b>Principal Place of business</b>	E-103, Sitapura Industrial Area, Jaipur – 302022, Rajasthan
<b>Nature of Business</b>	100% Exports of all types of readymade garments, Made-ups and Fabrics.

**Interest of our Promoter**

Our Promoter, Harish Kumar Gupta and Pawan Kumar Gupta are the partners of Gupta Exports. The share in the profits or losses of Gupta Exports will be apportioned to its partners, which includes our Promoter, in the following ratio

Sr. No	Name of Partner	Profit Sharing Ratio (in %)
1	Harish Kumar Gupta	50.00
2	Pawan Kumar Gupta	50.00
	<b>Total</b>	<b>100.00</b>

**Brief Audited Financial Details**

(Amount in ₹ Lacs)

Particulars	For the year ending March 31		
	2013-14	2012-13	2011-12
Partner's Capital Account	43.11	35.94	35.02
Sale	--	--	--
Other Income	6.00	6.00	6.00
Total Income	6.00	6.00	6.00
Net Profit/(Loss) before Tax	0.73	0.93	0.68

**HINDU UNDIVIDED FAMILIES (HUF'S)*****Gaurav Gupta Manan Gupta (HUF)***

Gaurav Gupta Manan Gupta HUF was formed as a Hindu Undivided Family on 01.01.2000. Gaurav Gupta is the Karta of Gaurav Gupta Manan HUF.

Sr. No.	Name of HUF	Name of Karta	Member of HUF	PAN
1	Gaurav Gupta Manan Gupta HUF	Mr. Gaurav Gupta	Mr. Gaurav Gupta Mrs. Neha Gupta Mr. Manan Gupta Ms. Anaya Gupta	AAEHG8712K

***Saurav Gupta Karam Gupta HUF***

Saurav Gupta Karam Gupta HUF was formed as a Hindu Undivided Family on 01.04.2007. Saurav Gupta is the Karta of Saurav Gupta Karam Gupta HUF.

Sr. No.	Name of HUF	Name of Karta	Member of HUF	PAN
1	Saurav Gupta Karam Gupta HUF	Mr. Saurav Gupta	Mr. Saurav Gupta Mrs. Shikha Gupta Mr. Karam Gupta	AARHS2936N

**Litigations**

For details on litigations and disputes pending against the Promoter Group and group entities, if any, please refer to the section titled "*Outstanding Litigations and Material Developments*" on page 198 of the Prospectus.

**Companies / Ventures with which the Promoters have disassociated themselves in the last three years**

Except as mentioned in the Prospectus, Our promoters has not disassociated themselves from any companies, firms or other entities during the last three years preceding the date of this Prospectus.

**Undertaking / Confirmations**

Our Promoters, Promoter Group and Group Companies/entities confirm that they have not been declared as a willful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group or Group Entities or persons in control of the Promoters has been

- (i) prohibited from accessing the capital market 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 the Promoters is or has 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.

**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 – Annexure R - Related Party Transaction*” on page 178 of the 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 - Annexure R - Related Party Transaction*” on page 178 of the Prospectus.

**Common Pursuits/Conflict of interest**

Our Promoters Mr. Harish Kumar Gupta and Mr. Pawan Kumar Gupta have promoted our Promoter Group entity viz M/s Gupta Exports (Partnership Firm), which is in similar line of business although presently the major source of Income of our Promoter Group entity is from Rent Income. However we have not entered into non-compete agreement and also there can be no assurance that in future 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.

This may adversely affect our business operations and financial condition of our Company. For details of our Promoter Group refer to Section titled “*Our Promoter Group and Group Entities*” on page 142 of the Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

**Defunct Group Companies and Entities:**

None of our Group Companies has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies, during the five years preceding the date of filing this prospectus.

**DIVIDEND POLICY**

Under the Companies Act, the Company can pay dividends upon recommendation of the Board of Directors of the Company 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 namely but not limited to 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.

No dividend has been declared on the Equity shares by our Company during the last 5 years. 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 RESTATED FINANCIAL STATEMENTS**

**Independent Auditors' report on Restated Financial Statement of Bella Casa Fashion and Retail Limited (formerly known as ‘Gupta Fabtex Private Limited’ till 14.07.2015, name was changed to ‘Bella Casa Fashion and Retail Private Limited’ on 15.07.2015 and converted to Public Limited company on 31.07.2015)**

To,

The Board of Directors,  
**Bella Casa Fashion and Retail Limited**  
E-102,103, EPIP, Sitapura Industrial Area,  
Jaipur, Rajasthan – 302022  
India

Dear Sirs,

**1. Report on Restated Financial Statements**

We have examined the Restated Financial Statements of **M/s. Bella Casa Fashion and Retail Limited (formerly known as ‘Gupta Fabtex Private Limited’ till 14.07.2015, name was changed to ‘Bella Casa Fashion and Retail Private Limited’ on 15.07.2015 and converted to Public Limited company on 31.07.2015)** (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 BSE 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 Kalani & Co**, 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. 007794 dated 09.02.2015 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 financial year ended 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 year ended March 31, 2015, 2014, 2013, 2012, 2011 which have been audited by us and books of account underlying those financial statements and other records of the Company, to the extent considered necessary by us, have been examined for the presentation of the Restated Summary Statements under the requirements of Schedule III of the Act.
- 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 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 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 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 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 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 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, 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 for charging of depreciation on ‘Straight Line’ Method from the ‘Written down value’ Method and 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 March 31, 2015.

#### 5. Other Financial Information:

- 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 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(B)
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	Annexure-I
Restated Statement of Inventory	Annexure-J
Restated Statement of Trade Receivables	Annexure-K
Restated Statement of Cash & Bank Balances	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

- 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.
- 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.
- 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 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 Years ended on that date; and
- c) In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the Years ended on that date.

**For Kalani & Company**

Chartered Accountants  
FRN: 000722C

Sd/-

**[Vikas Gupta]**

Partner  
M. No. 077076

Place: Jaipur  
Date: 07.08.2015



**ANNEXURE – I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amt in ₹)

Particulars	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
Share Capital	20,500,000	20,500,000	20,500,000	20,500,000	12,450,000
Reserves and Surplus (excluding Revaluation Reserves, if any)	50,753,480	47,299,849	38,550,740	30,102,555	23,346,080
<b>Share Application Money Pending Allotment</b>	-	-	-	-	-
<b>Non Current Liabilities</b>					
Long-term Borrowings	18,570,097	16,968,038	28,143,560	49,774,932	20,068,834
Deferred Tax Liabilities (Net)	2,391,990	4,592,962	3,994,891	3,130,651	1,550,971
Long-term Provisions	5,443,713	5,381,377	4,213,672	3,184,910	2,589,528
<b>Current Liabilities</b>					
Short-term Borrowings	204,856,570	187,099,279	189,812,810	168,891,483	136,439,884
Trade Payables	136,550,007	136,133,995	103,045,594	74,574,348	84,252,734
Other Current Liabilities	45,209,843	39,567,788	58,208,501	38,728,938	19,182,282
Short-term Provisions	2,949,168	602,979	759,387	820,378	879,404
<b>Total</b>	<b>487,224,868</b>	<b>458,146,267</b>	<b>447,229,156</b>	<b>389,708,195</b>	<b>300,759,718</b>
<b>II. Assets</b>					
<b>Non Current Assets</b>					
Fixed assets					
(i) Tangible Assets	57,235,178	71,019,037	116,298,513	114,726,900	70,262,402
(ii) Intangible Assets	38,400	-	-	-	-
(iii) Capital Work-In-Progress	-	-	-	753,168	-
(iv) Intangible Assets Under Development	-	-	-	-	-
Deferred Tax Assets (Net)	-	-	-	-	-
Non Current Investments	15,140	15,140	15,140	15,140	15,140
Long-term Loans and Advances	2,067,868	1,871,568	1,664,301	3,855,496	3,356,200
<b>Current assets</b>					
Current Investment	-	49,387	49,387	3,000,000	-
Inventories	254,677,388	240,708,781	187,232,122	152,469,601	123,909,659
Trade Receivables	156,743,527	107,749,546	113,683,491	90,721,255	82,672,733
Cash and Bank Balances	5,167,400	28,760,805	20,482,521	18,938,771	13,926,703
Short-term Loans and Advances	5,221,416	6,701,517	6,842,641	4,296,976	4,960,050
Other Current Assets	6,058,551	1,270,485	961,040	930,888	1,656,831
<b>Total</b>	<b>487,224,868</b>	<b>458,146,267</b>	<b>447,229,156</b>	<b>389,708,195</b>	<b>300,759,718</b>
Note: 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 Annexure IV, II and III.					

**ANNEXURE – II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amt in ₹)

Particulars		For the Year ended				
		31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Revenue from Operations						
From Sale of Product		779,598,790	831,392,725	597,763,805	517,523,778	431,371,427
Less: Excise Duty		(354,856)	(312,531)	(21,231,577)	(25,004,157)	(880,011)
Other Operating Income		9,554,482	4,110,787	-	-	1,108,983
		<b>788,798,415</b>	<b>835,190,981</b>	<b>576,532,228</b>	<b>492,519,621</b>	<b>431,600,399</b>
Other income		1,099,449	2,382,825	1,963,992	1,521,298	1,633,695
<b>Total Revenue</b>	<b>A</b>	<b>789,897,865</b>	<b>837,573,806</b>	<b>578,496,220</b>	<b>494,040,918</b>	<b>433,234,094</b>
<b>Expenses:</b>						
Cost of Material Consumed		450,016,772	481,710,559	311,697,173	282,350,009	297,339,596
Direct Manufacturing Expenses		295,746,663	293,187,423	208,492,096	164,632,609	129,396,202
Changes in inventories of finished goods WIP and Stock-in-Trade		(62,112,069)	(55,756,594)	(30,097,535)	(35,898,070)	(52,294,490)
Employee benefits expense		19,657,903	16,507,085	14,627,282	11,485,543	10,617,474
Finance costs		32,290,058	35,677,555	38,355,062	34,840,416	23,942,449
Depreciation and amortization expense		5,999,571	3,927,939	3,628,726	3,107,312	2,011,404
Other expenses		35,206,457	45,157,851	19,634,811	22,140,245	15,567,424
<b>Total Expenses</b>	<b>B</b>	<b>776,805,356</b>	<b>820,411,819</b>	<b>566,337,614</b>	<b>482,658,064</b>	<b>426,580,059</b>
<b>Profit before exceptional and extraordinary items and tax (A-B)</b>	<b>C</b>	<b>13,092,509</b>	<b>17,161,986</b>	<b>12,158,605</b>	<b>11,382,854</b>	<b>6,654,034</b>
<b>Exceptional/Prior Period item</b>						
Depreciation adjustment due to change in accounting policy		-	-	-	-	(4,238,307)
Withdrawal from Capital Reserve		(76,416)	(53,295)	(53,295)	(53,295)	(24,822)
Loss on sale of Powerloom		6,848,063	-	-	-	-
<b>Total Exceptional Item</b>	<b>D</b>	<b>6,771,647</b>	<b>(53,295)</b>	<b>(53,295)</b>	<b>(53,295)</b>	<b>(4,263,130)</b>
<b>Profit before extraordinary items and tax (C-D)</b>	<b>E</b>	<b>6,320,862</b>	<b>17,215,281</b>	<b>12,211,900</b>	<b>11,436,149</b>	<b>10,917,164</b>
<b>Extraordinary item</b>						
Loss due to Theft		-	2,581,502	-	-	-
<b>Total Extraordinary item</b>	<b>F</b>	<b>-</b>	<b>2,581,502</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit Before Tax (E-F)</b>	<b>G</b>	<b>6,320,862</b>	<b>14,633,779</b>	<b>12,211,900</b>	<b>11,436,149</b>	<b>10,917,164</b>
<b>Provision for Tax</b>						
- Current Tax		4,350,000	5,269,832	2,850,000	2,900,000	1,700,000
- Tax adjustment of prior years		179,723	(36,527)	(3,820)	146,699	46,273
- Deferred Tax Liability / (Asset)		(2,051,055)	598,071	864,240	1,579,680	1,338,498
<b>Total Tax expense</b>	<b>H</b>	<b>2,478,669</b>	<b>5,831,375</b>	<b>3,710,420</b>	<b>4,626,379</b>	<b>3,084,771</b>
<b>Restated profit after tax from continuing operations (G-H)</b>		<b>3,842,193</b>	<b>8,802,404</b>	<b>8,501,480</b>	<b>6,809,770</b>	<b>7,832,393</b>
<b>Profit/ (Loss) from Discontinuing operation</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated profit for the year</b>		<b>3,842,193</b>	<b>8,802,404</b>	<b>8,501,480</b>	<b>6,809,770</b>	<b>7,832,393</b>

Note: 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 Annexure IV, I and III.

**ANNEXURE - III**  
**RESTATED CASH FLOW STATEMENT**

(Amt in ₹)

PARTICULARS	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
	Amount	Amount	Amount	Amount	Amount
<b>NET CASH FLOW FROM OPERATING ACTIVITES</b>					
Net Profit after Tax as per Profit & Loss Statement	3,842,193	8,802,404	8,501,480	6,809,770	7,832,393
Provision for Tax	2,478,669	4,591,544	3,710,420	4,626,379	3,084,771
Depreciation	5,999,571	3,927,939	3,628,726	3,107,312	2,011,404
Depreciation adjustment due to change in accounting policy	-	-	-	-	(4,238,307)
(Profit)/ Loss on Sale of Fixed Assets	-	(292,207)	-	206,090	-
Interest Received	(580,728)	(1,923,360)	(1,761,522)	(1,442,294)	(515,754)
Dividend Received	(1,514)	(757)	-	-	-
Loss on sale of powerloom	6,848,063	-	-	-	-
Withdrawal/ (Transfer) from/to Capital Reserve	(76,416)	(53,295)	(53,295)	(53,295)	(24,822)
Interest Paid	30,746,807	32,439,035	35,152,125	31,149,760	20,362,581
<b>Operating Profit before Working Capital Changes</b>	<b>49,256,645</b>	<b>47,491,303</b>	<b>49,177,935</b>	<b>44,403,722</b>	<b>28,512,265</b>
(Increase)/ Decrease in inventories	(13,968,607)	(53,476,659)	(34,762,520)	(28,559,943)	(63,096,518)
(Increase)/ Decrease in trade receivables	(48,993,981)	5,933,945	(22,962,236)	(8,048,522)	4,349,435
(Increase)/ Decrease in loan & advances	1,283,802	(66,143)	(354,470)	(216,488)	11,633,283
(Increase)/ Decrease in other Current/ Non current Assets	11,341,971	742,977	(3,085,038)	(4,526,557)	(12,045,879)
Increase/ (Decrease) in trade payables	416,012	33,088,400	28,471,246	(9,678,386)	36,270,338
Increase/ (Decrease) in other current/ non-current liabilities	(16,653,335)	(6,277,842)	20,536,309	7,726,287	(8,704,577)
	<b>(66,574,139)</b>	<b>(20,055,323)</b>	<b>(12,156,709)</b>	<b>(43,303,607)</b>	<b>(31,593,916)</b>
<b>Cash Generated from operations</b>	<b>(17,317,494)</b>	<b>27,435,980</b>	<b>37,021,225</b>	<b>1,100,115</b>	<b>(3,081,651)</b>
Income Tax Paid	(3,741,278)	(4,159,774)	(2,935,155)	(2,734,919)	(1,376,204)
<b>Net Cash Flow From Operating Activites (A)</b>	<b>(21,058,772)</b>	<b>23,276,206</b>	<b>34,086,070</b>	<b>(1,634,804)</b>	<b>(4,457,855)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets	(2,636,238)	(27,156,256)	(4,447,170)	(48,701,069)	(35,697,154)
Sale of Fixed asset	3,072,000	68,800,000	-	170,000	-
Investment Purchased	1,514	-	-	-	(15,140)
Dividend Received	-	757	-	-	-
Interest Received	580,728	1,923,360	1,761,522	1,442,294	515,754
<b>Net Cash Flow From Investing Activities (B)</b>	<b>1,018,004</b>	<b>43,567,860</b>	<b>(2,685,648)</b>	<b>(47,088,775)</b>	<b>(35,196,540)</b>
<b>(C) NET CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds of Borrowings	43,274,820	-	22,971,328	229,105,807	51,171,177
Repayments of Borrowings	-	(25,074,326)	(23,681,373)	(154,522,900)	-

Proceeds from issue of share capital	-	-	-	8,050,000	3,950,000
Interest Paid	(30,746,807)	(32,439,035)	(35,152,125)	(31,149,760)	(20,362,581)
Subsidy	-	-	-	-	1,122,000
<b>Net cash flow from Finanicng Activities (C)</b>	<b>12,528,013</b>	<b>(57,513,361)</b>	<b>(35,862,170)</b>	<b>51,483,147</b>	<b>35,880,596</b>
<b>Net Increase in cash and cash equivalent (A+B+C)</b>	<b>(7,512,755)</b>	<b>9,330,705</b>	<b>(4,461,748)</b>	<b>2,759,568</b>	<b>(3,773,799)</b>
Cash and Cash equivalents at the beginning of the year	10,260,228	929,523	5,391,271	2,631,703	6,405,502
<b>Cash and Cash equivalents at the close of the year</b>	<b>2,747,473</b>	<b>10,260,228</b>	<b>929,523</b>	<b>5,391,271</b>	<b>2,631,703</b>

**Note:-** Cash & Cash Equivalent consists of following:-

	<b>31/30/2015</b>	<b>31/03/2014</b>	<b>31/03/2013</b>	<b>31/03/2012</b>	<b>31/03/2011</b>
Cash On Hand	402,383	388,283	222,683	754,606	799,007
Balance With Banks	2,345,090	1,872,991	657,452	1,636,664	1,832,696
HDFC CC Limit	-	7,949,567	-	-	-
Investment in Mutual Fund*	-	49,387	49,387	3,000,000	-
	<b>2,747,473</b>	<b>10,260,228</b>	<b>929,523</b>	<b>5,391,271</b>	<b>2,631,703</b>

\* Investment in Mutual Funds represents liquid funds and accordingly treated as Cash & Cash equivalents as per AS-3.

1. Cash flow Statements has been prepared adopting the Indirect method as prescribed under para 18 of Accounting Standard-3 (AS-3) on "Cash Flow Statement".

2. Figures in brackets represent outflow.

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 Annexure IV, I and II.

**ANNEXURE - IV****SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL STATEMENTS****A. BACKGROUND**

M/s. Bella Casa Fashion and Retail Limited (formerly known as 'Gupta Fabtex Private Limited' till 14.07.2015, name was changed to 'Bella Casa Fashion and Retail Private Limited' on 15.07.2015 and converted to Public Limited company on 31.07.2015) was incorporated on 05.02.1996 under the provisions of Companies Act, 1956 in Registrar of Companies, Jaipur, Rajasthan. The Company is engaged in the business of manufacturing and selling of bed sheets, made-ups, printed/bleached fabric and garment. Company has been changed from Private Ltd Company to a limited Company vide a certificate dated 31.07.2015. However, no money has been raised by the Company through public issue.

**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 March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, and the Restated Summary Profit and Loss Statement and Restated Summary Statements of Cash Flows for the period ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and the annexures 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 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 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).

Restated Unconsolidated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Designated Stock exchange, RoC and Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering.

**2. USE OF ESTIMATES**

The presentation of financial statement is in conformity with the generally accepted accounting principles, that requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in which the results are known / materialized.

**3. VALUATION OF INVENTORY: (AS-2)**

The inventory is valued at lower of cost and net realizable value and cost is determined by specific identification method for raw materials and work in progress and retail method for finished goods. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present condition and location.

**4. CASH FLOW STATEMENT (AS-3)**

Cash flow Statements has been prepared adopting the Indirect method as prescribed under para 18 of Accounting Standard-3 (AS-3) on "Cash Flow Statement".

**5. DEPRECIATION: (AS-6)**

a) Change In Accounting Policy During Current Year 2014-15:

The company has changed the method of charging depreciation from "Written Down Value method" (WDV) to "Straight Line method" (SLM). The Restated Financial Statements have been prepared adopting SLM method. (Also refer Part C "Changes in Accounting Policies in the period/years covered in the Restated Financials)

b) Pursuant to the Notification of Schedule II to the Companies Act, 2013, by the Ministry of Corporate Affairs effective from 01st April, 2014, the Company has charged depreciation based on the remaining useful life of the assets. Depreciation/Amortization is provided on Straight Line method (SLM) based on the useful life as specified in Part 'C' of Schedule II of Companies Act, 2013 after retaining residual value of 5%. Intangible Asset i.e. software & patent is depreciated/amortised on Straight Line Method basis considering best estimate of its useful life of 5 years as provided in Accounting Standard 26 considering NIL residual value. Depreciation on additions/disposals during the year is provided on pro-rata basis. As the change is only in regard to accounting estimate requiring an adjustment of 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, 2012 and 2011.

Due to above, depreciation charge for the year, is higher by ₹ 23,30,330/-. Further, based on transitional provisions provided in Note 7(b) of Schedule II, an amount of ₹ 3,12,147/- (net of deferred tax of ₹ 1,49,917/-) has been recognized in the opening balance of retained earnings representing carrying amount of asset ( net of residual value) as on 01st April, 2014, where remaining useful life was NIL.

#### **6. REVENUE RECOGNITION: - (AS-9)**

Revenue from sale of goods is accounted net of Sales Tax/Vat Recovered (wherever applicable) and discount and is recognized upon when risk and reward of ownership of the goods are passed on to customers and generally coincides with delivery and acceptance.

#### **7. FIXED ASSETS :-( AS-10)**

1. Fixed Assets Are Stated At Cost of Acquisition less accumulated depreciation.
- ii. Cost includes all costs relating to acquisition & installation of fixed assets including incidental expenses incurred.

#### **8. FOREIGN CURRENCY TRANSACTION (AS-11)**

- a. Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing on the day of transaction.
- b. Monetary items denominated in foreign currency at the year-end and not covered by the foreign exchange contract are restated at year end rates.
- c. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Statement except in cases where they relate to acquisition of fixed assets, which are adjusted to the carrying cost of such assets in terms of MCA Notification No. F.No.17/33//2008/CL-V dated 31.03.2009 as amended from time to time. The company has exercised the option as given in the said notification for adjustment of exchange difference on reporting of long term foreign currency monetary items in the carrying cost of depreciable capital asset. In terms of MCA Notification No. 25/2012 dated 09.08.2012, the exchange difference on such long term foreign currency monetary items, to the extent of the difference between interest on local currency borrowing and foreign currency borrowing, shall not be treated borrowing cost and accordingly accounted for as exchange difference.
- d. In case of transactions which are covered by forward exchange hedging contracts are recorded at forward hedged rates on matured deals. Difference between transaction rates and hedging contract rates are recognized as exchange difference and charged/credited to the Profit and Loss Statement.

#### **9. GOVERNMENT GRANTS :-(AS-12)**

Government grants related to depreciable fixed assets is treated as deferred income which is recognised in the profit and loss statement on a systematic and rational basis over the useful life of the asset i.e. such grants is allocated to income over the periods and in the proportion in which depreciation on those assets is charged.

**10. INVESTMENTS: (AS-13)**

Long term investment, if any, is stated at cost inclusive of cost incidental to acquisition. The provision for diminution in the carrying cost of investment is made if such in diminution is other than temporary in nature in the opinion of in the management. Permanent Diminution, in the opinion of the management, if any in the value of such investment is charged to profit and loss statement.

**11 EMPLOYEE BENEFITS: - (AS – 15)****a. Defined Contribution Plan:**

Companies contribution in respect of provident fund (PF) and employee state insurance (ESI) to the eligible employees and paid/payable, if any, are recognized in the profit and loss statement.

**b. Defined Benefit Plan:**

i. Gratuity: - The Company provides for gratuity, a defined benefit retirement plan for its employees. The plan provides for lump sum payments to the eligible employees at retirement, death while in employment or on termination of employment or otherwise as per the provisions of The Payment of Gratuity Act, 1972. The Company accounts for liability of future gratuity benefits bases on an external actuarial valuation on projected unit credit method carried out annually for assessing liability as at the Balance sheet date.

**12. BORROWING COST: (AS-16)**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost is recognized as an expense in the period in which they are incurred.

**13. EARNING PER SHARE: (AS-20)**

The earning considered in ascertaining the company's earning per share comprises the net profit/losses for the period attributable to equity shareholders. The number of share used in computing basis earning per share is the weighted average number of share outstanding during the year.

**14. TAXES ON INCOME: (AS-22)**

Provision for taxation comprises of current tax, deferred tax and Current Tax provision has been made on the basis of relief and deductions available under Income Tax Act, 1961. Deferred Tax resulting from timing difference between taxable and accounting income is accounted for using the tax rate and law that are enacted or substantively enacted as on the balance sheet dates. Deferred tax assets are recognized and carried forward only to the extent that there is virtual certainty that the assets will be realized, in future.

**15. IMPAIRMENT OF ASSETS: (AS-28)**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any is charged to profit & loss statement accounting the year in which an asset is identified. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**16. PROVISION, CONTINGENT LIABILITES AND CONTINGENT ASSETS:- (AS-29)**

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 the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimates of the amount of the

obligation can not be made. Contingent assets are not recognized in the financial statement since this may result is the recognition of the income that may never realized.

### C. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/ YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies except for:

1.) During the year 2014-15, the company had changed its Accounting Policy for charging depreciation on Fixed Assets from “Written Down Value” method (WDV) to “Straight Line” method (SLM). Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. Accordingly the depreciation has been re-calculated in accordance with the SLM (new method) from the date of assets coming into use. Restated Financial Statements for the year ended on 31st March 2014, 2013, 2012 and 2011 have been prepared after charging depreciation based on the Straight Line Method. The surplus of ₹ 42,38,307/- (upto March 2010) arising from such retrospective re-computation of depreciation in accordance with the new method has been disclosed as an exceptional item during 2010-11 in the Restated Financials.

2.) Provision for Gratuity which has been accounted on cash basis by the management in earlier years till 2013-14 rather than based on the actuarial valuation. The same has been accounted for in the Restated Financial Statements from 2010-11 to 2013-14.

### 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 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.) 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:-

	Gratuity as at				
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
<b>I. Assumptions</b>					
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Discount Rate	8.00 % per annum	8.00 % per annum	8.00 % per annum	8.00 % per annum	8.00 % per annum
Rate of increase in compensation	6.00 % per annum	6.00 % per annum	6.00 % per annum	6.00 % per annum	6.00 % per annum
Rate of Return (expected) on plan assets withdrawal rates	-	-	-	-	-
Expected average remaining service (years)	27.3	25.8	26.2	27.6	27.3

<b>II. Changes in Present Value of Obligations (PVO)</b>					
PVO at beginning of period	5,480,714	4,303,116	3246370	2641528	NA



Interest Cost	438,457	344,249	259710	211322	NA
Current Service Cost	1,384,517	920,623	600927	522677	NA
Transfer from other company	-	-	-	-	NA
Benefits paid	-	-	-	-	NA
Actuarial(gain)/loss on obligation	(202,894)	(87,274)	196109	(129,157)	NA
PVO at end of period	7,100,794	5,480,714	4303116	3246370	2641528
<b>III. Amounts to be recognized in the Balance Sheet and Profit &amp; Loss Statement</b>					
PVO at end of Period	7,100,794	5,480,714	4303116	3246370	2641528
Fair Value of Plan Assets at end of period	-	-	-	-	-
Funded Status	(7,100,794)	(5,480,714)	(4,303,116)	(3,246,370)	(2,641,528)
Unrecognized Actuarial Gain/(Loss)	-	-	-	-	-
Net Liability/ (Asset) recognized in the balance sheet	7,100,794	5,480,714	4303116	3246370	2641528
<b>IV. Expense recognized in the Profit &amp; Loss Statement</b>					
Current Service Cost	1,384,517	920,623	600927	522677	NA
Interest Cost	438,457	344,249	259710	211322	NA
Expected Return on Plan Assets	-	-	-	-	-
Net Actuarial (Gain)/Loss recognized for the period	(202,894)	(87,274)	196109	(129,157)	NA
Expenses recognized in the Profit & Loss statement	1,620,080	1,177,598	1,056,746	604,842	2,641,528
<b>V. Movements in the liability recognized in the Balance Sheet</b>					
Opening Net Liability	5,480,714	4,303,116	3246370	2641528	NA
Expenses as Above	1,620,080	1,177,598	1,056,746	604,842	2,641,528
Transfer from other company	-	-	-	-	-
Benefits Paid	-	-	-	-	-
Closing Net Liability	7,100,794	5,480,714	4,303,116	3,246,370	2,641,528

#### 4.) 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.

#### 5.) 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 March 31, 2015 except as mentioned in Annexure -U, for any of the years covered by the statements.

**6.) Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 in the Annexure – R of the enclosed financial statements.

**7.) 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:

(Amt in ₹)

Particulars	Amount as at (In ₹)				
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Net WDV as Companies Act	57,273,578	71,019,037	116,298,513	115,480,068	70,262,402
Net Block as per IT Act	43,517,272	50,444,883	97,986,471	100,968,372	61,504,371
Timing difference depreciation	13,756,306	20,574,154	18,312,042	14,511,696	8,758,031
<b>DTL (A)</b>	<b>4,463,233</b>	<b>6,675,284</b>	<b>5,658,421</b>	<b>4,484,114</b>	<b>2,706,232</b>
Gratuity exp u/s 43B	5,522,983	5,480,714	4,303,116	3,246,370	2,641,528
DTA	1,791,932	1,778,218	1,329,663	1,003,128	816,232
Expenses u/s 40(a)(ia)	-	-	89,888	89,888	-
DTA	-	-	27,775	27,775	-
Unamortized portion of Subsidy	860,877	937,293	990,588	1,043,883	1,097,178
DTA	279,311	304,105	306,092	322,560	339,028
Cumulative Deffered tax Assets (B)	2,071,243	2,082,322	1,663,530	1,353,463	1,155,260
<b>Net DTL (A-B)</b>	<b>2,391,990</b>	<b>4,592,962</b>	<b>3,994,891</b>	<b>3,130,651</b>	<b>1,550,971</b>
DTA/ DTL Rate	32.445%	32.445%	30.90%	30.90%	30.90%

**8.) Earnings Per Share (AS 20):**

Earnings per Share have been calculated and is already reported in the Annexure –Q of the enclosed financial statements.

**9.) 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. Profit and Loss Statement after tax

Table-1

(Amt in ₹)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014	For the Year ended 31st March 2013	For the Year ended 31st March 2012	For the Year ended 31st March 2011	Grand Total for 5 Years
Net Profit After Tax as per audited accounts but before adjustments for restated accounts:	11,282,682	7,539,765	6,387,547	5,577,931	5,000,316	35,788,241
<b>Add/ (Less):</b>						
Exceptional item due to change in accounting policy of Depreciation	(16,832,716)	3,376,259	3,851,544	3,391,420	6,213,493	-
Adjustment to Capital reserve due to change in depreciation from WDV to SLM policy	267,775	(54,882)	(72,361)	(165,354)	24,822	-
Exceptional item due to providing gratuity expenses during 2014-15 and not in earlier years	5,480,714	(1,177,598)	(1,056,746)	(604,842)	(2,641,528)	-
Deferred tax liability short / excess - consequential impact	3,643,738	(881,140)	(608,504)	(1,389,385)	(764,710)	-
<b>Net Profit After Tax as per Restated Financial Statements</b>	<b>3,842,193</b>	<b>8,802,404</b>	<b>8,501,480</b>	<b>6,809,770</b>	<b>7,832,393</b>	<b>35,788,241</b>

**a) Adjustment on account of Depreciation:**

The company had changed its Accounting Policy for charging depreciation on Fixed Assets from "Written Down Value" method (WDV) to "Straight Line" method (SLM). The depreciation for the restated financial years have been computed as per "Straight Line" method (SLM) i.e. new method. Withdrawal from capital reserve based on relative depreciation on machinery is also made as per the SLM method.

**b) Adjustment on account of provision for Gratuity:**

The Company did not provide gratuity in any of the earlier years. The same has been provided in the Audited Financial Statement for the year ended 31st March, 2015. Gratuity liability for the related year of 2014, 2013, 2012 and 2011 have been provided for in the Restated Financial Statements.

**c) Adjustment on deferred tax assets & liabilities:**

For the purpose of Restatement, the deferred tax liability and asset has been recalculated. The figures for earlier years have been adjusted in the respective year which also includes the impact of deferred tax on the amount of restated depreciation & provision for Gratuity.

**10.) 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.

**11.) Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**12.) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Under the Micro, Small and Medium Enterprises Development Act, 2006 read with notification no. 8/7/2006 – CDN dt 17/05/2007, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However in the view of the management, the impact of interest, if any, that may be payable as per the provisions of this Act is not expected to be material.

**13.) Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest rupee. Figures in brackets indicate negative values.

**ANNEXURE – A**  
**STATEMENT OF SHARE CAPITAL RESERVES AND SURPLUS**

(Amt. in ₹)

Particulars	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>Authorised Share Capital</b> 20,50,000 (20,50,000) Equity Shares of ₹ 10 each	20,500,000	20,500,000	20,500,000	20,500,000	12,450,000
<b>Issued, Subscribed &amp; Paid up Share Capital</b> 20,50,000 (20,50,000) Equity Shares of ₹ 10 each fully paid up	20,500,000	20,500,000	20,500,000	20,500,000	12,450,000
<b>Reserves and Surplus</b>					
A. Capital Reserve(1) (Capital Investment Subsidy from SIDBI under TUF scheme)	860,877	937,293	990,588	1,043,883	1,097,178
B. Capital Reserve(2)	292,207	292,207	-	-	-
<b>C. Surplus</b>					
Opening Balance	46,070,350	37,560,153	29,058,673	22,248,902	14,416,509
Profit for the year	3,842,193	8,802,404	8,501,480	6,809,770	7,832,393
Less: Transferred to Capital Reserve (2)	-	(292,207)	-	-	-
Less: Transitional depreciation adjustment under Companies Act 2013	(312,147)	-	-	-	-
Closing Balance	49,600,396	46,070,350	37,560,153	29,058,673	22,248,902
<b>Total (A+B+C)</b>	<b>50,753,480</b>	<b>47,299,849</b>	<b>38,550,740</b>	<b>30,102,555</b>	<b>23,346,080</b>

## 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 ₹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 Annexure IV, I, II and III.
    - i. Capital Reserve (1) represents capital Investment subsidy of ₹11,22,000 received from SIDBI under TUF scheme in F.Y. 2010-11. Company has availed Capital Investment Subsidy forming part of cost of process Machinery. Proportionate amount of such capital Investment subsidy is being withdraw from Capital Reserve (Capital Investment Subsidy) equal to relative depreciation.
    - ii. Capital Reserve (2) represent gain on sale of Land situated at E-2115/2116/2117 Ramchandrapura, Sitapura Extension, Tonk Road, Jaipur, during the FY 2013-14.

The reconciliation of the number of shares outstanding as at: -

Particulars	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Number of shares at the beginning of the year	2,050,000	2,050,000	2,050,000	1,245,000	850,000
Add: Shares issued during the year	-	-	-	805,000	395,000
Number of shares at the end of the year	2,050,000	2,050,000	2,050,000	2,050,000	1,245,000

The detail of shareholders holding more than 5% of Shares as at: -

Name of Share Holder	As at ( No of Shares)									
	31/03/2015		31/03/2014		31/03/2013		31/03/2012		31/03/2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Harish Kumar Gupta	306,510	14.95%	306,490	14.95%	306,490	14.95%	306,491	14.95%	286,496	23.01%
Pawan Kumar Gupta	300,010	14.63%	299,990	14.63%	299,990	14.63%	299,992	14.63%	184,996	14.86%
Gaurav Gupta	280,000	13.66%	280,000	13.66%	280,000	13.66%	280,000	13.66%	280,000	22.49%
Saurav Gupta	265,750	12.96%	265,750	12.96%	265,750	12.96%	265,750	12.96%	200,000	16.06%
Anita Gupta	259,240	12.65%	259,240	12.65%	259,240	12.65%	259,240	12.65%	64,240	5.16%
Sunita Gupta	239,240	11.67%	239,240	11.67%	239,240	11.67%	239,240	11.67%	64,240	5.16%
Neha Gupta	199,250	9.72%	199,250	9.72%	199,250	9.72%	199,250	9.72%	65,000	5.22%
Shikha Gupta	175,000	8.54%	175,000	8.54%	175,000	8.54%	175,000	8.54%	75,000	6.02%

**ANNEXURE – B**  
**STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**

(Amt. In ₹)

PARTICULARS	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>(A) Term loans</b>					
<b>Secured</b>					
<b>From Banks (Secured)</b>					
SIDBI (secured against hypothecation of plant & machinery, equipment procured, and installed under the project and by personal guarantee of directors)	-	11,949,600	18,919,200	26,672,000	24,642,000
HDFC Bank Ltd (secured against hypothecation of Building)	1,005,731	4,554,563	10,430,405	15,709,789	214,288
ICICI Bank (secured against Car)	4,608,308	5,719,212	-	-	-
<b>From Financial Institutions (Secured)</b>					
Kotak Mahindra Prime Ltd	-	-	-	688,007	2,270,819
RIICO Ltd (secured against Land at Ramchandrapura)	-	-	17,024,157	26,926,140	-
Barclays Bank	-	-	-	-	835,888

Magma finance corporation	-	-	-	-	570,805
<b>Unsecured</b>					
<b>From Banks</b>					
HDFC Bank Ltd	2,893,111	-	-	-	-
ICICI Bank Ltd	2,818,278	-	-	-	-
IndusInd Bank Ltd	3,687,345	-	-	-	-
Kotak Mahindra Bank Ltd	4,694,389	-	-	-	-
<b>From Financial Institution</b>					
Religare Finvest Limited A/c No. 025129	-	258,424	1,192,371	1,985,126	1,315,954
Religare Finvest Limited A/c No. 058186	5,000,000	-	-	-	-
Bajaj Finserv Ltd. A/c No. 052085	-	223,540	-	-	-
Bajaj Finserv Ltd A/c No. 603856	3,229,110	-	-	-	-
Capital First Limited	4,752,384	-	-	-	-
Magma Fincorp Ltd.	6,000,000	-	-	-	-
Edelweiss Retail Finance Ltd	4,000,000	-	-	-	-
TATA Capital Financial Services Ltd.	2,934,213	-	-	-	-
<b>(B) Working Capital Term loans (Secured)</b>					
HDFC Bank Ltd	-	-	-	-	-
<b>Total (1)</b>	<b>45,622,868</b>	<b>22,705,339</b>	<b>47,566,133</b>	<b>71,981,062</b>	<b>29,849,754</b>
<b>(2) Other loans and advances (From Directors)</b>	7,150,000	4,550,000	2,050,000	-	-
<b>Total ( 1 + 2 )</b>	<b>52,772,868</b>	<b>27,255,339</b>	<b>49,616,133</b>	<b>71,981,062</b>	<b>29,849,754</b>
<b>CURRENT MATURITIES</b>					
<b>(A) Term loans</b>					
<b>Secured</b>					
<b>From Banks (Secured)</b>					
SIDBI	-	5,145,600	6,969,600	7,752,800	5,470,000
HDFC Bank Ltd	711,651	3,548,833	5,875,842	5,279,384	97,150
ICICI Bank Ltd	1,230,396	1,110,904	-	-	-
<b>From Financial Institutions (Secured)</b>					
Kotak Mahindra Prime Ltd.	-	-	-	688,007	1,491,123
RIICO Ltd (secured against Land at Ramchandrapura)	-	-	7,693,184	7,693,184	-
Barclays Bank	-	-	-	-	835,888
Magma finance corporation	-	-	-	-	570,805
<b>Unsecured</b>					
<b>From Banks</b>					
HDFC Bank Ltd	1,399,454	-	-	-	-
ICICI Bank Ltd	2,382,459	-	-	-	-
IndusInd Bank Ltd	3,687,345	-	-	-	-
Kotak Mahindra Bank Ltd	4,694,389	-	-	-	-
<b>From Financial Institutions</b>					
Religare Finvest Limited A/c No. 025129	-	258,424	933,947	792,755	1,315,954

Religare Finvest Limited A/c No. 058186	5,000,000	-	-	-	-
Bajaj Finserv Ltd. A/c No. 052085	-	223,540	-	-	-
Bajaj Finserv Ltd A/c No. 603856	3,229,110	-	-	-	-
Capital First Limited	3,241,937	-	-	-	-
Magma Fincorp Ltd.	1,691,817	-	-	-	-
Edelweiss Retail Finance Ltd	4,000,000	-	-	-	-
TATA Capital Financial Services Ltd.	2,934,213	-	-	-	-
<b>Current portion of long-term borrowings, included under other current liabilities</b>	<b>34,202,771</b>	<b>10,287,301</b>	<b>21,472,573</b>	<b>22,206,130</b>	<b>9,780,920</b>
<b>Non-Current portion of long-term borrowings</b>	<b>18,570,097</b>	<b>16,968,038</b>	<b>28,143,560</b>	<b>49,774,932</b>	<b>20,068,834</b>
<b>Short Term Borrowings</b>					
<b>(A) Loans repayable on demand</b>					
<b>From Banks</b>					
From Punjab National Bank - Cash credit limit	-	-	-	-	125,468,464
Secured against hypothecation of Stock, Debtors, Movable Assets, and Current Assets.	-	-	-	-	-
<b>From HDFC Bank</b>					
- Fixed Working Capital Drawing Limit (WC DL)	170,000,000	100,000,000	113,979,161	106,629,460	-
- Cash Credit Limit	30,280,806	-	-	-	-
- Packing Credit: Foreign Currency Facility (Secured against hypothecation of all Current Assets including Stock, Book Debts and Card Receivable, Plant & Machinery, Collaterally Secured against Industrial Property situated at E-102, EPIP, Sitapura Industrial Area, Jaipur and also collaterally secured against E-103, EPIP, Sitapura Industrial Area, Jaipur in name of Gupta Exports)	4,575,764	-	-	-	-
<b>(B) Other Loans</b>					
<b>Raw Material Assistance Scheme</b>					
NSIC (Secured against bank guarantee)	-	48,819,279	49,229,649	28,517,192	-
<b>(C) Term loans</b>					
<b>From Financial Institutions</b>	-	-	-	13,750,000	-
SE Investment Ltd (Pledged FDR of ₹ 33 Lacs)	-	-	-	200,000	-
<b>(D) Other loans and advances (From Directors Relative)</b>	-	-	-	-	1,141,420
<b>(E) Other loans and advances (From Members)</b>	-	38,280,000	26,604,000	19,794,831	9,830,000
<b>Total (3)</b>	<b>204,856,570</b>	<b>187,099,279</b>	<b>189,812,810</b>	<b>168,891,483</b>	<b>136,439,884</b>
<b>Total (1)+(2)+(3)</b>	<b>257,629,438</b>	<b>214,354,618</b>	<b>239,428,943</b>	<b>240,872,545</b>	<b>166,289,638</b>



**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 Annexure IV, I, II and III.
3. List of persons/entities classified as 'Relatives' has been determined by the Management and relied upon by us.
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)
6. SIDBI loan is secured against hypothecation of plant & machinery, equipment procured, and installed under the project and by personal guarantee of directors
7. ICICI & HDFC loan is secured against respective cars

**ANNEXURE - B (A)****STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(Amt. In ₹)

Name of Lender	Nature of Credit facility	Sanctioned Amount (₹ in Lacs)	Rate of interest	Securities offered	Re-Payment Schedule	Moratorium (If any)	Outstanding amount as on 31.03.2015
HDFC Bank Ltd	WDTL	170,000,000	11.65 %	Refer Foot Note No. 1	Repayable on Demand	NA	170,000,000
HDFC Bank Ltd	Cash credit	45,000,000	12.15 %		Repayable on Demand	NA	30,280,806
HDFC Bank Ltd	PCFC		3.75%		Repayable on Demand	NA	4,575,764
<b>Total</b>		<b>215,000,000</b>					<b>204,856,570</b>
<b>II VEHICLE LOANS</b>							
ICICI Bank Ltd	Term Loan (Auto Loan)	3,000,000	10.26 %	Hypothecation of car Audi- RJ 14 CU9545	Repayable in 55 equal monthly installments of ₹68600/-	NA	2,304,154
ICICI Bank Ltd	Term Loan (Auto Loan)	3,000,000	10.26 %	Hypothecation of car Audi- RJ 14 CU9544	Repayable in 55 equal monthly installments of ₹68600/-	NA	2,304,154
HDFC Bank Ltd	Term Loan (Auto Loan)	1,800,000	11.12 %	Hypothecation of car Pajero- RJ 14 UD4545	Repayable in 60 equal monthly installments of ₹38880/-	NA	608,948
HDFC Bank Ltd	Term Loan (Auto Loan)	1,225,000	11.95 %	Hypothecation of car Cruise- RJ 14 CM7528	Repayable in 60 equal monthly installments of ₹26950/-	NA	396,783
<b>TOTAL</b>		<b>9,025,000</b>					<b>5,614,039</b>
<b>SUB-TOTAL(1)</b>		<b>224,025,000</b>					<b>210,470,609</b>

**Note:**

1. Secured against hypothecation of all Current Assets including Stock, Book Debts and Card Receivable, Plant & Machinery. Collaterally Secured against Industrial Property situated at E-102, EPIP, Sitapura Industrial Area, Jaipur registered in name of company and also collaterally secured against E-103, EPIP, Sitapura Industrial Area, Jaipur registered in name of Gupta Exports

**ANNEXURE - B (B)****STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS****Details of Unsecured Loans outstanding as on 31.03.2015****HDFC Bank Ltd.****Rate of Interest: 16%****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	-
Amount Received/Credited	3,000,000
Amount Repaid/Adjusted	106,889
Outstanding Amount	2,893,111

Repayable in 24 equal monthly installments of ₹146,889/-

**ICICI Bank Ltd****Rate of Interest: 16.24%****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	-
Amount Received/Credited	3,000,000
Amount Repaid/Adjusted	181,722
Outstanding Amount	2,818,278

Repayable in 24 equal monthly installments of ₹2,22,346/-

**Indusind Bank Ltd****Rate of Interest: 17%****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	-
Amount Received/Credited	4,000,000
Amount Repaid/Adjusted	312,655
Outstanding Amount	3,687,345

Repayable in 13 monthly installments first installment of ₹7452/- last is of 361,738/- and remaining are of ₹364,819/-

**Kotak Mahindra Bank Ltd****Rate of Interest: 17.07%****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	-
Amount Received/Credited	6,000,000
Amount Repaid/Adjusted	1,305,611
Outstanding Amount	4,694,389

Repayable in 12 monthly installments first 4 installments of ₹747,559/-, second 4 are of 568,828/- and last 4 are of ₹308,684/-

**Religare Finvest Limited A/c No. 058186****Rate of Interest: 19.29%****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	-
Amount Received/Credited	5,000,000
Amount Repaid/Adjusted	-
Outstanding Amount	5,000,000

Repayable in 12 monthly installments first 4 installments of ₹639,670/- second 4 are of 449,130/- and last 4 are of ₹272,200/-

**Bajaj Finserv Ltd A/c No. 603856****Rate of Interest: 16%****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	-
Amount Received/Credited	3,500,000
Amount Repaid/Adjusted	270,890
Outstanding Amount	3,229,110

Repayable in 12 equal monthly installments of ₹317,559/-

**Capital First Limited****Rate of Interest: 16%****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	-
Amount Received/Credited	5,000,000
Amount Repaid/Adjusted	247,616
Outstanding Amount	4,752,384

Repayable in 18 equal monthly installments of ₹314,283/-

**Magma Fincorp Ltd.****Rate of Interest: 16%****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	-
Amount Received/Credited	6,000,000
Amount Repaid/Adjusted	-
Outstanding Amount	6,000,000

Repayable in 36 equal monthly installments of ₹210,942/-

**Edelweiss Retail Finance Ltd****Rate of Interest: 16%****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	-
Amount Received/Credited	4,000,000
Amount Repaid/Adjusted	-
Outstanding Amount	4,000,000

Repayable in 13 monthly installments first installment of ₹9723/- last is of 365,772/- and remaining are of ₹365,769/-

**TATA Capital Financial Services Ltd.****Rate of Interest: 18.63%****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	-
Amount Received/Credited	3,500,000
Amount Repaid/Adjusted	565,787
Outstanding Amount	2,934,213

Repayable in 12 equal monthly installments of ₹319,216/-

**Gaurav Gupta (Director)****Rate of Interest: NIL****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	1,050,000
Amount Received/Credited	1,850,000
Amount Repaid/Adjusted	1,050,000
Outstanding Amount	1,850,000

**Saurav Gupta (Director)****Rate of Interest: NIL****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	5,000,000
Amount Received/Credited	4,300,000
Amount Repaid/Adjusted	5,000,000
Outstanding Amount	4,300,000

**Pawan Kumar Gupta (Director)****Rate of Interest: NIL****(Amount in ₹)**

Particulars	31-03-2015
Opening Balance Cr./(Dr.)	1,200,000
Amount Received/Credited	1,000,000
Amount Repaid/Adjusted	1,200,000
Outstanding Amount	1,000,000

**ANNEXURE – C**  
**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

**(Amt. in ₹)**

Particulars	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>Opening Balance (A)</b>					
Opening Balance of Deferred Tax (Asset) / Liability	(4,592,962)	(3,994,891)	(3,130,651)	(1,550,971)	(212,474)
DTA / (DTL) on account of Disallowance u/s 40(a)(ia)	-	-	27,775	27,775	-
DTA / (DTL) on account of Amortized portion of Subsidy	279,311	304,105	306,092	322,560	339,028
DTA / (DTL) on Timing Difference in Depreciation as per Companies Act and Income Tax Act & unamortized portion of Subsidy	(4,463,233)	(6,675,284)	(5,658,421)	(4,484,114)	(2,706,232)
DTA / (DTL) on Timing Difference in provision for Gratuity as per Companies Act and Income Tax Act.	1,791,932	1,778,218	1,329,663	10,03,128	8,16,232
<b>B) Closing Balance of Deferred Tax Asset / (Liability)"</b>	<b>(2,391,990)</b>	<b>(4,592,962)</b>	<b>(3,994,891)</b>	<b>(3,130,651)</b>	<b>(1,550,971)</b>
<b>C) Net Deferred Tax Expenditure/ (Income) (A - B)</b>	<b>(2,200,972)</b>	<b>598,071</b>	<b>864,240</b>	<b>1,579,679</b>	<b>1,338,498</b>
D) Add/ (Less): Tax Effect on Account of Transitional Depreciation	149,917	-	-	-	-
<b>E) Deferred Tax Asset / (Liability) charged to P&amp;L ( C + D )</b>	<b>(2,051,055)</b>	<b>598,071</b>	<b>864,240</b>	<b>1,579,679</b>	<b>1,338,498</b>

*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 Annexure IV III and II*

**ANNEXURE – D**  
**STATEMENT OF LONG TERM PROVISIONS (GRATUITY)**

(Amt. in ₹)

Particulars	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Opening balance (Gratuity)	5,480,714	4,303,116	3,246,370	2,641,528	-
Add: Provision made during the year	1,620,080	1,177,598	1,056,746	604,842	2,641,528
<b>Total Closing</b>	<b>7,100,794</b>	<b>5,480,714</b>	<b>4,303,116</b>	<b>3,246,370</b>	<b>2,641,528</b>
Less: Payment Made During the year	-	-	-	-	-
Less: Current Portion of liability	1,657,081	99,337	89,444	61,460	52,000
<b>Long term</b>	<b>5,443,713</b>	<b>5,381,377</b>	<b>4,213,672</b>	<b>3,184,910</b>	<b>2,589,528</b>

\* Retrospective adjustment in Restated Financial Statements from 2010-11 to 2013-14

**ANNEXURE – E**  
**STATEMENT OF TRADE PAYABLES**

(Amt. in ₹)

PARTICULARS	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>For Goods &amp; Services</b>					
- Due to Micro & Small Enterprises	-	-	-	-	-
- Others	136,550,007	136,133,995	103,045,594	74,574,348	84,252,734
<b>Total</b>	<b>136,550,007</b>	<b>136,133,995</b>	<b>103,045,594</b>	<b>74,574,348</b>	<b>84,252,734</b>

**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 Annexure IV, I, II and III.
- Under the Micro, Small and Medium Enterprises Development Act, 2006 read with Notification No. 8/7/2006 CDN dt 17/05/2007, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However in the view of the management, the impact of interest, if any, that may be payable as per the provisions of this Act is not expected to be material.

**ANNEXURE – F**  
**STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS**

(Amt. in ₹)

PARTICULARS	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>Other Current Liabilities</b>					
(a) Current maturities of long-term borrowings					
- Secured Loans	1,942,047	9,805,337	20,538,626	21,413,375	8,464,966
-Unsecured Loans	32,260,724	481,964	933,947	792,755	1,315,954
(b) Other Payables	425,116	1,797,293	972,558	1,704,069	350,348
(c) Statutory Liability	1,584,037	2,745,640	7,824,345	10,194,025	5,756,838
(d) Advance from customers	1,835,126	18,595,930	3,413,065	80,067	1,185,377
(e) Creditors for Capital Expenditure	-	-	-	432,496	249,184
(f) Advance against sale of Land	-	-	20,000,000	-	-

(g) Interest accrued but not due on borrowings	2,228,425	1,279,569	1,425,872	1,462,207	209,614
(h) Outstanding Liability	4,934,369	4,862,056	3,100,087	2,649,944	1,650,001
<b>Total</b>	<b>45,209,843</b>	<b>39,567,788</b>	<b>58,208,501</b>	<b>38,728,938</b>	<b>19,182,282</b>
<b>Short-Term Provisions</b>					
Provision for Gratuity	1,657,081	99,337	89,444	61,460	52,000
Provision for Taxation	4,350,000	4,030,000	2,850,000	2,900,000	2,080,266
Less: Advance Tax and Tax deducted at Source (as per contra)	(3,057,913)	(3,526,358)	(2,180,057)	(2,141,082)	(1,252,862)
<b>Total</b>	<b>2,949,168</b>	<b>602,979</b>	<b>759,387</b>	<b>820,378</b>	<b>879,404</b>

**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 Annexure IV, I, II and III

**ANNEXURE – G**  
**STATEMENT OF FIXED ASSETS (NET BLOCK)**

(Amt. in ₹)

PARTICULARS	As at				
	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015
<b>A) Tangible Assets</b>					
Leasehold Land	1,176,000	1,176,000	51,692,820	51,692,820	15,841,474
Factory Building	27,910,973	28,939,811	30,032,764	31,020,132	28,582,832
Plant & Machinery	15,394,037	25,738,466	27,083,535	23,555,958	20,255,178
Furniture and Fittings	1,170,053	985,700	1,082,761	1,163,923	1,201,659
Vehicles	10,192,290	12,613,095	5,105,577	5,927,491	3,045,326
Office Equipment	953,830	1,102,742	839,305	837,198	846,370
Computer	437,993	463,223	461,750	529,379	489,563
<b>Total Tangible Assets</b>	<b>57,235,178</b>	<b>71,019,037</b>	<b>116,298,513</b>	<b>114,726,900</b>	<b>70,262,402</b>
<b>B) Intangible Assets (Software)</b>	38,400	-	-	-	-
C) Capital Work-in-Progress	-	-	-	753,168	-
<b>Grand Total (A+B+C)</b>	<b>57,273,578</b>	<b>71,019,037</b>	<b>116,298,513</b>	<b>115,480,068</b>	<b>70,262,402</b>

**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 Annexure IV, I, II and III

**ANNEXURE – H**  
**STATEMENT OF NON-CURRENT INVESTMENTS AND CURRENT INVESTMENTS**

**Non Current Investments**  
**Non Traded (Un-quoted)**

(Amt. in ₹)

Particulars	As at									
	31/03/2015		31/03/2014		31/03/2013		31/03/2012		31/03/2011	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
<b>India Exposition Mart Ltd.</b> 1514 (1514) Common Stock at ₹ 10 each fully paid up, par value ₹ 10 each	1,514	15,140	1,514	15,140	1,514	15,140	1,514	15,140	1,514	15,140
<b>Total</b>	<b>1,514</b>	<b>15,140</b>	<b>1,514</b>	<b>15,140</b>	<b>1,514</b>	<b>15,140</b>	<b>1,514</b>	<b>15,140</b>	<b>1,514</b>	<b>15,140</b>

**Current Investments**  
**Non Traded (Quoted)**

(Amt. in ₹)

Particulars	As at									
	31/03/2015		31/03/2014		31/03/2013		31/03/2012		31/03/2011	
	Units	Amt.	Units	Amt.	Units	Amt.	Units	Amt.	Units	Amt.
<b>Investment in Mutual Funds</b>										
1. ICICI Prudential Bluechip EQ Fund	-	-	-	-	-	-	37,746	600,000	-	-
2. Reliance Equity Opp Fund	-	-	1,317	49,387	1,317	49,387	17,442	600,000	-	-
3. HDFC Midcap Opp Fund	-	-	-	-	-	-	39,445	600,000	-	-
4. IDFC Premier Equity Fund	-	-	-	-	-	-	18,881	600,000	-	-
5. Fidelity EQ Fund	-	-	-	-	-	-	18,149	600,000	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,317</b>	<b>49,387</b>	<b>1,317</b>	<b>49,387</b>	<b>131,663</b>	<b>3,000,000</b>		

**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 Annexure IV, I, II and III

**ANNEXURE – I**  
**STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amt. in ₹)

PARTICULARS	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>Unsecured, Considered Good</b>					
A) Capital Advances	-	-	-	311,328	300,000
B) Security Deposits	2,067,868	1,871,568	1,664,301	3,544,168	3,056,200
<b>Total</b>	<b>2,067,868</b>	<b>1,871,568</b>	<b>1,664,301</b>	<b>3,855,496</b>	<b>3,356,200</b>

**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 Annexure IV, I, II and III
- List of persons/entities classified as 'Relatives' has been determined by the Management and relied upon by us.

**ANNEXURE – J**  
**STATEMENT OF INVENTORIES**

(Amt. in ₹)

PARTICULARS	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>Valued at lower of cost or Net Realisable Value</b>					
A) Raw Material	27,681,623	3,901,385	10,483,289	6,718,305	18,356,432
B) Stock-in-Progress-Material under fabrication	207,568,172	197,782,449	168,704,882	136,695,582	105,414,282
C) Finished Goods	13,769,355	29,522,977	2,843,950	4,755,715	138,945
D) Accessory & Packing material	5,658,238	9,501,970	5,200,000	4,300,000	-
<b>Total</b>	<b>254,677,388</b>	<b>240,708,781</b>	<b>187,232,122</b>	<b>152,469,601</b>	<b>123,909,659</b>

**Note:-** Inventory has been physically verified by the management of the Company

**ANNEXURE – K**  
**STATEMENT OF TRADE RECEIVABLES**

(Amt. in ₹)

PARTICULARS	As At				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>Unsecured, Considered Good</b>					
Debt outstanding for a period exceeding six months from the due date of payment	11,776,855	6,903,213	20,797,452	7,133,919	4,259,859
Other Debts	144,966,672	100,846,333	92,886,038	83,587,336	78,412,874
<b>Total</b>	<b>156,743,527</b>	<b>107,749,546</b>	<b>113,683,491</b>	<b>90,721,255</b>	<b>82,672,733</b>

**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 Annexure IV, I, II and III
- List of persons/entities classified as 'Relatives' has been determined by the Management and relied upon by us.



**ANNEXURE – L**  
**STATEMENT OF CASH & BANK BALANCES**

(Amt. in ₹)

PARTICULARS	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>a) Cash &amp; Cash Equivalents</b>					
- Cash on hand	402,383	388,283	222,683	754,606	799,007
- Balance with Banks					
In current Accounts/Saving account	2,345,090	1,872,991	657,452	1,636,664	1,832,696
HDFC Bank (CC Account)	-	7,949,567	-	-	-
<b>b) Other Bank Balances</b>					
In Deposit Accounts(Pledged against letter of credit issued)	2,419,927	18,549,964	19,602,386	13,247,500	11,295,000
FDR with SE Investment Ltd.	-	-	-	3,300,000	-
<b>Total</b>	<b>5,167,400</b>	<b>28,760,805</b>	<b>20,482,521</b>	<b>18,938,771</b>	<b>13,926,703</b>

**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 Annexure IV, I, II and III

**ANNEXURE – M**  
**STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Amt. in ₹)

PARTICULARS	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
<b>Unsecured Considered Good unless otherwise stated</b>					
a) Advances Tax	3,000,000	2,500,000	2,000,000	2,000,000	1,200,000
TDS Receivable	57,913	1,026,358	180,057	141,082	52,862
	3,057,913	3,526,358	2,180,057	2,141,082	1,252,862
Less: Provision as Per Contra	3,057,913	3,526,358	2,180,057	2,141,082	1,252,862
	-	-	-	-	-
b) Loans and advances to Related Parties	-	-	900,000	-	1,906,490
c) Advances Recoverable in value or kind	3,445,594	5,070,606	4,402,485	2,031,893	1,920,115
d) Prepaid Expenses	921,377	763,056	672,508	1,640,083	227,490
e) Security Deposit		100,000	100,000	100,000	-
f) Personal Ledger Account (PLA)	1,082	943	736	-	689
g) Income Tax Refundable	525,000	525,000	525,000	525,000	525,000
h) Demand paid under protest	328,362	241,912	241,912	-	-
i) MAT Credit Entitlement	-	-	-	-	380,266
<b>Total</b>	<b>5221,416</b>	<b>6,701,517</b>	<b>6,842,641</b>	<b>4,296,976</b>	<b>4,960,050</b>

**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 Annexure IV, I, II and III
- List of persons/entities classified as 'Relatives' has been determined by the Management and relied upon by us.

**ANNEXURE – N**  
**STATEMENT OF OTHER CURRENT ASSETS**

(Amt. in ₹)

PARTICULARS	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
a) Accrued Interest on FDR	261,856	780,054	772,977	758,691	362,951
b) Export Incentive Receivable	-	-	-	-	141,344
c) IOC Insurance claim receivable	-	-	-	-	1,117,941
d) ROC Charges Receivable	-	-	40,250	80,500	-
e) Other Receivable	178,785	177,515	147,813	91,697	34,595
f) Duty Drawback Receivable	3,727,076	312,915	-	-	-
g) Focus Product License	1,890,834	-	-	-	-
<b>Total</b>	<b>6,058,551</b>	<b>1,270,485</b>	<b>961,040</b>	<b>930,888</b>	<b>1,656,831</b>

**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 Annexure IV, I, II and III

**ANNEXURE – O**  
**STATEMENT OF OTHER INCOME**

(Amt. in ₹)

Particulars	For the year ended				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Interest Income	580,728	1,923,360	1,761,522	1,442,294	515,754
Dividend Received	1,514	757	-	-	-
Sampling Income	245,770	166,501	202,470	79,003	-
Claim Receivable from IOCL	-	-	-	-	1,117,941
Gain on sale of land	-	292,207	-	-	-
Liabilities no more payable	232,064	-	-	-	-
Gain on sale of Mutual Fund	39,373	-	-	-	-
<b>Total</b>	<b>1,099,449</b>	<b>2,382,825</b>	<b>1,963,992</b>	<b>1,521,298</b>	<b>1,633,695</b>

**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 Annexure IV, I, II and III

**ANNEXURE – P**  
**STATEMENT OF TURNOVER**

(Amt. in ₹)

Particulars	For the year ended				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
a) Sale of products					
Taxable - VAT/ CST Sales	294,310,216	245,721,424	393,011,070	355,490,717	280,950,452
Non Taxable - VAT Exempt Sales	430,586,989	539,914,898	215,821,725	175,870,461	151,669,935
Export Sales (FOB)	65,315,400	54,852,786	-	-	8,091,996
<b>Revenue from sale of products</b>	<b>790,212,606</b>	<b>840,489,107</b>	<b>608,832,795</b>	<b>531,361,178</b>	<b>440,712,383</b>
Less : Sales Returns	10,613,816	9,096,382	5,316,829	6,583,270	7,160,175
Less : Sales Discount & Rebate	-	-	5,752,162	7,254,131	2,180,781
<b>Net Sales</b>	<b>779,598,790</b>	<b>831,392,725</b>	<b>597,763,805</b>	<b>517,523,778</b>	<b>431,371,427</b>

Less: Excise duty	354,856	312,531	21,231,577	25,004,157	880,011
<b>Net Revenue from sale of products (a)</b>	<b>779,243,934</b>	<b>831,080,194</b>	<b>576,532,228</b>	<b>492,519,621</b>	<b>430,491,416</b>
<b>b) Other Operating Income</b>					
- Duty Drawback	5,136,482	4,134,619	-	-	780,718
- Focus Product License Income	2,814,261	-	-	-	-
- Gain on Exchange Rate Variation	1,603,739	(23,832)	-	-	(44,697)
- Sundry Balances Written off	-	-	-	-	372,962
<b>Total (b)</b>	<b>9,554,482</b>	<b>4,110,787</b>	<b>-</b>	<b>-</b>	<b>1,108,983</b>
<b>Total ( a + b )</b>	<b>788,798,415</b>	<b>835,190,981</b>	<b>576,532,228</b>	<b>492,519,621</b>	<b>431,600,399</b>

**ANNEXURE – Q**  
**STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Amt. in ₹)

Particulars	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Face Value per Equity Share (in ₹)	10	10	10	10	10
Earnings/ (losses) Per Share					
i) Basic and Diluted Earnings/ (losses) Per Share [a/b]	<b>0.57</b>	<b>1.30</b>	<b>1.26</b>	<b>1.14</b>	<b>2.05</b>
ii) Return on Net Worth (in %) [a/d]	<b>5.39%</b>	<b>12.98%</b>	<b>14.40%</b>	<b>13.46%</b>	<b>21.88%</b>
"iii) Net Assets Value per Share (in ₹) [d/c]"	<b>34.76</b>	<b>33.07</b>	<b>28.81</b>	<b>24.68</b>	<b>28.75</b>
iv) Current Ratio	<b>1.10</b>	<b>1.06</b>	<b>0.94</b>	<b>0.96</b>	<b>0.94</b>
(a) Net profit available for appropriation (as restated)	3,842,193	8,802,404	8,501,480	6,809,770	7,832,393
(b) Weighted average numbers of Equity Shares for calculating Basic and diluted EPS.	6,765,000	6,765,000	6,765,000	5,984,260	3,829,295
(c) No. of Equity Shares outstanding at the end of the year.	2,050,000	2,050,000	2,050,000	2,050,000	1,245,000
(d) Net Worth as at the end of the period/year	71,253,480	67,799,849	59,050,740	50,602,555	35,796,080
(e) Current Assets	427,868,282	385,240,522	329,251,202	270,357,490	227,125,976
(f) Current Liabilities	389,565,588	363,404,041	351,826,292	283,015,146	240,754,304

**Notes:-**

- Earnings per share = Profit available to equity shareholders/ weighted avg number of outstanding of equity shares during the year.
- Weighted Average number of outstanding Equity Shares has been calculated in terms of the requirement of Accounting Standards as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Return on Net worth (%) = Profit available for Equity shareholders/Net worth X 100.
- Net asset value/Book value per share (₹) = Net worth/No. of equity shares at the end of period/Year
- Current Ratio= Current Assets/ Current Liabilities.
- The company does not have any revaluation reserves.
- As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
- 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 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.

**ANNEXURE – R**  
**STATEMENT OF RELATED PARTY TRANSACTION**

**2.29 Related Party Transactions (AS-18)**

(Amt. in ₹)

A: Relationship	NAME OF RELATED PARTY				
	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Associates/Company or entity owned or significantly influenced by director or KMP's</b>	Gupta Exports	Gupta Exports	Gupta Exports	Gupta Exports	Gupta Exports
<b>Key managerial personnel</b>	Harish Kumar Gupta	Harish Kumar Gupta	Harish Kumar Gupta	Harish Kumar Gupta	Harish Kumar Gupta
	Pawan Kumar Gupta	Pawan Kumar Gupta	Pawan Kumar Gupta	Pawan Kumar Gupta	Pawan Kumar Gupta
	Gaurav Gupta				
	Saurav Gupta				
<b>Relatives of Key Managerial Personnel</b>	Anita Gupta	Saurav Gupta	Saurav Gupta	Saurav Gupta	Saurav Gupta
	Sunita Gupta	Gaurav Gupta	Gaurav Gupta	Gaurav Gupta	Gaurav Gupta
	Shikha Gupta	Anita Gupta	Anita Gupta	Anita Gupta	Anita Gupta
	Neha Gupta	Sunita Gupta	Sunita Gupta	Sunita Gupta	Sunita Gupta
		Shikha Gupta	Shikha Gupta	Shikha Gupta	Shikha Gupta
		Neha Gupta	Neha Gupta	Neha Gupta	Neha Gupta
		Richa Gupta	Richa Gupta	Richa Gupta	Richa Gupta

**B. Transactions with Related Parties**

Nature of transactions	Associates / Company /entity owned or significantly influenced by director or KMP's				
	2014-15	2013-14	2012-13	2011-12	2010-11
Remuneration		-	-	-	-
Sales	2,438,825	-	-	995,000	-
Rent	600,000	600,000	600,000	600,000	600,000
Purchases		-	-	-	3,518,560
Job Charges		-	-	-	340,750
<b>Outstanding Balance</b>					
Loan Taken		-	-	-	-
Advance Rent		-	-	1,318,675	182,076
Security Deposit		-	-	2,500,000	2,500,000
Trade Receivable		-	2,953,725	2,953,725	2,688,675
Creditors for Salaries		-	-	-	-

Nature of transactions	Key managerial personnel				
	2014-15	2013-14	2012-13	2011-12	2010-11
Remuneration	1,858,664	1,800,000	1,800,000	1,440,000	1,080,000
Sales	-	-		-	-

Rent		-		-	-
Purchases		-		-	-
Interest Exp					
LIC Premium	398,794	408,790			
Job Charges		-		-	-
<b>Outstanding Balance</b>					
Loan Taken	7,150,000	4,550,000	2,050,000	200,000	-
Advance Rent		-		-	-
Security Deposit		-	-	-	1,491,354
Trade Receivable		-	-	-	-
Creditors for Salaries		-	-	98,013	-
Payable for expenses	58,000	-			

Nature of transactions	Relatives of key Managerial personnel				
	2014-15	2013-14	2012-13	2011-12	2010-11
Remuneration	5,341,336	5,400,000	5,400,000	4,080,000	3,060,000
Sales	-	-	-	-	-
Rent	-	-	-	-	-
Purchases	-	-	-	-	-
Interest Exp	19,200	-	-		
Job Charges	-	-	-	-	-
<b>Outstanding Balance</b>					
Loan Taken	-	8,998,000	299,000	-	1,141,420
Advance Rent	-	-	-	-	-
Security Deposit	-	-	-	-	415,136
Trade Receivable	-	-	-	-	-
Creditors for Salaries	-	-	-	404,333	-
Payable for expenses	102,000	32,317	-	-	-

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 Annexure IV, I, II and III.
3. List Company/entity owned or significantly influenced by directors/ KMP, Key Management Personnel's, and Relative of Key Management Personnel's have been determined by the Management and relied upon by us.

**ANNEXURE – S**  
**STATEMENT OF CAPITALISATION**

(Amt. in ₹)

Particulars	Pre-Issue	Post-Issue
-------------	-----------	------------

	As on 31 March 2015	
<b>Debt</b>		
Short Term Debt	204,856,570	204,856,570
Long Term Debt	52,772,868	52,772,868
<b>Total Debt</b>	<b>257,629,438</b>	<b>257,629,438</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	20,500,000	92,150,000
Reserves & Surplus	50,753,480	13,403,480
Less: Miscellaneous Expenses not w/off	-	-
<b>Total Shareholders' Fund (Equity)</b>	<b>71,253,480</b>	<b>105,553,480</b>
Long Term Debt/Equity	<b>0.74</b>	<b>0.50</b>
Total Debt/Equity	<b>3.62</b>	<b>2.44</b>

**Note:**

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 figures for post Issue are reported as provided by management.

**ANNEXURE – T**  
**STATEMENT OF TAX SHELTER**

(Amt. in ₹)

Particular	For the Year ended				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Net Profit/(Loss) before taxes (A)	6,320,862	17,215,281	12,211,900	11,436,149	10,917,164
Tax Rate Applicable %	32.45%	32.45%	30.90%	30.90%	30.90%
Minimum Alternate Taxes (MAT)	20.01%	20.01%	19.06%	19.06%	19.06%
<b>Adjustments</b>					
<b>Add:</b>					
Depreciation as per companies act, 2013	5,999,571	3,927,939	3,628,726	3,107,312	2,011,404
Disallowed Expenditure	293,498	364,871	116,742	224,934	66,513
Adjustment of Sec 145A	113,866	(676)	140,726	441,812	-
Provision for Bonus	-	-	-	-	-
Provision for Gratuity	42,269	1,177,598	1,056,746	604,842	2,641,528
Loss on Sale of Fixed Assets	6,848,063	-	-	206,091	-
<b>Less:</b>					
Allowed Expenditure	-	106,742	-	-	-
Dividend	1,514	757	-	-	-
Depreciation adjustment due to change in accounting policy	-	-	-	-	4,238,307
Depreciation as per Income Tax Act, 1961	6,491,850	6,565,899	8,182,239	7,191,901	5,949,536
Disallowance u/s 43B last year, allowed this year	27,675	-	-	-	-
Withdrawal of Subsidy	76,416	53,295	53,295	53,295	24,822
Profit on Sale of Land	-	-	-	-	-
Profit on Sale of Mutual Fund (Short term)	39,373	-	-	-	-
<b>Net Adjustments (B)</b>	<b>6,660,439</b>	<b>(1,256,960)</b>	<b>(3,292,594)</b>	<b>(2,660,204)</b>	<b>(5,493,220)</b>

Business Income (A+B)	12,981,301	15,958,321	8,919,306	8,775,945	5,423,944
Less:- Deduction U/s 80G	20,050	8,850	-	5,500	12,000
Less: Deduction U/S 35AC		-	-	5,000	-
<b>Total Taxable Income</b>	12,961,251	15,949,471	8,919,306	8,765,445	5,411,944
Tax Payable as per Normal Rate	4,205,278	5,174,806	2,756,066	2,708,522	1,672,291
Less: Tax Benefit of Extraordinary item	-	1,239,832	-	-	-
Tax Payable as per Special Rate	-	-	-	-	-
<b>Tax as per Income Tax</b>	4,205,278	3,934,974	2,756,066	2,708,522	1,672,291
Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act 1961 (D)	1,264,662	3,444,390	2,326,978	2,179,158	2,080,266
<b>Net Tax (Higher of C &amp; D)</b>	4,205,278	3,934,974	2,756,066	2,708,522	2,080,266
<b>Add: Interest u/s 234A</b>	-	8,172	-	-	-
<b>Add: Interest u/s 234B</b>	45,892	32,689	-	34,046	-
<b>Add: Interest u/s 234C</b>	89,440	46,878	100,088	79,656	-
<b>Tax Liability</b>	<b>4,340,610</b>	<b>4,022,713</b>	<b>2,856,154</b>	<b>2,822,225</b>	<b>2,080,266</b>
<b>Current tax as per restated Statement of Profit &amp; Loss</b>	4,350,000	4,030,000	2,850,000	2,900,000	1,700,000

**Notes**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company except Income Tax Depreciation which has been considered based on the Income Tax Return filed by 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 Annexure IV, I, II and III.

**ANNEXURE – U**  
**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

(Amt. in ₹)

Particulars	As at				
	31/03/2015	31/03/2014	31/03/2013	31/03/2012	31/03/2011
Income Tax Demand (TDS) for A.Y. 2011-12	170,750	170,750	170,750	170,750	170,750
Income Tax Demand (TDS) for A.Y. 2012-13	71,162	71,162	71,162	71,162	71,162
Income Tax Demand for A.Y. 2012-13	86,450	-	-	-	-
Income Tax Demand (TDS) for A.Y. 2011-12, 12-13 & 13-14 (RIICO)	591,613	-	-	-	-
<b>Total</b>	<b>919,975</b>	<b>241,912</b>	<b>241,912</b>	<b>241,912</b>	<b>241,912</b>

**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 Annexure IV, I, II and III

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,

The Board of Directors,

**Bella Casa Fashion and Retail Limited**

E-102,103, EPIP, Sitapura Industrial Area,

Jaipur, Rajasthan – 302022

India

Dear Sirs,

Subject: - Proposed issue of Shares by Bella Casa Fashion and Retail Limited\*

Based on our examination on books of accounts, Bank/NBFC's loan sanction letters, repayment schedules, bank accounts, charge documents and other relevant records of Bella Casa Fashion and Retail Limited\* having registered office at E-102, 103, EPIP, Sitapura Industrial Area Jaipur for the period ended 30.06.2015 we clarify that outstanding loan is amounting to ₹ 249,085,971/- as on 30.06.2015 as per the details given below:-

**LOAN FUND****1. SECURED LOANS****(I) FROM BANKS**

Name of Lender	Nature of Credit Facility	Sanction amount (in ₹)	Rate of Interest	Securities offered	Terms of Repayment	Moratorium (if any)	Outstanding amount As on 30-06-2015 (in ₹)
HDFC Bank Ltd	WCDL	170,000,000	11.65%	<b>a) Primary Security:-</b> Hypothecation of all current assets including stock, book debts, card receivable, Plant & Machinery <b>b) Collateral Security :-</b> Industrial property at E-102 EPIP Sitapura Industrial Area Jaipur and E-103 EPIP Sitapura Industrial Area Jaipur in the name of Gupta Exports	Repayable on Demand	NA	170,000,000
HDFC Bank Ltd	Cash credit	45,000,000	12.15%		Repayable on Demand	NA	35,980,387
HDFC Bank Ltd	PCFC		3.75%		Repayable on Demand	NA	-
<b>TOTAL</b>		<b>215,000,000</b>					<b>205,980,387</b>

**(II) VEHICLE LOANS**

ICICI Bank Ltd	Term Loan (Auto Loan)	3,000,000	10.26%	Hypothecation of car Audi-RJ 14 CU9545	Repayable in 55 equal monthly installments of ₹68,600/- starting from 15.01.2014 till 15.07.2018	NA	2,156,196
ICICI Bank Ltd	Term Loan (Auto Loan)	3,000,000	10.26%	Hypothecation of car Audi-RJ 14 CU9544	Repayable in 55 equal monthly installments of ₹68,600/- starting from	NA	2,156,196



					15.01.2014 till 15.07.2018		
HDFC Bank Ltd	Term Loan (Auto Loan)	1,800,000	11.12%	Hypothecation of car Pajero- RJ 14 UD4545	Repayable in 60 equal monthly installments of ₹38,880/- starting from 07.10.2011 till 07.08.2016	NA	508,303
HDFC Bank Ltd	Term Loan (Auto Loan)	1,225,000	11.95%	Hypothecation of car Cruise- RJ 14 CM7528	Repayable in 60 equal monthly installments of ₹26,950/- starting from 07.11.2011 till 07.07.2016	NA	327,097
<b>TOTAL</b>		<b>9,025,000</b>					<b>5,147,792</b>
<b>SUB-TOTAL(1)</b>		<b>224,025,000</b>					<b>211,128,179</b>

## 2. UNSECURED LOANS (I) FROM BANKS

Name of Lender	Nature of Credit Facility	Sanction amount (in ₹)	Rate of Interest	Securities offered	Terms of Repayment	Moratorium (if any)	Outstanding amount As on 30-06-2015 (in ₹)
ICICI Bank Ltd	Business Loan	3,000,000	16.24%	NA	Repayable in 15 equal monthly installments of ₹2,22,346/- starting from 1.3.2015 till 01.05.2016	NA	2,258,216
Indusind Bank Ltd	Business Loan	4,000,000	17.00%	NA	Repayable in 13 monthly installments first installment of ₹7452/- last is of 3,61,738/- and remaining are of ₹3,64,819/- starting from 04.02.2015 till 04.02.2016	NA	2,737,450
Kotak Mahindra Bank Ltd	Business Loan	6,000,000	17.07%	NA	Repayable in 12 monthly installments first 4 installments of ₹7,47,559/-, second 4 are of 5,68,828/- and last 4 are of ₹3,08,684/- starting from 10.02.2015 till 10.01.2016	NA	2,801,623
HDFC Bank Ltd	Business Loan	3,000,000	16.00%	NA	Repayable in 24 equal monthly installments of ₹1,46,889/- starting from 04.03.2015 till 04.02.2016	NA	2,563,815

<b>TOTAL</b>		<b>16,000,000</b>					<b>10,361,104</b>
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**(II) FROM NBFC/FINANCIAL INSTITUTIONS**

Name of Lender	Nature of Credit Facility	Sanction amount (in ₹)	Rate of Interest	Securities offered	Terms of Repayment	Moratorium (if any)	Outstanding amount As on 30-06-2015 (in ₹)
Religare Finvest Ltd	Business Loan	5,000,000	19.29%	NA	Repayable in 12 monthly installments first 4 installments of ₹6,39,670/- second 4 are of 4,49,130/- and last 4 are of ₹2,72,200/- starting from 01.04.2015 till 01.03.2016	NA	3,295,013
Tata Capital Ltd	Business Loan	3,500,000	18.63%	NA	Repayable in 12 equal monthly installments of ₹3,19,216/- starting from 15.01.2015 till 15.01.2016	NA	2,101,463
Edelweiss Retail Finance Limited	Business Loan	4,000,000	17.50%	NA	Repayable in 13 monthly installments first installment of ₹9723/- last is of 3,65,772/- and remaining are of ₹3,65,769/- starting from 05.04.2015 till 05.03.2016	NA	3,064,179
Bajaj Finerv Ltd	Business Loan	3,500,000	16.00%	NA	Repayable in 12 equal monthly installments of ₹3,17,559/- starting from 02.03.2015 till 02.02.2016	NA	2,394,573
Capital First Ltd	Business Loan	5,000,000	16.00%	NA	Repayable in 18 equal monthly installments of ₹3,14,283/- starting from 05.03.2015 till 05.08.2016	NA	3,989,549
Magma Fincorp Limited	Business Loan	6,000,000	16.00%	NA	Repayable in 36 equal monthly installments of ₹2,10,942/- starting from 07.04.2015 till 07.03.2018	NA	5,601,912
<b>TOTAL</b>		<b>27,000,000</b>					<b>20,446,688</b>

**(III) FROM DIRECTORS**

Name of Lender	Nature of Credit Facility	Sanction amount (in ₹)	Rate of Interest	Securities offered	Terms of Repayment	Moratorium (if any)	Outstanding amount As on 30-06-2015 (in ₹)
Pawan Kumar Gupta	Unsecured Loan	1,000,000	NIL	NA	Repayable after 5 years	NA	1,000,000
Saurav Gupta	Unsecured Loan	4,300,000					4,300,000

Gaurav Gupta	Unsecured Loan	1,850,000					1,850,000
<b>TOTAL</b>		<b>7,150,000</b>	-	-	-	-	<b>7,150,000</b>
<b>SUB-TOTAL(2)</b>		<b>50,150,000</b>	-	-	-	-	<b>37,957,792</b>
<b>GRAND TOTAL</b>		<b>274,175,000</b>	-	-	-	-	<b>249,085,971</b>

(\*formerly known as 'Gupta Fabtex Private Limited' till 14.07.2015, name was changed to 'Bella Casa Fashion and Retail Private Limited' on 15.07.2015 and converted to Public Limited company on 31.07.2015)

Note:-

1. These credit facilities are not available for investment in shares, debentures, to make advances by way of inter-corporate loans/ deposits to other companies (including subsidiary/ associated companies). The facilities are being extended at the sole discretion of HDFC Bank and the terms and conditions as well as pricing would be subject to periodic review, amendment or cancellation.
2. HDFC Bank based on the representations made by the borrower and the furnishing of financial statements by the borrower has extended these proposed facilities. The commitment to the proposed facilities is contingent upon:-
  - a. The absence of any material adverse change in the condition of borrower
  - b. The borrower or its associate not having defaulted under any financial obligation to any bank or institution in past.
  - c. Compliance by the Borrower of all laws and regulations, and prevalent from time to time and the Borrower having taken necessary approvals, permissions, registrations, licenses as may be required for running the business/creation of security.
  - d. All future borrowings by the Borrower would be with prior written permission of HDFC Bank.
  - e. Guarantors not to issue any Personal Guarantee for any other loans without prior written permission of HDFC Bank except for Car Loans, Personal Loans, Home Loans, Education Loans to be obtained for self and family members.
  - f. There is no litigation pending against the borrower and the guarantor(s).
  - g. Borrower would not have accounts with other Banks/ Financial institutions(applicable for sole banking)
  - h. Borrower would not divert any funds to any other purpose and launch any new scheme of expansion/business without prior permission of HDFC bank.
3. The facilities availed in foreign currency are linked to LIBOR/ FCNR (B) or appropriate benchmark rates and are subject to availability of foreign exchange with the bank.
4. Borrower is required to submit bank statements of other banks in the multiple banking arrangement/ consortium along with stock and book debts statements every month. (applicable for multiple banking arrangement/ consortium)
5. The availability of working capital facilities will be subject to availability of the Drawing Power (DP) calculated as per the HDFC Bank's norms. Borrower is required to Submit Stock and Book Debt Statements (with location and ageing) on monthly basis before the 7th of the following month for calculation of DP. There will be no Separate intimation on the same to you for realigning the working capital limits basing on the availability of DP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION 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 Prospectus. You should also read the section entitled "Risk Factors" beginning on page 11 and "Forward Looking Statements" beginning on page 10, 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 summary statements as of and for the fiscal years ended March 31, 2011, 2012, 2013, 2014 and 2015, including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of the Company" on Page No. 147 of the 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.*

### Our Business

Our Company was incorporated as Gupta Fabtex Private Limited on February 5, 1996 under the provisions of Companies Act, 1956 in Registrar of Companies, Jaipur, Rajasthan. Subsequently, pursuant to a special resolution passed by the shareholders at the Annual General Meeting held on June 29, 2015, the name of the Company was changed to Bella Casa Fashion & Retail Private Limited and a fresh certificate of incorporation consequent on change of name was issued by RoC on July 15, 2015. Further, pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on July 15, 2015 our Company was converted into a public limited company and a fresh certificate of incorporation consequent on the conversion under the Companies Act on July 31, 2015 was obtained from RoC.

Currently we are engaged in the business of manufacturing of Bed sheets, Quilts, home furnishing textile items, printed/dyed furnishing fabrics and garments. The production unit of the company is located at E-102, 103, EPIP, Sitapura Industrial Area, Jaipur, Rajasthan. This Industrial park has been developed by Rajasthan State Industrial Development and Investment Corporation (RIICO) with the efforts mooted by the Government to provide assistance to the Export oriented units. We are an entrepreneur driven organization set up with the focus of fulfilling the requirements of the customer by offering the finest quality product and services matching the latest fashion and lifestyle.

For the year 2014-15, our revenue comprises of 91.63 % from the Domestic market and we are exporting 8.37 % of our products manufactured in terms of value. We are exporting our Products to Middle East Countries where the demand for company's products are quite favorable as there are sizeable expatriates living in these countries. We have positioned ourselves as a multi product organization ensuring that our target market is a diverse mix of the fabrics market and garment for both domestic market and international market.

### Salient features of our business model are as follows:

- (1) We have presence in three important segments of the industry
  - Home Furnishing Textile (OE manufacturing)
  - Ready Made Garments (OE Manufacturing)
  - Home Furnishing Textile (Own Brand)
- (2) We can take advantage of diversity and different product mix and can exploit demand potential in all these segments and suitably de-risk the business.
- (3) Our company operates on the philosophy of mass manufacturing and wide distribution.
- (4) Our customer base comprises of organized and traditional wholesale markets of the domestic market thus ensuring a better reach for its products.
- (5) We are also exporting in the Middle East countries.
- (6) We have also started online sales of our products through various websites.

**Our Products Portfolio:-**

Our Product portfolio consists of the following main groups:

- (1) Bed sheet Sets, Comforters & home furnishing textiles
- (2) Women Apparels
- (3) Printed/ Dyed/ Bleached Fabrics

**Our Location:**

<b>Registered Office &amp; Corporate Office</b>	E-102, 103, EPIP, Sitapura Industrial Area, Jaipur-302022, Rajasthan, India
<b>Factory</b>	E-102, 103, EPIP, Sitapura Industrial Area, Jaipur-302022, Rajasthan, India
<b>Sales Office</b>	Shop No. 123, Ground Floor, New Cloth Market, Sarangpur, Ahmedabad – 380002, Gujarat, India

**Our Competitive Strengths**

We believe that the following are our primary competitive strength:

**1. Experience of our Promoters**

The promoters of our company; Mr Harish Kumar Gupta and Mr. Pawan Kumar Gupta have more than 30 years and Mr. Saurav Gupta and Mr. Gaurav Gupta have more than 10 years experience in the textile industry. With the help of their experience and knowledge we have been successful in implementation of our business plans. We are also supported with adequate technical and commercial managerial personnel having relevant experience of the industry and who along with the experience of our promoter help us to achieve the organizational goals.

**2. Diversified Product Portfolio:-**

Our Company has entered into three different divisions. This offers us a varied product base to cater to the requirements of our customers. Our Product Portfolio includes diversified variety of products which ranges from Home textile (own brand & OE Manufacturers) and garments for Women's wear with size varies from Small to Large and in different color with attractive printed designs.

**3. Quality Assurance and Standards:-**

We believe in providing our customers the best possible quality products. As a result of this we adopt quality check to ensure the adherence to desired specifications, quality and colours. Since, our Company is dedicated towards quality products, processes and inputs; we get regular orders from our customers, as we are capable of meeting their quality standards.

**4. Cordial customer relationship:-**

We are in the textile industry and textile industry is highly fashion oriented. Fashion is time bound and any delay in meeting deadlines results in loss of business. Meeting customer deadlines and market trends on a consistent basis is important for our business. Our endeavour is to constantly try to address customer needs around a variety of products. Our existing customer relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy.

**Our Business Strategy****1. Further widening of our customer base**

With the growing opportunities available in the market, we will endeavour to continue to grow our business by adding new customers in existing and new geographies, new market segments. We are looking towards expanding customer base in Middle East countries. We are also making efforts and diagnosing the domestic markets for our own brands product. With the widening of the customer base for our own Brand product we can leverage the production capacity and the experience of our

production team. We aim to do this by effectively leveraging our marketing skills and relationships and focusing on total customer orientation.

## 2. Reduction of operational costs and achieving efficiency

Apart from expanding business and revenues we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost competitive company. We try to reduce the wastages and control the production on the production floor through effective supervision. Our focus has been to reduce the operational costs to gain competitive edge.

## 3. To build-up a professional organization

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of the experience and the sufficient staff for taking care of 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 wish to make it more sound and strong in times to come.

## 4. Focus on cordial relationship with our Suppliers, Customer and employees

We believe that developing and maintaining long term sustainable relationships with our suppliers, customers and employees will help us in achieving the organizational goals, increasing sales and entering into new markets.

## 5. Optimal Utilization of Resources:-

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We analyze our existing raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and take corrective measure wherever possible. This helps us in improving efficiency and putting resources to optimal use.

### SWOT Analysis:

<p><b><u>STRENGTHS</u></b></p> <ul style="list-style-type: none"> <li>✓ Quality Product</li> <li>✓ Cordial Relationship with Customers, Suppliers and Employees</li> <li>✓ Experienced Promoters</li> <li>✓ Sufficient availability of raw material</li> </ul>	<p><b><u>WEAKNESSES</u></b></p> <ul style="list-style-type: none"> <li>✓ Working Capital Intensive Business</li> <li>✓ High Labour Turnover of Workers</li> </ul>
<p><b><u>OPPORTUNITIES</u></b></p> <ul style="list-style-type: none"> <li>✓ Huge Growth Potential in Domestic and International Market</li> </ul>	<p><b><u>THREATS</u></b></p> <ul style="list-style-type: none"> <li>✓ Increased Competition from Local &amp; Big Players.</li> <li>✓ Our operations are in unorganized sector, is prone to changes in government policies</li> <li>✓ No entry barriers in our industry which puts us to the threat of competition from new entrants</li> </ul>

### CAPACITY UTILISATION:

Particulars	Existing				Proposed		
	2012-13	2013-14	2014-15	April - July 2015	Aug – Mar 2015-16	2016-17	2017-18
Total installed Production Capacity (Pcs/Per Day)	9500	14300	14300	16250	16250	18400	21000
Capacity Utilization (in %)	50%	70%	65%	65%	80%	85%	90%

**SALES AND MARKETING:-**

The efficiency of the marketing and sales network is critical success factor of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our marketing team along with our promoters through their experience and good rapport with customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding the sales network of our Company. In order to maintain good relation with our customers, our promoters and our marketing team are regularly interacts with them and focuses on gaining an insight into the additional needs of our customers. Our prime consideration for customer selection is timely payments and consistency in purchases. Due to our presence across multiple segments, we have been able to maintain sufficient volumes and margins in our business.

**COMPETITION:-**

We face competition from both the organized and unorganized sectors. Even with a diversified product portfolio and quality approach we have to face intense competitive pressures. In the textile industry, product range, product quality and product price are very important for the customer decision making. We compete with other manufacturers on the basis of product range, product quality, and product price. Major competitors of our products under different segments are as below:-

- **In Home Textiles (Own Brand) we consider below as our major competitors:**
  - Bombay Dyeing,
  - Spaces, Portico,
  - Raymond Home.
- **In Home Textiles (OE Manufacturing) we consider below as our major competitors:**
  - GHCL,
  - Shri Laxmi Cotsyn,
  - Indo Count.
- **In Apparels business** our major competitors are manufacturing and export firms in Jaipur, Delhi, Mumbai, Bangalore.

**Key factors affecting our results of Operation:** Following are the key factors affecting our results of operations:

1. Disruption in our manufacturing facilities.
2. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
3. Changes in laws and regulations relating to the industries in which we operate;
4. Disruption in supply of Raw Materials.
5. Increased in prices of Raw Material, Fuel and Power.
6. Realisation of Contingent Liabilities
7. Occurrence of Environmental Problems & Uninsured Losses.
8. Increased competition in industries/sector in which we operate;
9. Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
10. Our ability to meet our capital expenditure requirements;

11. Fluctuations in operating costs;
12. Our ability to attract and retain qualified personnel;
13. Changes in technology;
14. 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;
15. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties; and
17. The performance of the financial markets in India and globally; and
18. Any adverse outcome in the legal proceedings in which we are involved.

**Our Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled “*Financial Information of the Company*” on page 147 of this Prospectus.

**Change in accounting policies in previous 3 (three) years**

Except as mentioned in chapter “*Financial Information of the Company*” on page 147, there has been no change in accounting policies in last 3 (three) years.

**Audit Qualifications**

There are no audit qualifications in the Independent Audit Report as required under the Section 26 of the Companies Act, 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014. For further details refer section entitled “*Financial Information of the Company*” on page 147 of this Prospectus.

**Summary of the Results of Operations**

The following table sets forth financial data from restated profit and loss account for the Financial Year ended on March 31, 2015, 2014, 2013 and 2012 the components of which are also expressed as a percentage of total income for such periods.



(Amt. in ₹)

Particulars (For the Year ended)	31 <sup>st</sup> March 2015	% of Total Income	31 <sup>st</sup> March 2014	% of Total Income	31 <sup>st</sup> March 2013	% of Total Income	31 <sup>st</sup> March 2012	% of Total Income
Revenue from Operation								
From Sale of Product	779,598,790	98.70	831,392,725	99.26	597,763,805	103.33	517,523,778	104.75
Less: Excise Duty	(354,856)	(0.04)	(312,531)	(0.04)	(21,231,577)	(3.67)	(25,004,157)	(5.06)
~Other Operating Revenues	9,554,482	1.21	4,110,787	0.49	-	0.00	-	0.00
	<b>788,798,415</b>	<b>99.86</b>	<b>835,190,981</b>	<b>99.72</b>	<b>576,532,228</b>	<b>99.66</b>	<b>492,519,621</b>	<b>99.69</b>
Other Income	1,099,449	0.14	2,382,825	0.28	1,963,992	0.34	1,521,298	0.31
<b>Total Income</b>	<b>789,897,865</b>	<b>100.00</b>	<b>837,573,806</b>	<b>100.00</b>	<b>578,496,220</b>	<b>100.00</b>	<b>494,040,919</b>	<b>100.00</b>
<b>Expenditure:</b>								
Cost of Material Consumed	450,016,772	56.97	481,710,559	57.51	311,697,173	53.88	282,350,009	57.15
Direct Manufacturing Expenses	295,746,663	37.44	293,187,423	35.00	208,492,096	36.04	164,632,609	33.32
Changes in inventories of finished goods WIP and Stock-in-Trade	(62,112,069)	(7.86)	(55,756,594)	(6.66)	(30,097,535)	(5.20)	(35,898,070)	(7.27)
Employee benefits expense	19,657,903	2.49	16,507,085	1.97	14,627,282	2.53	11,485,543	2.32
Finance costs	32,290,058	4.09	35,677,555	4.26	38,355,062	6.63	34,840,416	7.05
Depreciation and amortization expense	5,999,571	0.76	3,927,939	0.47	3,628,726	0.63	3,107,312	0.63
Other expenses	35,206,457	4.46	45,157,851	5.39	19,634,811	3.39	22,140,245	4.48
<b>Total Expense</b>	<b>776,805,356</b>	<b>98.34</b>	<b>820,411,819</b>	<b>97.95</b>	<b>566,337,614</b>	<b>97.90</b>	<b>482,658,064</b>	<b>97.70</b>
Net Profit before tax, exceptional & extra-ordinary items:	<b>13,092,509</b>	1.66	<b>17,161,986</b>	2.05	<b>12,158,605</b>	2.10	<b>11,382,854</b>	2.30
Exceptional items:	<b>(6,771,647)</b>	(0.86)	<b>53,295</b>	0.01	<b>53,295</b>	0.01	<b>53,295</b>	0.01
Extra-ordinary items:			<b>(2,581,502)</b>	(0.31)				
<b>Net Profit before tax</b>	<b>6,320,862</b>	0.80	<b>14,633,779</b>	1.75	<b>12,211,900</b>	2.11	<b>11,436,149</b>	2.31
<b>Provision for Tax:</b>								
- Current Tax	(4,350,000)	(0.55)	(5,269,832)	(0.63)	(2,850,000)	(0.49)	(2,900,000)	(0.59)
- Deferred Tax Liability / (Asset)	2,051,055	0.26	(598,071)	(0.07)	(864,240)	(0.15)	(1,579,680)	(0.32)
Tax adjustment of prior years	(179,723)	(0.02)	36,527	0.00	3,820	0.00	(146,699)	(0.03)
Restated profit after tax from continuing operations	<b>3,842,193</b>	0.49	<b>8,802,404</b>	1.05	<b>8,501,480</b>	1.47	<b>6,809,770</b>	1.38
<b>Restated profit after year for the year</b>	<b>3,842,193</b>	0.49	<b>8,802,404</b>	1.05	<b>8,501,480</b>	1.47	<b>6,809,770</b>	1.38

**Key Components of Our Profit And Loss Statement**

**Revenue from Sale of Products:** Revenue from operations mainly consist of Sale of Bed sheets, Quilts, other home furnishing textile items, printed/dyed furnishing fabrics and garments.

**Other Income:** Other income primarily comprises of foreign exchange gain, Duty Drawback and sampling income.

**Expenses:** Our expenses majorly consist of cost of material consumed, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

**Changes in inventories of Finished Goods, WIP and Stock-in-Trade:** It includes inventory, WIP & finished goods of Bed sheets, Quilts, other home furnishing textile items, printed/dyed furnishing fabrics and garments.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages and Staff Welfare Expenses.

**Finance Costs:** Finance cost comprises interest on Indebtedness, Bank and other Finance charges.

**Depreciation and Amortization Expense:** In the restated financial statements, we have recognized depreciation and amortization expenses on Straight line Method (SLM) as per the method set forth in the Companies Act 2013 effective from April 01, 2014. For the earlier years the depreciation was charged on SLM Basis as per the rules specified in the companies Act, in the Restated financial of the Company.

**Other Expenses:** Other expenses include rent, electricity, freight, repairs, other manufacturing expenses, miscellaneous expenditure etc.

**Financial Performance Highlights for the year ended March 31, 2015****Total Income:**

Our total income for the year ended March 31, 2015 was ₹ 789,897,865. The revenue from manufacturing and operating activities was ₹ 788,798,415 which comprised 99.86% of our total income for the year ended March 31, 2015

**Total Expenses:**

The total expenditure for the year ended March 31, 2015 was ₹ 776,805,356. The total expenditure represents 98.34% of the total revenue. The total expenses is represented by Cost of Raw Material Consumed, Direct Manufacturing Expenses, Changes in Inventories of Finished goods and WIP and Stock in Trade, Employee Benefits Expense, Finance Costs, Depreciation and Amortization Expense, Other Expenses for Administrative and Selling. The main constituent of total expenditure is Cost of Material consumed, which is ₹ 450,016,772.

**Profit/(Loss) after tax:**

Our restated net profit for the year ended March 31, 2015 was ₹ 3,842,193 representing 0.49% of the total revenue of our Company.

**Financial Performance Highlights for the Period ended March 31, 2014****Total Income:**

Our total income during the period ended March 31, 2014 was ₹ 837,573,806. The revenue from manufacturing and operating activities was ₹ 835,190,981 which comprised 99.72% of our total income for the period ended March 31, 2014.

**Total Expenses:**

The total expenditure during the period ended March 31, 2014 was ₹ 820,411,819. The total expenditure represents 97.95% of the total revenue. The total expenses are represented by Cost of Raw Material Consumed, Direct Manufacturing Expenses,

Changes in Inventories of Finished goods and WIP and Stock in Trade, Employee Benefits Expense, Finance Costs, Depreciation and Amortization Expense and Other Expenses. The main constituent of total expenditure is Cost of Raw Material Consumed, which is ₹ 481,710,559.

**Profit/(Loss) after tax:**

Our restated net profit during the period ended March 31, 2014 was ₹ 8,802,404 representing 1.05% of the total revenue of our Company.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014****Total Income:**

During the year 2014-15 the total revenue of our Company was ₹ 789,897,865 as against ₹ 837,573,806 in the year 2013-14, representing a decrease of 5.69% of the total revenue. This decrease was mainly due to decrease in sale of products.

**Other Income:**

Other income of the Company for the year 2014-15 was ₹ 1,099,449 in comparison with ₹ 2,382,825 for F.Y. 2013-14.

**Total Expenses:**

The total expenditure for the year 2014-15 was ₹ 776,805,356 as compared to ₹ 820,411,819 representing a decrease of 5.31% to the previous year. This was due to decrease in the material consumed during the year.

**Cost of Material Consumed:**

The Cost of Material Consumed for the year 2014-15 was ₹ 450,016,772 as compared to ₹ 481,710,559 representing a decrease of 6.58% to the 2013-14.

**Changes in inventories of Finished goods, WIP and Stock-in-Trade:**

The value of change in inventory was ₹ (62112069) in 2014-15 as compared ₹ (55756594) in 2013-14.

**Employee Benefits Expense:**

Employee Benefit Expenses for the year 2014-15 increased to ₹ 19,657,903 as against ₹ 16,507,085 of the previous year. The increase is 19.09%.

**Finance Costs:**

Finance cost for the year 2014-15 decreased to ₹ 32,290,058 as against ₹ 35,677,555 of the previous year. The decrease is 9.49%.

**Depreciation and Amortization Expense:**

Depreciation for the year 2014-15 stood at ₹ 5,999,571 calculated at SLM method as per companies Act. For the year 2013-14 the same was ₹ 3,927,939.

**Other Expenses:**

Other expenses include rent, electricity, freight, repairs, other manufacturing expenses, miscellaneous expenditure etc. These expenses were for the year 2014-15 at ₹ 35,206,457 as against ₹ 45,157,851 during the previous financial year.

**Profit/(Loss) Before Tax**

Primarily due to the reasons described above, our profit before tax for F.Y. 2014-15 decreased to Rs 6,320,862 from ₹ 14,633,779 in fiscal year 2013-14 represents a decrease of 56.81% to the previous year. However the major decrease in profits is due to loss on sale of power loom of Rs. 6,771,647 in the year 2015 which leads to major fall in profits for the year.

**Profit/(Loss) After Tax**

For the year 2014-15 the profit stood at Rs 3,842,193 as against the profit of ₹ 8,802,404 for the previous year 2013-14 representing a decrease of 56.35% to the previous year. However the major decrease in profits is due to loss on sale of power loom of Rs. 6,771,647 in the year 2015 which leads to major fall in profits for the year.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2014 WITH FISCAL 2013****Total Income:**

During the F.Y. 2014 the total income of the Company increased to ₹ 837,573,806 as against previous financial year of ₹ 578,496,220 Lacs representing an increase of 44.78%. This increase was mainly due to increase in sale of products manufactured in FY 2014 which has increased to 831,392,725 from ₹ 597,763,805 in FY 2013.

**Other Income:**

Other income of the Company for the year 2013-14 was ₹ 2,382,825 in comparison with ₹ 1,963,992 for F.Y. 2012-13.

**Total Expenses:**

Total expenditure for the F.Y. 2014 increased to ₹ 820411819 from ₹ 566337614 in FY 2013 an increase of 44.86%. This was due to increase of Direct manufacturing expenses, material cost and other expenses.

**Employee benefits expense:**

The Employee Benefit Expenses comprises of salaries and wages and staff welfare expenses. The said expense increased to ₹ 16,507,085 in the year F.Y 2014 from ₹ 14,627,282 in its previous year, i.e. an increase of 12.85%.

**Finance Costs:**

Finance costs decreased to ₹ 35,677,555 in F.Y 2014 as compared to F.Y 2013 in which it was ₹ 38,355,062.

**Depreciation and amortization expense:**

Depreciation and amortization expense for the FY 2014 stood at ₹ 3,927,939 against ₹ 3,628,726 compare to previous year FY 2013.

**Other expenses:**

Other expenses for the F.Y 2014 increased to ₹ 45,157,851 whereas it was ₹ 19,634,811 in previous financial year.

**Net Profit before tax:**

Net Profit before tax for the F.Y 2014 increases to ₹ 14,633,779 as against ₹ 12,211,900 of the previous year. The increase in profit was 19.83 % due to the increase in the sale of products during the year.

**Restated profit after tax:**

The Restated profit after tax for the F.Y 2014 increase to ₹ 8,802,404 as against ₹ 8,501,480 in the previous year, and increase of 3.54 %

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2013 WITH FISCAL 2012****Total Income:**

During the F.Y. 2013 the total income of the Company increased to ₹ 578,496,220 as against previous financial year of ₹ 494,040,919 representing an increase of 17.09%. This increase was mainly due to increase in revenue from sale of products in FY 2013 which has increased to ₹ 597,763,805 from ₹ 517,523,778 in FY 2012.

**Total Expenses:**

Total expenditure for the F.Y. 2013 increase to ₹ 566,337,614 from ₹ 482,658,064 in FY 2012 an increase of 17.33%. This was due to surge in volume of business, which resulted in increase 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 increased to ₹ 14,627,282 in the year F.Y 2013 from ₹ 11,485,543 in its previous year, i.e. an increase of 27.35%.

**Finance Costs:**

Finance costs increases to ₹ 38,355,602 in F.Y 2013 as compared to F.Y 2012 in which it was ₹ 34,840,416

**Depreciation and amortization expense:**

Depreciation and amortization expense increased in FY 2013 to ₹ 3,628,726 from ₹ 3,107,312 compare to previous year FY 2012.

**Other expenses:**

Other expenses for the F.Y 2013 decreases to ₹ 19,634,811 in comparison to ₹ 22,140,245 in previous financial year.

**Net Profit before tax:**

Net Profit before tax for the F.Y 2013 increases to ₹ 12,211,900 as against ₹ 11,436,149 of the previous year. The increase in profit was 6.78% due to the increased sales during the year.

**Restated profit after tax:**

The Restated profit after tax for the F.Y 2013 increases to ₹ 8,501,480 as against ₹ 6,809,770 in the previous year, and increase of 24.84%

**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***

Except as mentioned in this Prospectus, 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 11 in the 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, government policies and prices quoted by our suppliers.

**5. 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 business.

**6. Status of any publicly announced New Products or Business Segment**

Our Company has not announced any new product

**7. Seasonality of business**

Except for the sale of Quilted products, Our Company’s business is not seasonal in nature.

**8. Dependence on few customers/ clients**

The percentage of contribution of our Company’s Top Customers/Clients & Top Suppliers for the period ended March 31, 2015 is as follows:

**Our Major Customers/ Clients for the period ended March 31, 2015**

Name of the Clients	Amount (₹ in Lacs)	As % of total Sales
Lifestyle International Private Limited	1065.84	13.36
The Bombay Dyeing & Mfg Co. Ltd	974.26	12.22
Pantaloons Fashion& Retail Limited	973.92	12.21
RNA Resources Group Ltd	660.57	8.28
Reliance Retail Limited	481.83	6.04
Lifestyle International Private Limited (MAX)	386.58	4.85
JCT Limited	312.74	3.92
Orien Exports	304.00	3.81
AARKAY Enterprises	249.07	3.12
AARKAY International	117.60	1.47
<b>TOTAL</b>	<b>5526.41</b>	<b>69.30</b>

**Our Major Suppliers of raw materials for the period ended March 31, 2015**

Name	Amount (₹In Lacs)	As % of total Purchase
Prateek Impex	276.66	4.05
C.T.M.Textile Mills	239.52	3.50
Cauvery Textiles	176.94	2.59
Shri Lakshmi Cotsyn Ltd.	190.24	2.78
Pradip Overseas Ltd	187.37	2.74
Malchand & Co.Fabric Pvt.Ltd	171.22	2.50
Malchand Export	147.09	2.15

Prateek Enterprises	138.37	2.02
V.S. Texmills pvt. Ltd	137.61	2.01
Vishal Fabric P Ltd	122.6	1.79
<b>TOTAL</b>	<b>1787.62</b>	<b>26.13</b>

### 9. Competitive conditions

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on pages 87 and 94, respectively of the Prospectus.

### 10. Details of material developments after the date of last balance sheet i.e. March 31, 2015

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing the 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 March 31, 2015 till the date of the Prospectus:-

The authorized capital of the Company was increased from ₹ 20,500,000/- divided into 2,050,000 Equity Shares of ₹ 10/- each to ₹ 100,000,000/- divided into 10,000,000 Equity Shares of ₹ 10/- each vide shareholder Resolution dated June 29, 2015.

Pursuant to a special resolution passed by the shareholders at the Annual General Meeting held on June 29, 2015, the name of the Company was changed to Bella Casa Fashion & Retail Private Limited and a fresh certificate of incorporation consequent on change of name was issued by RoC on July 15, 2015.

Company was converted from Private Limited to Public Limited Company vide shareholder Resolution dated July 15, 2015 and further received the fresh Certificate of Incorporation dated July 31, 2015 upon conversion to Public Limited Company

Our Company has issued Bonus Shares in the ratio of 23:10 to our equity shareholder for further details of the same, please see chapter Titled “*Capital Structure*” beginning on Page 44 of this Prospectus.

**SECTION VI – LEGAL AND OTHER INFORMATION****OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS**

*Except as stated in this 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 Prospectus. Further, except as stated in this 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.*

*Furthermore, in the last five years preceding the date of this Prospectus there have been (a) no instances of material frauds committed against our Company; (b) no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the case of our Company and, no prosecutions have been filed (whether pending or not), fines imposed or compounding of offences for our Company; (c) no litigation or legal action pending or taken by any ministry or department of the government or any statutory body against the Promoters. 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. 147 of this Prospectus.*

**Part I- LITIGATION INVOLVING OUR COMPANY****A. Cases filed against our Company****1) Litigation involving Civil Laws**

- Our company is a **Performa Respondent** under S.B. Civil Writ Petition no 19262/2012 filed by Rajasthan State Industrial Development & Investment Corporation (RIICO) dated 20/11/2012 at the High Court of Rajasthan, Bench Jaipur, against Dy. Commissioner of Income Tax (TDS) on the grounds that in allotting the plots of land to the Industrial allottees on a leasehold rights for a period of 99 years does not amount to renting of immovable property as the petitioner allots/transfers land to the industrial units on the ownership basis. Hence, deduction of TDS on the lease rental payment under the provision of Section 194-I of the Income Tax Act, 1961 is not applicable. Hence RIICO has prayed for direction, not to cover the allotment of plots of land to industrial units on lease hold basis for 99 years as renting of immovable property under the provisions of Section 194-I of the Income Tax Act, 1961.
- As per the last Order dated 31.01.2013 the High Court order Issue Notice and the respondents shall not insist on deduction of tax from the lease amount till pendency of notice and stay application no 15774/2012 is admitted. The matter as on the date of this prospectus is pending.
- There is no demand or any liability on the company under the said Litigation.

**2) Litigation involving Criminal Laws**

NIL



**3) Litigation involving Securities and Economic Laws**

NIL

**4) Litigation involving Labor Laws**

NIL

**5) Litigation involving Taxation****Income Tax**

**Matter-1** In respect of the Financial Year 2012-13 Our Company had received a notice under Section 143(2) of the Income Tax Act, 1961 on September 4<sup>th</sup>, 2014 for the scrutiny of our books of accounts and other documents in support of our return for the period -01/04/2012 to 31/03/2013. Our Company replied to the notice on September 15<sup>th</sup>, 2014 to the concerned Income Tax Officer along with Copy of acknowledgement of return, computation of income and audit report along with audited financial statements. Matter is still pending before the concerned Authorities.

**Matter-2** In respect of the Financial Year 2009-10 it has come to our knowledge that under Section 143(1) of the Income Tax Act, 1961 dated June 16<sup>th</sup>, 2011 a demand of Rs 4,85,938/- was raised against our Company for the period 01/04/2009 to 31/03/2010. Our Company has filed a rectification application u/s 154 of the Income Tax Act, 1961 for its correction. Matter is still pending before the concerned Authorities.

**Excise & Custom Duty**

**Matter-1** Our Company's premises was searched on 12.01.2009 under Section 14 of Central Excise Act by DGCEI regional unit, Jaipur, Rajasthan during the course of which certain incriminating documents relevant to the investigation were recovered and seized for further investigation. The seized documents revealed that Our Company had supplied goods to several retail chain networks such as M/s Reliance Home Stores & M/s Reliance Retail Ltd., M/s Hypercity Retail (India) Ltd, M/s Life Style International, M/s Aditya Birla Retail Ltd etc.

Our Company was sent a Show Cause Notice dated 30.06.2010 which demanded Central Excise Duty amounting to Rs 28,90,970/- alongwith interest was raised. In furtherance to it Penalty was also imposed upon Our Company of Rs. 18,22,802/- under Section 11 AC of the Central Excise Act and Mr. Harish Gupta for an amount of Rs. 1,00,000/-. In reply to this notice Our Company filed its submissions on 13.05.2011 and dated 15.05.2011 that the item Bed in a Bag supplied to Reliance containing Cushion Fillers were too brought in trading and were not manufactured by themselves. On consideration of submission made by Our Company, the Joint Commissioner Customs & Central Excise, Jaipur I in its Order no V(H)/Adj-I/CE-94/143/10/270 dated 16.06.2011 confirmed the demand of Rs 18, 22,802/- along with interest and a penalty of Rs 1,00,000/- against our present Promoter Chairman Mr. Harish Gupta u/s 11AC of the Excise Act. Our Company being aggrieved by the order filed an appeal before the Commissioner (Appeals), Office of the Commissioner Customs & Central Excise (Appeal-I), Jaipur- I who vide OIA No. 158-159(RDN)CE/JPR-I/2012 dated 23.10.2012 set aside the order passed by Joint Commissioner Customs & Central Excise, Jaipur I dated 16.06.2011.

DCIT, Jaipur has filed an appeal in the Customs, Excise and Service Tax Appellate Tribunal (CESAT) with Appeal No. 55411 of 2013 on 21.01.2013 for setting aside the said Order-in-Appeal No. 158-159(RDN) CE/JPR-I/201 dated 23.10.2012 passed by CCE (Appeal-I) to resume the demand and the penalty so raised by the department. The total contingent liability in the said matter is Rs. 18,22,802/- towards excise duty excluding interest and Penalty of Rs. 1,00,000/- towards the Promoter Chairman Mr. Harish Kumar Gupta

The Case is Pending for hearing on the date of this Prospectus.

**Central Sales Tax and Rajasthan Value Added tax**

**Matter-1** In respect of the Financial Year 2011-12 Our Company had received a notice for payment of Demand under Rule 24 on January 30<sup>th</sup> 2015 for an amount of Rs 2,85,718/- towards short payment of Input tax. Our Company in reply to this notice deposited an amount of Rs 21,794 in the Commercial taxes Department on 24-06-2015 on the grounds that adjustment of Rs

2,08,582 was made as Input Tax credit transferred from VAT and that after considering above demand, interest charged on short deposit of tax was reduced by Rs 56,108, which makes only Rs 21,028 as amount pending, which is duly deposited by the company. Thus, the total liability under the matter is paid off, however, the final order in the matter is pending as on the date of this prospectus.

**6) Notices from Statutory Auditors**

NIL

**7) Past penalties imposed on our company**

NIL

**B. Cases filed by Our Company****1) Litigation involving Civil Laws****S.B. Civil Writ Petition**

**Matter1** Our Company had filed a S,B, Writ Petition No. 2646/2010 against Union of India and RIICO in respect of loss suffered by Our Company by an unfortunate incident in which fire was caused in Eleven tanks of Indian Oil Corporation which led to huge losses to the industries including our Company. After the incident, Respondent-RIICO issued a public notice on 11.12.2009 for release of Rs 50 Crores, as given by the Indian Oil Corporation as a goodwill and Humanitarian Gesture, to the affected industries and others. Out of Rs 50 crore, lump sum amount of Rs 25,000/- was to be given to each affected industry as an ad hoc relief and balance thereupon to be distributed in proportion to the loss suffered by the industries. To evaluate the loss suffered, a Committee was constituted and accordingly damage was assessed and objections were to be raised within the time limit mentioned which was extended in another public notice dated 21.12.2009 and thereupon by public notice dated 5.01.2010. The respondents then again issued a public notice dated 01.02.2010 which indicated the amount of relief to each industrial unit in proportion to the loss assessed, however, with the cap of Rs 1 crore which was unfair and against the earlier public notices issued by the respondents.

Subsequently, Our Company in this Civil Writ Petition has challenged the decision of the respondents to distribute the amount of Rs50 Crores with the ceiling of Rs 1 Crore and that the ad-hoc relief should be given to the industries in proportion to the loss as assessed by the Committee. The Hon'ble High Court in its Order dated 29.04.2011 held that the public notice issued by the Respondents is discriminatory because an Industrial Unit which has sustained damage of Rs 2 Crores or less than Rs 1 Crore would be getting a full proportionate amount whereas any other industrial unit which has sustained damage of more than 1 Crore will be receiving the same amount of relief.

Thus, the ceiling limit of Rs 1 Crore is held to be discriminatory. Hence, the Respondents were asked to distribute the amount of Rs 50 Crore in the manner indicated in the public notice dated 11.12.2009. Our Company then filed a S.B. Civil Review Petition No. 116//2011 in which Our Company prayed to the Hon'ble High Court to direct the respondents to settle the claim of petitioner i.e. Our Company as verdict by surveyor to the tune of Rs 36,02,326/-. The Respondents to this claim of Our Company responded that the Cut-off date for submitting the IRDA approved surveyor report was 12.01.2010 whereas Our Company submitted the survey report on 15.02.2010 therefore the same could not be considered. Further, Our Company also raised an issue that the earlier Writ Petition No. 2646/2010 has been clubbed with S.B. Civil Writ Petition No. 1573/2010 titled as M/s Genus Innovations Ltd. Vs Union of India and Ors. Whereas it should have been clubbed with S.B. Civil Writ Petition No. 2289/2010 titled as M/s Podar Pigments Ltd and Ors. V/s Union of India.

The matter is pending before the Hon'ble High Court as on the date of this prospectus.

**Matter2-** Our Company has filed a CW 7284 of 2010 petition at the High Court of Rajasthan, Jaipur against RIICO and State of Rajasthan. In this petition our Company has challenged decision of the Committee of RIICO formed for assessing the loss suffered by our Company by the heavy fire caused in the Eleven Tanks of IOC destroying the industries in near by area as well as Our Company. As per the public notice dated 11.12.2009 issued by RIICO, it was informed that a committee constituted by the Management of RIICO vide office order No. IPI/PS/3527 dated 30.10.2003 and partial modification of the office order No. IPI/PS/3528 dated 31.10.2009 has allegedly assessed the damages caused by units to the industries. Our Company claims that it

had submitted its Claims and assessment on 6.11.2003 and its objection to the amount of damages assessed by the committee. Our Company also submitted the Individual valuation of damages duly verified by the certified surveyor of Insurance Regulatory and Development Authority (IRDA), as required by RIICO. However, RIICO did not considered the same and vide communication No. U(25)/2010/5025 dated 10.03.2010 informed Our Company that the assessment report of the undersigned cannot be considered and hence stands cancelled.

Consequently Our Company preferred S.B. Civil Writ petition No. 7284/2010 before the Hon'ble High Court and on 28.05.2010, the Hon'ble High Court after hearing the parties in the matter issued directions that meanwhile, operation of order date 10.03.2010 shall remain stayed and the respondents are directed to consider the claim application of the petitioner i.e. Our Company for compensation/damages in accordance with law, which will be subject to final outcome of the Writ Petition. Subsequently, Our Company filed a S.B. Civil Miscellaneous Stay Application in S.B. Civil Writ Application No.7284/2010 for final disposal of the Writ Petition 7284/2010 and to put stay on order dated 10.03.2010. The said matter is pending before the Hon'ble High Court.

**Matter3** Our Company has a CMS 1120-2010-R petition filed at the High Court of Rajasthan, Jaipur bench against Union of India. The said matter is pending before the Hon'ble High Court for hearing.

## **2) Litigation involving Company Laws**

Nil

## **3) Litigation involving Criminal Laws**

Nil

## **4) Litigation involving Labor Laws**

Nil

## **5) Litigation involving Taxation**

### **Tax Deduction at Source**

**Matter-1** In respect of the Financial Year 2010-11 our Company was issued Order u/s 201(1)/201(1A) of the Income Tax Act, 1961 on 30.08.2012 through which a demand of Rs 17,45,273/- towards tax and Rs. 3,90,602/- towards interest total of Rs. 21,35,875/- was raised for short deduction of tax. The matter under consideration had been non deduction of TDS under section 194 I towards payment of development charges and lease amount to RIICO. Our company submitted that the payment made by the company is in the nature of change in ownership of land from RIICO with 99 years lease with payment in installments; hence, our company is not liable to tax. DCIT (TDS) passed an order dated 19.10.2012 raising a demand of Rs. 1,98,622/- for the financial year 2010-11 for which an appeal to Commissioner of Income Tax (Appeals) (CIT (A)) was filed by our company. Meanwhile DCIT (TDS) was also approached for rectification of the said demand u/s 201(1) and 201 (1A) of the Act for which the order was passed on 06.06.2013 reducing the demand to Rs. 1,70,750/- . Commissioner of Income Tax (Appeals) upheld the said demand vide order dated 13.06.2013.

Our Company filed a further Appeal to Income Tax Appellate Tribunal, Jaipur bench in Form 36 on 02.07.2013 against the order dated 13.06.2013 for an amount of Rs. 1,70,750/- for the Financial Years 2010-11 on the following grounds:

- That development charges paid by the assessee to Rajasthan State Industrial Development and Investment Corporation Limited (RIICO) towards allotment of land on lease of 99 years is liable for deduction of tax at source u/s 194I of the Income Tax Act, 1961.
- That in holding that interest paid on installment payment of development charges is part of the rent and therefore liable for deduction of tax at source u/s 194(1).
- That in holding that interest u/s 201(1A) is leviable from the date of deductibility to the date of furnishing of return of income by the payee.

The matter as on the date of this prospectus is pending.

**Matter-2** In respect of the Financial Year 2011-12 our Company was issued Order u/s 201(1)/201(1A) of the Income Tax Act, 1961 on 30.08.2012 through which a demand of Rs 10,20,631/- towards tax and Rs. 1,00,261/- towards interest total of Rs. 11,20,892/- was raised for short deduction of tax. Our Company replied to the order on 19.09.2012 stating that a demand of Rs 10,20,631 is raised u/s 201(1) holding that said transaction is subject to TDS u/s 194 (I) and also levied interest u/s 201(1A) of Rs 1,00,261/-. Our Company has also claimed that it has made payment to RIICO which is a public sector undertaking, which is being assessed to tax regularly and is filing its return of Income on regular basis and paying taxes.

Subsequently, an Order u/s 154 of the IT Act, 1961 was passed by Dy. Commissioner of Income Tax (TDS) against the company on 19.10.2012 for payment of demand of Rs 110467/- for the financial year 2011-12 for which an appeal to Commissioner of Income Tax (Appeals) (CIT (A)) was filed by our company. Meanwhile DCIT (TDS) was also approached for rectification of the said demand u/s 201(1) and 201 (1A) of the Act for which the order was passed on 06.06.2013 reducing the demand to Rs. 84,625/- . Commissioner of Income Tax (Appeals) upheld the said demand vide order dated 13.06.2013.

In respect of these Notice of demand our Company filed an Appeal to Income Tax Appellate Tribunal, Jaipur bench in Form 36 on 02.07.2013 for the Financial Years 2011-12 against the order dated 13.06.2013 for an amount of Rs. 84,625/- on the following grounds:

- The Ld. CIT (A) has erred on facts and in law in holding that development charges paid by the assessee to Rajasthan State Industrial Development and Investment Corporation Limited (RIICO) towards allotment of land on lease of 99 years is liable for deduction of tax at source u/s 194I of the Income Tax Act, 1961.
- The Ld. CIT (A) has erred on facts and in law in holding that interest paid on installment payment of development charges is part of the rent and therefore liable for deduction of tax at source u/s 194(1).
- The Ld. CIT(A) has erred on facts and in law in holding that interest u/s 201(1A) is leviable from the date of deductibility to the date of furnishing of return of income by the payee.

The matter as on the date of this prospectus is pending.

**Matter 3-** In respect of Financial year 2011-12, 2012-13 and 2013-14, spot verification was carried on dated 15.03.2012 for the purpose of TDS verification under section 201 (1) and 201 (1A) of Income Tax Act, 1961 in which query letters were issued on 23.01.2015, 13.02.2015 and 24.02.2015 for filling evidences and written submission pertaining to the matter that assessee has a lease agreement with RIICO dated 07.10.2011 of plot no. E-2115, E-2116 and E-2117 at Ramachandra Pura Industrial Area, Sitapura Ex., Jaipur for which the TDS has not been deducted U/s 194 (I) of Income Tax Act, 1961.

Thereby, an Assessment order dated 18.03.2015 under Section 201 (1) and 201 (1A) of Income Tax Act 1961, in respect of Financial Year 2011-12, 2012-13 and 2013-14 was made on our Company, in which liability of Rs 7,04,806 , Rs.16,43,222/- and Rs. 31,98,843/- was raised for Financial Years 2011-12, 2012-13 and 2013-14, respectively along with notice of demand u/s 156.

Subsequently, on 09.06.2015 our Company preferred an appeal to the Commissioner of Income Tax (Appeals) on 27.04.2015 against against order dated 18.03.2015 for the Financial Year 2011-12, 2012-13 and 2013-14. The appeal for CIT (A) of Income Tax, Jaipur is pending disposal on the date of filing of this prospectus.

In continuation of the above matter, Our company simultaneously made an application under section 154 for rectification of the order dated 18.03.2015 with Assistant Commissioner of Income Tax, TDS, Jaipur, which was allowed vide order dated 23.07.2015 and thereby the demand was reduced to Rs 1,20,857/-, Rs. 1,34,252/- and Rs 4,60,598/- for the F.Y. 2011-12, 2012-13 and 2013-14, respectively. Our Company filed a further request for rectification of this order dated 23.07.2015 on 28.07.2015 stating that the authorities while working out rectifiable demand in view of proviso to Section 201(1), have taken date of filing of ITR as the date of revised return filed by deductee i.e. RIICO, instead of date of original return filed by RIICO in two different years. In addition to it, the authorities have failed to allow credit of challan deposited by assessee against the demand.

The matter as on the date of this prospectus is pending disposal.

**PART II LITIGATION RELATING TO THE DIRECTORS OTHER THAN THE PROMOTERS OF THE COMPANY**

**A. Cases filed against the Directors**

**1) Litigation involving Civil/Statutory Laws**

Nil

**2) Litigation involving Criminal Laws**

Nil

**3) Litigation involving Economic Offences**

Nil

**4) Litigation involving Tax Liabilities**

Nil

**B. Cases filed by the Directors**

**1) Litigation involving Civil/Statutory Laws**

Nil

**2) Litigation involving Criminal Laws**

Nil

**3) Litigation involving Economic Offences**

Nil

**4) Litigation involving Tax Liabilities**

Nil

**PART III LITIGATION RELATING TO OUR PROMOTER AND PROMOTER GROUP ENTITIES**

**B. Cases filed against the Promoter and Promoter Group entities**

**1) Litigation involving Civil Laws**

Nil

**2) Litigation involving Criminal Laws**

Nil

**3) Litigation involving Economic Offences**

Nil

**4) Litigation involving Tax Laws**

*Matter-1* Joint Commissioner Customs & Central Excise, Jaipur I vide its order dated 16.06.2011 imposed a Penalty against Our Promoter Mr. Harish Kumar Gupta of Rs 1,00,000/- under Section 11 AC of the Central Excise Act. Aggrieved by the order the Company filed an appeal before the Commissioner (Appeals), Office of the Commissioner Customs & Central Excise (appeal-I), Jaipur- I who vide OIA No. 158-159(RDN)CE/JPR-I/2012 dated 23.10.2012 set aside the order passed by dated and reduced the Penalty imposed against Our Promoter to NIL.

DCIT, Jaipur, has filed an appeal in the Customs, Excise and Service Tax Appellate Tribunal (CESAT) with Appeal No. 55411 of 2013 on 21.01.2013 for setting aside the said Order-in-Appeal No. 158-159(RDN) CE/JPR-I/201 dated 23.10.2012 passed by the CCCE (Appeal-I) and resume penalty so imposed by the department.

The Case is Pending for hearing on the date of this Prospectus.

**5) Notices from Statutory Authorities**

Nil

**C. Cases filed by the Promoters and Promoter Group Entities**

**1) Litigation involving Criminal Laws**

Nil

**2) Litigation involving Securities and Economic Laws**

Nil

**3) Litigation involving Labor Laws**

Nil

**4) Litigation involving Taxation**

Nil

**Part- IV DETAILS/ /AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS TO WHOM THE ISSUER OWES A SUM EXCEEDING Rs. ONE LAKH WHICH ARE OUTSTANDING MORE THAN 30 DAYS**

The Company has not received any information from its supplier regarding their registration under the Micro, Small and Medium Enterprise Development Act, 2006 hence the information required to be disclosed under section 22 of Micro, Small and Medium Enterprises Development Act, 2006 i.e. amount owed to creditors including small scale undertaking which is outstanding for more than 30 days as on July 9<sup>th</sup>, 2015 cannot be determined.

**PART V MATERIAL DEVELOPMENTS**

Except as mentioned in Chapter Titled “*Management Discussion and Analysis of Financials Condition and result of operation*”, beginning at the Page 186 of this Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing this 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, earning per share and book value of the equity share 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 31.03.2015 there are no SSI units to whom, our Company owns any sum which is outstanding for more than 30 days.

**GOVERNMENT AND OTHER APPROVALS**

The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out business.

Except for certain pending approvals mentioned under this heading, we have received the necessary consents, licenses, permissions and approvals from Government of India and other regulatory authorities for our business and except as disclosed in this Prospectus no further material approvals are required for carrying on our business operations. Further, except as mentioned herein below, our Company has not yet applied for any licenses, consents, permissions and approvals for the proposed activities as contained in the *Section titled "Objects of the Issue" beginning on page 66 of the Prospectus*. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus. It must be distinctly understood that, in granting these approvals, the Government of India, the RBI or any other regulatory authority 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.

**APPROVALS FOR THE ISSUE**

Sl. No.	Name of the Approvals
1.	Our Company has received approval from the SME Platform of BSE dated September 10, 2015 for listing of Equity Shares issued pursuant to the issue.
2.	Our Board of Directors have, pursuant to a resolution passed at its meeting held on July 21, 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.
3.	The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of shareholders held on July 31, 2015
4.	A copy of resolution passed at the meeting of Board of Directors held on August 11, 2015 for approving Draft Prospectus and September 15, 2015 for Approving Final Prospectus.

**APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS**

S.No	Nature of Registration/ License	Registration/License No.	Issuing Authority	Date of issue	Date of Expiry
<b>Constitutional Registration</b>					
1.	<b>Certificate of Incorporation</b>	Original No. 17-011522 revised to <u>CIN No.</u> U17124RJ1996PTC01152 2	Registrar of Companies, Jaipur, Rajasthan	February 5 <sup>th</sup> , 1996	Perpetual
2.	<b>Fresh Certificate of Incorporation consequent upon conversion of company</b>	<b>CIN No.</b> U17124RJ1996PLC01152 2	Registrar of Companies, Jaipur, Rajasthan	July 31, 2015	Perpetual
<b>Taxation Registration</b>					
1.	<b>TAN No (Taxpayers Account Number)</b>	JPRG02371F	Income Tax Department	Since incorporati on	Perpetual
2.	<b>Permanent Account Number</b>	AAACG8747R	Commissioner of Income Tax	February, 5th, 1996 Reissued on August 08, 2008	Perpetual
3.	<b>Rajasthan Value Added Tax Tin Registration No.</b>	08631606138	Commercial Taxes Office, Kar Bhawan, Jhalana Doongri, Jaipur, Rajasthan	Date of Issue April 01, 1999 and Amended	Perpetual
	CC-228, Gole market,				



	Jawahar nagar, Jaipur E-102-103, EPIP, RIICO Sitapura Indl. Area, Tonk Road Jaipur- 302022			on January 25, 2005,	
4.	<b>Central Sales Tax</b>	08631606138	Commercial Taxes Office, Kar Bhawan, Jhalana Doongri, Jaipur, Rajasthan	April 01, 1999 and amended on January 25, 2005	Perpetual
5.	<b>Central Excise Registration Certificate</b> E-102-103, EPIP, RIICO Sitapura Indl. Area, Tonk Road Jaipur- 302022	AAACG8747REM002	Deputy Commissioner of Central Excise and Customs, Division I, Jaipur, Rajasthan	March 07, 2011	Perpetual
6.	<b>Service Tax Registration</b> (Taxable Services: Transport of goods by Road) at E-102-103, EPIP, RIICO Sitapura Indl. Area, Tonk Road Jaipur- 302022	AAACG8747RSD001	Central Excise Officer, Service Tax Range I, Jaipur, Rajasthan	June 25, 2012	Perpetual
<b>Industrial Approvals</b>					
1.	<b>Factory License</b> for unit located at E-102-103, EPIP, RIICO Sitapura Indl. Area, Tonk Road Jaipur- 302022 for operations with 450 employees and 379 HP	RJ28644	Chief Inspector of Factory and Boilers, Jhalana Doongri, Jaipur	April 01, 2011 and renewded on September 3, 2015	Renewed upto March, 31, 2017 <sup>(i)</sup>
2.	<b>Factory and Boilers, Govt. of Rajasthan</b> Regarding inspection of pressure vessel (Steam Generator, Oil fired – 2 Nos.)  <b>Status – Certified</b>	N/a	Inspector of Factory, Jaipur Rajasthan,	March 25, 2015	24/09/2015 (Due date of Next Inspection)
3.	<b>Factory and Boilers, Govt. of Rajasthan</b> Report of Testing/Examination of Lifting Machines  <b>Status – Certified</b>	N/a	Inspector of Factory, Jaipur Rajasthan,	March 25, 2015	24/09/2015 (Due date of Next Inspection)
4.	<b>Employee State Insurance (ESI) Registration</b>	15/22166/19	Regional Director. Employee State Insurance Corporation, Jaipur-I	April 25, 2007	Perpetual
5.	<b>Provident Fund (PF)</b>	RJ/0016401	Regional Director,	May 01,	Perpetual

			Employee Provident Fund Corporation, Jaipur-I	2007	
6.	<b>Entrepreneurs' Memorandum (EM) for setting up Micro, Small, Medium Enterprise-Acknowledgement for Part-II</b>	080121203316 Part II	District Industries Centre, Government of Rajasthan, Jaipur	Original January 16, 2003 and Amended on June 18, 2008	Perpetual
<b>Other Approvals</b>					
1.	<b>Certificate of Importer- Exporter Code (IEC)IEC Number</b>	1397007672	Ministry of Commerce	November 26, 1997	Perpetual
2.	<b>Registration Certificate of Merchant Exporter of Goods</b> (Registered for Cotton Fabrics and Cotton Made ups) at E-102-103, EPIP, RIICO Sitapura Indl. Area, Tonk Road Jaipur-302022	XP/XM/21028(98)-G	Deputy Director, The Cotton Textiles Export Promotion Council, Engineering Center, 5 <sup>th</sup> Floor, 9- Mathew Road, Mumbai	April 17, 2013	Upto March 31, 2018

<sup>(i)</sup>We have obtained the renewed Factory license dated September 3, 2015 for employing not more than 450 person and using Load sanction with 370 HP.

### Intellectual Property

#### **Trademarks registered in the name of our company**

Set forth below are the trademarks registered in the name of our company. Under the Trademarks Act, 1999:

S. No	Brand Name/Logo Trademark	Class	Trademark	Owner	Application No. & Date	Date of Grant	Expiry Date
1.	HOME CENTER	24		Gupta Fabtex Pvt. Ltd	1796644/ 18.03.2009	11.10.2011	18.03.2019
2.	HOME CENTRE	24		Gupta Fabtex Pvt. Ltd	1806584/ 15.04.2009	26.02.2011	15.04.2019

#### **Trademarks applied in the name of our company**

Set forth below are the trademarks applied in the name of our company. Under the Trademarks Act, 1999:

S. No	Brand Name/Logo Trademark	Class	Trademark	Owner	Application No. & Date	Remark
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1.	ROYAL HOME	24	<b>ROYAL HOME</b>	Gupta Fabtex Pvt. Ltd	2982253/ 11.06.2015	The Status of the Trademark applied by the Company is Formalities Chk Pass
2.	BELLA CASA	24	<b>BELLA CASA</b>	Gupta Fabtex Pvt. Ltd	2982252/ 11.06.2015	The Status of the Trademark applied by the Company is Formalities Chk Pass
3.	HOME STYLE	24	<b>HOME STYLE</b>	Gupta Fabtex Pvt. Ltd	1796643/ 18.03.2009	The Company has applied for the trademark and the present status of the application is Advertised bef acc
4.	HOME ONE	24	<b>HOME ONE</b>	Gupta Fabtex Pvt. Ltd	2444582/ 18.12.2012	The Company has applied for the trademark and the present status of the application is Advertised bef acc
5.	MY HOME	24	<b>MY HOME</b>	Gupta Fabtex Pvt. Ltd	2444583/ 18.12.2012	The Company has applied for the trademark and the present status of the application is Advertised bef acc
6.	MAPLE	24	<b>MAPLE</b>	Gupta Fabtex Pvt. Ltd	1788941/ 24.02.2009	The Company has applied for the trademark and the present status of the application is Advertised bef acc
7.	MAPLE VILLE	24	<b>MAPLEVILLE</b>	Gupta Fabtex Pvt. Ltd	1813383/ 01.05.2009	The Company has applied for the trademark and the present status of the application is objected
8.	MEA CASA	24	<b>MEA CASA</b>	Gupta Fabtex Pvt. Ltd	1813384/ 01.05.2009	The Company has applied for the trademark and the present status of the application is objected
9.	COZY DREAMS	24	<b>COZY DREAMS</b>	Gupta Fabtex Pvt. Ltd	1796645/ 18.03.2009	The Company has applied for the trademark and the present status of the application is opposed

10.	TOSCA	24		Gupta Fabtex Pvt. Ltd	2483322/ 22.02.2013	The Company has applied for the trademark and the present status of the application is opposed
11.	LAUREN CHRISTOPHER	24		Gupta Fabtex Pvt. Ltd	2483323/ 22.02.2013	The Company has applied for the trademark and the present status of the application is objected
12.	STARHOME	24		Gupta Fabtex Pvt. Ltd	1788940/ 24.02.2009	The Company has applied for the trademark and the present status of the application is Advertised bef acc
13.	STAR HOME (LABEL)	24		Gupta Fabtex Private Limited	1562357 May 28th , 2007	The Company has applied for the trademark and the present status of the application is Abandoned

#### Copyrights registered/Applied in the name of our company

Set forth below are the copyrights registered in the name of our company:

S. No	Name, address of the Applicant	Nature of applicant's Interest	Class and description of the work	Title of Work	Registration No. & Date of Registration	Diary No.	Whether the work is published or unpublished	Date of Application
1.	Gupta Fabtex Private Limited	Owner	Artistic	HOME STYLE	A-85813/2009 10.06.2009	1851/2009-CO/A	Published	04.03.2009
2.	Gupta Fabtex Private Limited	Owner	Artistic	MAPLE URBAN	A-85814/2009 10.06.2009	1852/2009-CO/A	Published	04.03.2009
3.	Gupta Fabtex Private Limited	Owner	Artistic	COZY DREAMS	A-89656/2011 11.01.2011	2060/2010-CO/A	Published	23.02.2010
4.	Gupta Fabtex Private Limited	Owner	Artistic	LAUREN CHRISTOPHER	A-92029/2012 07.05.2012	8773/2010-CO/A	Published	10.08.2010
5.	Gupta Fabtex Private Limited	Owner	Artistic	TOSCA	A-92116/2012 22.05.2012	8843/2010-CO/A	Published	10.08.2010

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

S.No.	Domain Name and	Sponsoring Registrar	Registrant Name, ID and	Creation	Registration
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	<b>ID</b>	<b>and IANA ID</b>	<b>Address</b>	<b>Date</b>	<b>Expiry Date</b>
1.	Guptafabtex.net 1857400103_DOM AIN_NET-VRSN	GoDaddy.com, LLC 146	Gaurav Gupta E-102, EPIP, Sitapura Industrial Area, Jaipur - 302022	05.05.20 14	05.05.2017
2.	bellacasa.in D9620191-AFIN	GoDaddy.com, LLC 146	Gaurav Gupta CR198331749 E-102, EPIP, Sitapura Industrial Area, Jaipur -302022	04.07.20 15	04.07.2017
3.	guptafabtex.com 118668940_DOMA IN_COM-VRSN	NETWORK SOLUTIONS, LLC. 2	Gaurav Gupta E-102/103, EPIP, Sitapura Industrial Area, Jaipur - 302022	29.04.20 04	29.04.2016

**OTHER REGULATORY AND STATUTORY DISCLOSURES****Authority for the Issue**

The Board of Directors has, pursuant to a resolution adopted at its meeting held on July 21, 2015 on 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 resolution under Section 62(1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on July 31, 2015 authorized the further issue of Equity Shares.

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Prospectus pursuant to letter dated September 10, 2015 BSE 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, Material Development*" beginning on page 198 of the Prospectus.

**Eligibility for the Issue**

Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is less than ₹ 10 Crores and 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 BSE*").

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 38 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded 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 BSE. 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 38 of this 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 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for listing on SME Exchange Platform BSE laid down under circular dated April 1, 2015 (<http://www.bsesme.com/static/getlisted/criteriaisting.aspx?expandable=0>), which states as follows:

1. Net Tangible Assets of at least ₹ 3 Crore as per the latest audited financial results (as restated).
2. The post-issue paid up capital of the company shall be at least ₹ 3 crore.
3. Net worth (excluding revaluation reserves) of at least ₹ 3 crore as per the latest audited financial results (as restated).
4. 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 ₹ 5 Crores.
5. Distributable Profit, Net Tangible Assets and Net worth of the Company as per the restated financial statement for the year ended as at March 31, 2015, March 31, 2014, and 2013 is as set forth below:-

(Amt in ₹)

Particulars	As at		
	March 31, 2015	March 31, 2014	March 31, 2013
Distributable Profit*	3,530,046	11,091,699	8,501,480
Net Tangible Assets**	73,607,070	72,392,811	63,045,631
Net Worth***	71,253,480	67,799,849	59,050,740

\* Distributable Profit has been calculated as per Section 123 of Companies Act, 2013

\*\* Net Tangible Assets are defined as the sum of all net assets of the Company, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India. As is evident, our company has Net Tangible Assets of over ₹ 3 crore.

\*\*\* Net worth includes shares capital and Reserves( Excluding Revaluation Reserve ) Less Miscellaneous Expenditure not written off, if any, & Debit Balance of Profit and Loss Account not wrote off, if any. As is evident , our Company has a Net Worth of over ₹ 3 Crores.

6. The Post Issue paid up capital of our Company shall be at least ₹ 3 Crore. As detailed in chapter Capital Structure of this Prospectus our Company will have a post issue capital of ₹ 9,21,50,000( Rupees nine Crores Twenty one Lacs fifty thousand)

7. Our Company shall mandatorily facilitate trading in demat securities and has entered into an agreement with both the depositories. The Company with Registrar to the Issue has entered into agreements with Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) on August 20, 2015 and September 4, 2015.
8. Our Company has a website i.e. [www.bellacasa.in](http://www.bellacasa.in)
9. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
10. 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.
11. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE 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 BSE.

#### **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 SEPTEMBER 15, 2015 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 PROSPECTUS PERTAINING TO THE SAID ISSUE**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE**



**CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

- A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE 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 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 PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.**
  - 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
  - 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – 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 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 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 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/MIRCD/1/2012 DATED JANUARY 10, 2012.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - 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.

The filing of this 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 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, Jaipur, Rajasthan 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.	Issuer Name	Issue size (₹ in cr.)	Issue price (₹)	Listing Date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar days from listing day (Closing)
1.	Samruddhi Realty Ltd.	2.60	12.00	12-04-2013	13.00	13.65	13.75	18,242.56	17.25	19,169.83	22.60	19,735.77	22.90	19722.29
2.	Captain Polyplast Ltd.	5.94	30.00	11.12.2013	33.00	34.65	15.50	21,171.41	36.00	21,101.03	35.00	21,170.68	41.50	20,758.49
3.	Tentiwal Wire Products Ltd.	2.12	13.00	31.12.2013	12.50	11.90	(8.46)	21,170.68	10.75	20,758.49	11.50	21,205.05	10.30	20,498.25
4.	R&B Den-ims	3.71	10.00	22.04.14	10.55	11.05	10.05	22,758.37	14.70	22,403.89	11.10	23,551.00	12.00	24298.02

	Ltd													
5.	Bansal Roofing Products Ltd.	2.04	30.00	14.07.2014	31.00	30.50	1.67	25006.98	30.50	26025.80	31.50	25723.16	31.00	25918.95
6.	Atishay Infotech Limited	3.71	16.00	16.10.2014	17.75	18.45	15.31	25999.34	22.00	26752.90	20.25	27915.88	19.50	28,177.88
7.	Dhabiya Polywood Limited	3.30	15.00	17.10.2014	16.50	16.75	11.67	26108.53	18.80	26,787.23	35.85	27,868.63	25.65	28,177.88
8.	Vibrant Global Capital Limited	11.48	19.00	21.10.2014	19.40	20.00	5.26	26575.65	19.25	27346.33	19.00	27,874.73	20.00	28,046.66
9.	ADCC Infocad Limited	9.60	40.00	22.10.2014	43.50	45.65	14.13	26787.23	60.80	27,860.38	73.95	27,910.06	65.00	28,334.63
10.	Captain Pipes Ltd.	4.40	40.00	11.12.2014	41.90	39.85	(0.375)	27602.01	40.75	27701.79	43.20	27,499.42	40.00	27,585.27
11.	O.P. Chains Ltd.	2.035	11.00	22.04.2015	11.25	11.81	7.36	27890.13	13.02	27437.94	15.50	26,877.48	15.50	27251.10
12.	Junction Fabrics and Apparels Ltd	1.60	16.00	10.07.2015	17.50	17.30	8.13	27661.40	18.50	28420.12	18.75	27705.35	19.10	28101.72
13.	Loyal Equipments Ltd.	3.24	18.00	16.07.2015	20.05	21.05	16.94	28,446.12	19.50	27561.38	18.20	28223.08	19.10	28067.31
14.	Emkay Taps and cutting Tools Ltd	15.55	330.00	13.08.2015	334.00	333.05	0.93	27549.53	327.00	25741.56	330.00	25453.56	--	--
15.	Universal Autofundry Ltd	3.24	15.00	04.09.2015	16.00	16.00	6.67	--	--	--	--	--	--	--

Financial Year	Total no. of IPOs	Total Funds raised (₹ in cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			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%
2015-	5	25.665	-	-	-	-	-	5	-	-	-	-	1*	2

16														
2014-15	7	38.25	1	-	-	-	-	6	-	-	-	2	-	5
2013-14	3	10.66	-	-	1	-	-	2	-	-	1	1	1	-
2012-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Price Information [www.bseindia.com](http://www.bseindia.com)., Issue Information from respective Prospectus

\*Emkay Taps and Cutting tools limited and Universal Autofoundry Limited have not completed 30<sup>th</sup> calendar day from their listing date.

Note:

- In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, the share price and benchmark index is taken for the immediately following working day.
- BSE SENSEX has been considered as the benchmark index.

### 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](http://www.hemonline.com)

### Caution - Disclaimer from our Company and the Lead Manager

Our Company, our Directors and the LM accept no responsibility for statements made otherwise than in this Prospectus or in the advertisement or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website [www.bellacasa.in](http://www.bellacasa.in) 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 August 01, 2015 and the Underwriting Agreement dated August 01, 2015 entered into between the Underwriters and our Company and the Market Making Agreement dated August 01, 2015 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.

Neither our company nor any member of the Syndicate is liable to the Applicants for any failure in downloading the Applications due to faults in any software/hardware system or otherwise.

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.

**Note:**

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 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 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 Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company 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 BSE**

BSE Limited. ("BSE") has given vide its letter dated September 10, 2015, permission to our Company to use its name in this Prospectus as one of the stock exchanges on which our Company's securities are proposed to be listed on the SME Platform of BSE. BSE has scrutinized this Prospectus for its limited internal purpose of deciding on the matter for granting the aforesaid permission to our Company. BSE does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; or
- ii. Warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this Prospectus has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **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**

A copy of this 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**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009 there is no requirement of obtaining in- principle approval of the SME Platform of BSE. However, application shall been made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue.

BSE is 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 BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this 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 BSE mentioned above are taken within twelve (12) 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. Kalani & Co. , Chartered Accountants, Statutory Auditor and Peer Review Auditors of the Company have 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 Prospectus.

### Experts Opinion

Except for the reports in the section “*Financial information of the Company*” and “*Statement of Tax Benefits*” on page 147 and page 73 of this 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 ₹ 40.00 Lacs, which is 11.66% 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	33.50	83.75%	9.77%
2.	Printing and Stationery and postage expenses, Advertising and Marketing expenses	3.50	8.75%	1.02%
3.	Regulatory fees and expenses	3.00	7.50%	0.87%
	<b>Total estimated Issue Expenses</b>	<b>40.00</b>	<b>100%</b>	<b>11.66%</b>

### 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 August 01, 2015 with the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated August 01, 2015 with Underwriter Hem Securities Limited and (iii) the Market Making Agreement dated August 01, 2015 with Market Maker Hem Securities 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 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 August 01, 2015, 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 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 Prospectus.

### Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled “*Capital Structure*” beginning on page 44 of this 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.

**Previous issues by companies under the same Management**

No company under the same management within the meaning of Section 370(1B) of the Companies Act 1956 / Section 186 of Companies Act, 2013 has made any public issue or rights issue during the last three (3) years.

**Performance vis-a-vis objects - Last Three Issues**

There has not been any previous public issue of our Equity Shares.

**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 Prospectus.

**Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

**Option to Subscribe**

Equity Shares being offered through the 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 refund orders, demat credit or where refunds are being made electronically, giving of refund 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.

**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 Shareholder's and Investors Grievance Committee in the meeting of our Board of Directors held on August 01, 2015 For further details on the Shareholder's and Investor's Grievance Committee, please refer to section titled "*Our Management*" beginning on page 123 of this Prospectus.

**Our Company has appointed Ms. Sonika Gupta, 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:**

**Ms. Sonika Gupta**

**Bella Casa Fashion & Retail Limited**

E-102, 103, EPIP,

Sitapura Industrial Area, Jaipur,

Rajasthan – 302022.

Tel No: +91-0141-6500271

E-mail: [cs@bellacasa.in](mailto:cs@bellacasa.in)

Website: [www.bellacasa.in](http://www.bellacasa.in)

**Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, 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](http://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 Prospectus and hence there are no pending investor complaints as on the date of this 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. Kalani & Co, Chartered Accountants, as peer review auditor who are also the Statutory Auditor of the Company, 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 44 of this 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 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 73 of this Prospectus.

**Purchase of Property**

Other than as disclosed in "*Our Business*" Section on page 94 of the 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 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 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 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 123 and "*Related Party Transactions*" beginning on page 178 of the 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 the Listing Agreement to be entered into with the SME Exchange 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.*

*Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB applicants, Non-Institutional applicants and other applicants whose application amount exceeds ₹ 2 lakhs can participate in the Issue only through the ASBA process. The Retail Individual Applicants can participate in the Issue either through the ASBA process or the non ASBA process. ASBA Applicants should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process.*

**Authority for the Issue**

The present Initial Public Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on July 21, 2015 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on July 31, 2015 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 256 of the 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 SME Listing Agreement 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 146 of the Prospectus.

**Face Value and Issue Price**

The Equity Shares having a Face Value of ₹ 10.00 each are being offered in terms of this Prospectus at the price of ₹ 14.00 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 71 of the 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 SME Listing Agreement with the Stock Exchange 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 and / or consolidation / splitting, etc., please refer to Section titled "*Main Provisions of Articles of Association of the Company*" beginning on page 256 of the Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

As per the provisions of the Depositories Act, 1996 and Section 29 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 10,000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 10,000 Equity Shares subject to a minimum allotment of 10,000 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 refunded within 15 days of closure of issue.

### **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

<b>ISSUE OPENS ON</b>	<b>MONDAY, SEPTEMBER 28, 2015</b>
<b>ISSUE CLOSES ON</b>	<b>WEDNESDAY, SEPTEMBER 30, 2015</b>

#### 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 10,000 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 registered with SEBI, VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs or FPIs registered with SEBI or VCF. Such Eligible NRIs, FPIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, 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 44 of the 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 256 of the Prospectus.

**Option to receive Equity Shares in Dematerialized Form**

As per section 29(1) of the new Companies Act, 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 BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of our 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 our Company has obtained in-principal approval from the main board), we shall have to apply to BSE 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 the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), 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 SME Platform of BSE. 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 38 of the 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.

### Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Jaipur, Rajasthan, India

**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 Regulations 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) (1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("*SME Exchange*", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 226 and 233 of this Prospectus.

Following is the issue structure:

<b>Particulars of the Issue</b>	<b>Net Issue to Public*</b>	<b>Market Maker Reservation Portion</b>
Number of Equity Shares available for allocation	23,20,000 Equity Shares of Face Value ₹ 10/-	130,000 Equity Shares of Face Value ₹ 10/-
Percentage of Issue Size available for allocation	94.69 % of the Issue Size  (50% to Retail Individual Investors and the balance 50% to other investors).	5.31 % of the Issue Size  Firm allotment
Basis of Allotment	Proportionate subject to minimum allotment of 10,000 Equity Shares and further allotment in multiples of 10,000 Equity Shares each.  For further details please refer to " <i>Issue Procedure - Basis of Allotment</i> " on page 241 of this Prospectus.	Firm Allotment
Mode of Application	For Other than Retails Individual Investor Applicants, the application must be made compulsorily through the ASBA Process.  The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	<b><u>For Other than Retails Individual Investors:</u></b>  Such number of Equity Shares in multiples of 10,000 Equity Shares at an Issue price of ₹ 14 each, such that the Application Value exceeds ₹ 2,00,000/-  <b><u>For Retail Individuals Investors:</u></b>  10,000 Equity Shares at an Issue prices of ₹ 14 Each	130,000 Equity Shares of Face Value ₹ 10/-
Maximum Application Size	<b><u>For Other than Retails Individual Investors:</u></b>  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.  <b><u>For Retail Individuals Investors:</u></b>  Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000/-.	130,000 Equity Shares of Face Value ₹ 10/-
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Trading Lot	10,000 Equity Shares	10,000 Equity Shares, However the Market Makers may accept odd lots if any

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
		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 231 of this 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 per cent. on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

#### Withdrawal of the Issue

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before Allotment. If our Company withdraws the Issue, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. 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 with respect to the Equity Shares offered through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final ROC approval of the Prospectus.

<b>ISSUE OPENING DATE</b>	<b>MONDAY, SEPTEMBER 28, 2015</b>
<b>ISSUE CLOSING DATE</b>	<b>WEDNESDAY, SEPTEMBER 30, 2015</b>

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

**ISSUE PROCEDURE**

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”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

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 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 Lead Manager are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.**

**Fixed Price Issue Procedure**

The Issue is being made under Regulation 106(M) (1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Banker(s) to the Issue who shall duly submit them to the Registrar to the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

**Application Form**

Applicants shall only use the specified Application Form bearing the stamp of the Bankers to the Issue for the purpose of making an Application in terms of this Prospectus. The application form shall contain space for indicating number of specified securities subscribed for in dematerialized form. Upon completing and submitting the Application Form to the Bankers to the Issue, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the

Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA 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. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA Application as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Colour
Indian Public / NRI's applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents including eligible NRI's, FIIs, FVCI etc. applying on a repatriation basis (ASBA and Non-ASBA)	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues with effect from May 1, 2010 all the investors can apply through ASBA process and with effect from May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

#### Availability of Prospectus and application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with the application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i. e. [www.bseindia.com](http://www.bseindia.com), [www.bsesme.com](http://www.bsesme.com).

#### Who can apply?

1. Indian nationals resident in India who are not minors, or in the name of the minor children as natural/ legal guardian in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in Equity Shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
6. Indian Financial Institutions, schedule commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations, the SEBI (ICDR) Regulations and other regulations, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than Category III Foreign Portfolio Investor.
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Applicants portion;
9. Venture Capital Funds(VCFs) registered with SEBI;
10. FVCIs registered with SEBI;
11. Multilateral and bilateral development financial institutions;
12. State Industrial Development Corporations;
13. 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 constitution to hold and invest in Equity Shares;
14. Scientific and/or industrial research organizations authorized to invest in Equity Shares;
15. Insurance Companies registered with Insurance Regulatory and Development Authority;
16. Provident Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in Equity Shares;

17. Pension Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in Equity Shares;
18. 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.
19. Nominated Investor and Market Maker;
20. Insurance funds set up and managed by the army, navy or air force of the Union of India; Insurance funds set up and managed by the Department of Posts, India;
21. Limited Liability Partnerships registered in India and authorized to invest in equity shares and;
22. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them under Indian laws.
23. Eligible QIBs and QFI's (subject to compliance with RBI circular bearing reference RBI/2011-12/347 dated January 13, 2012 and SEBI circular bearing reference CIR/ IMD/FII&C/3/2012 dated January 13, 2012) under the Non-Institutional Bidders category.

As per existing policy of the Government of India, OCBs cannot participate in the Issue.

**Applications not to be made by:**

1. Minors
2. Partnership firms or their nominations.
3. Foreign Nationals (except NRIs).
4. Overseas Corporate Bodies

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Applicants**

The Application must be for a minimum of 10000 Equity Shares and in multiples of 10000 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 such that the Application Amount exceeds ₹ 2, 00,000 and in multiples of 10000 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.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB category and Non -Institutional Investors bidding in the Non-Institutional category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until finalization of Basis of Allotment.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

**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 of Lead Manager's**

Except for the Market Making and the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LMs may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

**Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialized mode only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Applicants:**

- a) Our Company will file the Prospectus with the RoC at least 3 (three) Days before the Issue Opening Date.
- b) The LMs will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our registered office or from the corporate office of the LMs.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LMs or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

**Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non Residents 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 HUF's 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 securities exceeding the number of securities offered to the public. Eligible NRI's applying on a non-repatriate basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts.

**Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

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 made by asset management companies or custodians of a mutual fund shall clearly indicate the scheme concerned for which the Application has been made.

#### **Applications by Eligible NRIs/FII's on Repatriation Basis**

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The 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 for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

#### **Applications by FPIs, and FIIs**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio applicants namely "foreign institutional investors" and "qualified foreign investors" will be subsumed under a new category namely "foreign portfolio investors" or "FPIs". RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies. In terms of the SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in the Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The existing individual and aggregate investment limits for an FII or sub account/FPI's in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with “know your client” norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by, or on behalf of, it to any persons that are not regulated by an appropriate foreign regulatory authority.

### **Applications by Eligible QFIs**

Eligible QFIs are permitted to invest in the Equity Shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have also been permitted to invest in Equity Shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian Company are 5.00% and 10.00% of the paid up capital of the Indian Company respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap. An Eligible QFI may make investments in the Equity Shares of an Indian Company through both the FDI route and the QFI route. However, the aggregate holding of such Eligible QFI shall not exceed 5.00% of the paid-up capital of the Indian Company at any point of time.

QFIs shall be eligible to apply under the Non-Institutional Applicants category. Further, SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in Equity Shares in public issues to be listed on recognised stock exchanges and sale of Equity Shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights, public issues, etc.

Eligible QFIs shall open a single non-interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of Equity Shares (including investment in Equity Shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time. Eligible QFIs who wish to participate in the Issue are advised to use the Application Form meant for Non- Residents (blue in colour). Eligible QFIs shall compulsorily apply through the ASBA process to participate in the Issue.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

### **Applications by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors**

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund a foreign Venture Capital Investors can invest its entire funds committed for investment into India in one Company. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribe investment restriction for various categories of AIF's.

The Category I and II AIFs cannot invest more than 25% of their respective corpus in one Investee Company. A category III AIF cannot invest more than 10% of its corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI (Alternate Investment Funds) Regulations, 2012, cannot invest more than 1/3rd of its corpus by way of



subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI (Alternate Investment Funds) Regulations, 2012 shall continue to be regulated by the VCF Regulations.

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.

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act, 2000 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA process.

#### **Applications by Insurance Companies**

In case of Applications made by Insurance Companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form or the ASBA Application Form, as the case may be. Failing this, our Company in consultation with the LM, reserve 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) Regulations, 2000, as amended, are broadly set forth below:

- a. Equity Shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b. the entire group of the investee Company: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets in all companies belonging to the group; and
- c. The industry sector in which the investee Company operates: the least of 15% of the respective fund in case of a life a life insurer or a general insurer or reinsurer or 15% of investment assets

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual funds, insurance companies and provident funds with minimum corpus of ₹ 2500 Lacs (subject to applicable law) and pension funds with minimum corpus of ₹ 2500 Lacs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority (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 thereof.

In case of Applications made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of ₹ 25 crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crore, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Regional newspaper with wide circulation.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand payable at Mumbai.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker ('broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LMs or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**BASIS OF ALLOTMENT**

Allotment will be made in consultation with SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

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).

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).

For applications where the proportionate allotment works out to less than 10,000 Equity Shares the allotment will be made as follows:

Each successful applicant shall be allotted 10,000 Equity Shares; and

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.

If the proportionate allotment to an applicant works out to a number that is not a multiple of 10,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 10,000 Equity Shares subject to a minimum allotment of 10,000 Equity Shares.

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 10,000 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.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below

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 Individual applicants other than retail individual investors; and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be made available for allocation to the applicants in the other category, if so required.

If 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.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 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 BSE

The Executive Director / Managing Director of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

## **REFUNDS**

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund order. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LMs shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the Depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non-Residents, NRIs, FIIs & FVCFs and all Non-Residents, NRIs, FIIs & FVCFs will be treated on the same basis with other categories for the purpose of allocation.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

The Broker / Sub Broker and SCSBs will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Brokers and the SCSBs, (ii) the Applications uploaded by the Brokers and the SCSBs, (iii) the Applications accepted but not uploaded by the Brokers and the SCSBs or (iv) with respect to ASBA Applications, Applications accepted and uploaded without blocking funds in the ASBA Accounts.

The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs and (iv) with respect to Applications by ASBA Applicants, Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account.

In case of apparent data entry error either by the Broker / Sub Broker or the collecting bank in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).

The Brokers / Sub Brokers and SCSBs will undertake modification of selected fields in the Application details already uploaded within one Working Day from the Issue Closing Date.

The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Brokers and the SCSBs during the Issue Period. The Brokers / Sub Brokers and the Designated Branches 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 for Book Building on a regular basis. On the Issue Closing Date, the Brokers and the Designated Branches shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Brokers / Sub Brokers on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

At the time of registering each Application and each ASBA Application submitted by an ASBA Applicant, the Brokers and the Designated Branches shall enter the following details of the investor in the on-line system, as applicable:

- Name of the Applicant;
- IPO Name;
- Application Form number;
- Investor Category;
- PAN (of First Applicant, if more than one Applicant);
- DP ID of the demat account of the Applicant;  Client Identification Number of the demat account of the Applicant;
- Numbers of Equity Shares Applied for;
- Cheque Details in case of Applications other than ASBA Application and Bank Account details in case of ASBA Applicants;
- Location 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.

In case of submission of the Application by an ASBA Applicant through the Electronic Mode, the ASBA 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.

A system generated TRS will be given to the Applicant as a proof of the registration of the application. It is the Applicant's responsibility to obtain the TRS from the Brokers / Sub Brokers or the Designated Branches. The registration of the Application by the Brokers / Sub Brokers or the Designated Branches does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.

Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Brokers / Sub Brokers will be given up to one 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 will receive this data from the Stock Exchanges 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, Beneficiary Account Number and PAN, then such Applications are liable to be rejected.

## **ESCROW MECHANISM**

### **Terms of Payment / Payment Instructions**

The entire Issue price of ₹ 14/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Please note that in the event of a delay beyond six working days from the bid/issue closing date in clearing the cheques accompanying the bid cum application forms, for any reason whatsoever, such bid cum application forms will be liable to be rejected.

**Cash/ Stock Invest/ Money Orders/ Postal orders will not be accepted.**

A separate Cheque or Bank Draft should accompany each application form where payment is made by other than ASBA Mechanism. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:  
  
Indian Public including eligible NRIs applying on non-repatriation basis: "ESCROW ACCOUNT – BELLA CASA FASHION & RETAIL LIMITED- PUBLIC ISSUE - R".  
In case of Non-Resident Retail Applicants applying on repatriation basis: "ESCROW ACCOUNT - BELLA CASA FASHION & RETAIL LIMITED- PUBLIC ISSUE - NR"
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay in Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 15 days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

**Payment by Stock invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

**GENERAL INSTRUCTIONS**

The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or

endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the bank account details are correctly and compulsorily mentioned in the application form;
- 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 in case of Applications are made under power of attorney or Applications by limited companies, corporate, trusts etc., relevant documents are submitted
- Ensure that Applications submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill 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.

## **OTHER INSTRUCTIONS**

### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two (2) or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications

- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.
- iv. For Application from Mutual Funds and FII sub accounts, submitted under the same PAN, as well as Applications on behalf of the applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the application forms will be checked for common DP ID and Client ID

In any event, all allotments shall be done in demat form and no securities shall be allotted in Physical Form.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

In case separate Application for demat and physical is made, the application for physical shares shall be treated as multiple applications and rejected accordingly.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the LM reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Please note that Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depository Participants' verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Issue Procedure.

#### **Right to Reject Applications**



In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants and Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Grounds for Technical Rejections**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of Partnership Firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form or at appropriate place in the application form specified for;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are less than 8,000 or not in multiples of 8,000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹2,00,000 received after 5.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and / or Depositories Account.
- Where application is made for allotment in physical mode.
- Where two or more separate applications for demat and physical are made, the applications for physical shares shall be treated as multiple application and liable for rejection.

**APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE 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.**

Applicants should note that providing bank account details in the space provided in the application form is mandatory and application that do not contain such details are liable to be rejected.

### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of section 38(1) 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 the Company for acquiring or subscribing for, any shares therein, or
- b. Makes or abets making of multiple applications to the Company in different names or in combination of his name or surname for acquiring or subscribing for its securities; or
- c. Otherwise induces directly or indirectly to the Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,
- d. Any such person as described above shall also be liable to action under Section 447 of the Companies Act, 2013.

Section 447 of the Companies Act, 2013, is reproduced as below:

“Without Prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may exceed to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”

### **Signing of Underwriting Agreement**

Vide an Underwriting agreement dated August 01, 2015 this issue is 100% Underwritten.

### **Filing of the Prospectus with the RoC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26, 32 & 33 of the Companies Act, 2013.

### **Designated Date and Allotment of Equity Shares**

Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Applicant’s depository account will be completed within 15 Days of the Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Applicant’s depository account is completed within two Working Days from the date of Allotment.

In accordance with section 29(1) of the Companies Act, 2013, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees.

Allottees will have the option to re-materialize the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act. However, trading in the Equity shares of the Company shall be done only in dematerialized form.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account pursuant to this Issue.

### **Issuance of Allotment Advice**

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.

Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Applicant.

### **PAYMENT OF REFUND**

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LMs shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

#### **Mode of making refunds**

The payment of refund, if any, would be done through various modes as given hereunder:

NECS (National Electronic Clearing System) - Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

Direct Credit - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

RTGS (Real Time Gross Settlement) - Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2.00 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

NEFT (National Electronic Fund Transfer) - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR number. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

#### **Mode of making refunds for ASBA Applicants**

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 9 (nine) working days from the Issue Closing Date.

### **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 (Fifteen) days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 (Fifteen) days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 15 (Fifteen) days from the Issue Closing date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

Allotment of Equity Shares shall be made within 15 (Fifteen) days of the Issue Closing Date;

Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (Fifteen) days of the Issue Closing Date would be ensured; and

The Company shall pay interest at 15% p.a. for any delay beyond the 15 (Fifteen) days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (Fifteen) days time.

Company will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Applications are received or through NEFT / RTGS/ direct credit. Bank charges, if any, for en-cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants

#### **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- 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 seven working days of finalization of the basis of Allotment;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that the certificate of the securities / refund orders to the non-resident Indians shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
- that the Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received and
- that Adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- 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;
- Details of all monies utilized out of the Issue 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 indicating the purpose for which such monies have been utilized;
- Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 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.

### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into an agreement dated August 20, 2015 with Central Depository Services (India) Limited and dated September 4, 2015 with the National Securities Depository Limited.

The Company's shares bear an ISIN No. INE344T01014

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis a vis those with his or her Depository Participant.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### **COMMUNICATIONS**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

**ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

**ASBA Process**

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LMs.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

**Who can apply?**

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

**Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

#### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

#### **Payment mechanism for ASBA Applications**

All investors other than retail individual investors are required to make their application using ASBA process only.

The ASBA applicants shall specify the bank account number in the Application Form and the SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Application or receipt of instructions from the Registrar to the Issue to unblock the Application Amount. 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 SCSB 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 withdrawal of the Application by the ASBA Applicant, , as the case may be.

In case of Applications by Eligible NRIs applying on repatriation basis, a NRE Account or a FCNR Account, maintained with banks authorized to deal in foreign exchange in India, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In case of Applications by Eligible NRIs applying on a non-repatriation basis, a NRE Account or a FCNR Account maintained with banks authorized to deal in foreign exchange in India or a NRO Account, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

**RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular 1 of 2014, with effect from April 17, 2014 ("Circular 1 of 2014"), 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, Circular 1 of 2014 will be valid until the DIPP issues an updated circular.

RBI has also issued Master Circular No. 15/2015-16 on Foreign Investment in India dated July 01, 2015 which is valid till June 30, 2016. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

**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 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 PROVISION OF THE ARTICLE OF ASSOCIATION**

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.

1	<b>INTERPRETATION</b>	
	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.	<b>The Act</b>
	ii. "Articles" means Articles of Association of the Company as originally framed or altered from time to time	<b>Articles</b>
	iii. "Beneficial Owner" shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.	<b>Beneficial Owner</b>
	iv. "Board or Board of Directors" means the collective body of the Board of Directors of the Company.	<b>Board or Board of Directors</b>
	v. "Chairman" means the Chairman of the Board of the Directors of the Company.	<b>Chairman</b>
	vi. "means Bella Casa Fashion & Retail Limited	<b>The Company</b>
	vii. "Depositories Act, 1996" shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.	<b>Depositories Act 1996</b>
	viii. "Depository" shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.	<b>Depository</b>
	ix. "Directors" means the Directors for the time being of the Company.	<b>Directors</b>
	x. "Dividend" includes any interim dividend.	<b>Dividend</b>
	xi. "Document" means a document as defined in Section 2 (36) of the Companies Act, 2013.	<b>Document</b>
	xii. "Equity Share Capital", with reference to any Company limited by shares, means all share capital which is not preference share capital	<b>Equity Share Capital</b>
	xiii. "KMP" means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.	<b>KMP</b>
	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	<b>Managing Director</b>
	xv. "Month" means Calendar month.	<b>Month</b>
	xvi. "Office" means the registered office for the time being of the Company.	<b>Office</b>
	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	<b>Paid-up share capital</b>
	xviii. "Postal Ballot" means voting by post or through any electronic mode	<b>Postal Ballot</b>
	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.	<b>"Proxy"</b>

	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 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.	<b>Public Holiday</b>
	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.	<b>Registrar</b>
	xxii."Rules" means the applicable rules as prescribed under the relevant sections of the Act for time being in force	<b>Rules</b>
	xxiii."SEBI" means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.	<b>SEBI</b>
	xxiv."Securities" means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)	<b>Securities</b>
	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.	<b>Share</b>
	xxvi."Seal" means the common seal of the Company.	<b>Seal</b>
	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	<b>Preference Share Capital</b>
	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.	<b>Share Capital</b>
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, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	<b>Issue of Sweat Equity Shares</b>
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.	<b>Issue of Debentures</b>
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>	<b>Issue of Share Certificates</b>
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.	<b>Issue of Share Certificates</b>
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.	<b>Issue of Share Certificates</b>
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.	<p>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.</p> <p>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.</p>	<b>Power to pay Commission In connection with the Securities issued</b>

	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.	
11.	<p>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.</p> <p>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.</p>	<b>Variations of Shareholder's rights</b>
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.	<b>Issue of Preference Shares</b>
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> <p>(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.</p> <p>(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.</p> <p>(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> <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> <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>	<b>Further Issue of shares</b>

<p>15.</p>	<p>i. The Company shall have a first and paramount lien—  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  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    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:    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.    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>	
<p>16.</p>	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:    Provided that no sale shall be made—  a. unless a sum in respect of which the lien exists is presently payable; or  b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>	<p><b>Lien</b></p>
<p>17.</p>	<p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.  ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.  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>	
<p>18.</p>	<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.  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>	
<p>19.</p>	<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:-  a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.  b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.  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.  d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.  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,</p>	<p><b>Joint Holdings</b></p>

	<p>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>	
<p>20.</p>	<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>	
<p>21.</p>	<p>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.</p>	
<p>22.</p>	<p>The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof</p>	<p><b>Calls on shares</b></p>
<p>23.</p>	<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>	
<p>24.</p>	<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>	
<p>25.</p>	<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</p>	

	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.	
26.	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.  Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.	
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.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. Each share in the Company shall be distinguished by its appropriate number.</li> <li>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.</li> </ul>	<b>Transfer of shares</b>
30.	<ul style="list-style-type: none"> <li>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</li> <li>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.</li> </ul>	
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"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. any transfer of shares on which the Company has a lien.</li> <li>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.</li> </ul>	
32.	<p>The Board shall decline to recognize any instrument of transfer unless—</p> <ul style="list-style-type: none"> <li>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>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.</li> </ul> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> <li>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),</li> <li>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</li> </ul>	



	<p>transferred;</p> <p>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.</p>	
33.	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.	
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.	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
36.	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.	<b>Register of Transfers</b>
37.	<p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <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"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 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.</li> </ul> <p>d. Rights of Depositories &amp; 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</p>	<b>Dematerialisation of Securities</b>

	<p>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> <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>	
<p>38.</p>	<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>	
<p>39.</p>	<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 style="padding-left: 20px;">a. to be registered himself as holder of the share; or</p> <p style="padding-left: 20px;">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>	<p><b>Transmission of shares</b></p>

40.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</li> <li>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.</li> </ul>	
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 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.</p>	
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.	<p>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.</p>	
44.	<p>The notice aforesaid shall—</p> <ul style="list-style-type: none"> <li>i. 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</li> <li>ii. 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.</li> </ul>	
45.	<p>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.</p>	
46.	<ul style="list-style-type: none"> <li>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</li> <li>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</li> </ul>	<b>Forfeiture of shares</b>
47.	<ul style="list-style-type: none"> <li>i. 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.</li> <li>ii. 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.</li> </ul>	
48.	<ul style="list-style-type: none"> <li>i. 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;</li> <li>ii. 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</li> </ul>	

	<p>the share is sold or disposed off;</p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>iv. 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.</p>	
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.	<b>Initial payment not to preclude forfeiture</b>
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.	
57.	Subject to the provisions of section 61, the Company may, by ordinary resolution,— <ul style="list-style-type: none"> <li>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>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;</li> <li>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>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.</li> </ul>	<b>Alteration of capital</b>
58.	Where shares are converted into stock,— <ul style="list-style-type: none"> <li>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:</li> </ul> <p>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.</p>	<b>Conversion of Shares into Stock</b>

	<p>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 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>	<b>Reduction of Capital</b>
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. 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>	<b>Share Warrants</b>
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 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> <p>a. paying up any amounts for the time being unpaid on any shares held by such</p>	<b>Capitalisation of profits</b>

	<p>members respectively;</p> <p>b. 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;</p> <p>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</p> <p>d. 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;</p> <p>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</p>	
62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>b. generally to do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power—</p> <p>a. 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 infractions; and</p> <p>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such 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> <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.	<b>Buy-back of shares</b>
64.	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.	
65.	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. 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 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>	<b>General Meeting</b>
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>	<b>Proceedings at general meetings</b>

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>	<b>Demand for poll</b>
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>	<b>Time of taking poll</b>
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>	<b>Adjournment of meeting</b>
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>	
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>	<b>Voting rights</b>
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 proceeded 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.	
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.	<b>Casting Vote</b>
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.	<b>Representation of Body Corporate</b>
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	<b>Circulation of member's resolution</b>
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	<b>Resolution requiring special notice</b>
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	<b>Resolutions passed at adjourned meeting</b>
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.	<b>Registration of resolutions and agreements</b>
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 :  A. In the case of minutes of proceedings of the Board or of a Committee</p>	<b>Minutes of proceedings of general meeting and of Board and other meetings</b>



	<p>thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>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>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>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>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>a. the names of the Directors present at the meetings, and</p> <p>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 Chairman of the meeting:</p> <p>a. is or could reasonably be regarded, as defamatory of any person</p> <p>b. is irrelevant or immaterial to the proceedings; or</p> <p>c. is detrimental to the interests of the Company.</p> <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.	<b>Minutes to be considered to be evidence</b>
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.	<b>Publication of reports of proceeding of general meetings</b>
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.	<b>Proxy</b>
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	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: 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.	
96.	The first directors of the Company shall be: 1. Harish Gupta 2. Pawan Gupta	<b>Board of Directors</b>
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>	
99.	<ol style="list-style-type: none"> <li>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</li> <li>ii. 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"> <li>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>b. in connection with the business of the company</li> </ol> </li> </ol>	
100.	The Board may pay all expenses incurred in getting up and registering the company.	
101.	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 think fit respecting the keeping of any such register.	
102.	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.	
103.	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.	
104.	<ol style="list-style-type: none"> <li>i. 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.</li> <li>ii. 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.</li> </ol>	
105.	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.	<b>Retirement and Rotation of Directors</b>
106.	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
107.	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.	

108.	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.	
109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
110.	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.	
111.	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.	
112.	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.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only 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.	<b>Nominee Director</b>
114.	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. Provided that if any such Nominee Director/s is an Officer of the financial institution, the sitting fees in relation to such Nominee Directors shall accrue to such financial institution as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.	

115.	Provided also that in the event of the Nominee Directors being appointed as Wholetime 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.		
116.	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.	<b>Removal of Directors</b>	
117.	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.		
118.	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.		
119.	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-, (a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and (b) 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: 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 subsection 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.		
120.	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.		
121.	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.		
122.	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.		
123.	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.		
124.	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,		<b>Remuneration and sitting fees to Directors including Managing and whole time Directors</b>

	<p>or</p> <p>b. In connection with the business of the Company.</p>	
125.	<p>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 &amp; 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.</p>	
126.	<p>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.</p> <ul style="list-style-type: none"> <li>a. The power to make calls on shareholders in respect of money unpaid on their shares;</li> <li>b. The Power to authorize buy-back of securities under Section 68 of the Act;</li> <li>c. Power to issue securities, including debenture, whether in or outside India;</li> <li>d. The power to borrow monies;</li> <li>e. The power to invest the funds of the Company;</li> <li>f. Power to Grant loans or give guarantee or provide security in respect of loans;</li> <li>g. Power to approve financial statements and the Board's Report;</li> <li>h. Power to diversify the business of the Company;</li> <li>i. Power to approve amalgamation, merger or reconstruction;</li> <li>j. Power to take over a Company or acquire a controlling or substantial stake in another Company;</li> <li>k. Powers to make political contributions;</li> <li>l. Powers to appoint or remove key managerial personnel (KMP);</li> <li>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</li> <li>n. Powers to appoint internal auditors and secretarial auditor;</li> <li>o. Powers to take note of the disclosure of director's interest and shareholding;</li> <li>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;</li> <li>q. Powers to invite or accept or renew public deposits and related matters;</li> <li>r. Powers to review or change the terms and conditions of public deposit;</li> <li>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</li> </ul> <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> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ul>	<p><b>Powers and duties of Directors:</b></p> <p><b>Certain powers to be exercised by the Board only at meeting.</b></p>

	<p>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>	
127.	<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 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 will in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings</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>	<b>Restriction on powers of Board</b>
128.	<p>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.</p>	
129.	<p>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 statue 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.</p>	<b>General powers of the Company vested in Directors</b>
130.	<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>	<b>Specific powers given to Directors</b>

	<ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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</li> </ul>	
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	<p>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 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</p>	
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	<p>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>	
131.	<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>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 &amp; 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>	<p><b>MANAGING DIRECTORS</b></p> <p><b>Power to appoint Managing or Whole-time Directors</b></p>
132.	<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>	
133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	<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>	
135.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	<b>Proceedings of the Board</b>
136.	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.	
137.	<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>	
138.	<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,</p>	<b>Delegation of Powers of Board to Committee</b>

	conform to any regulations that may be imposed on it by the Board.	
139.	<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>	
140.	<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>	
141.	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.	
142.	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	
143.	<p>Subject to the provisions of the Act,—</p> <p>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;</p> <p>b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</p>	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>
144.	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.	
145.	<p>a) The Board shall provide for the safe custody of the seal.</p> <p>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.</p>	<b>The Seal</b>
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	
147.	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.	
148.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for 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.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Dividends and Reserve</b>

149.	<p>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.</p> <p>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.</p> <p>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.</p>	
150.	<p>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.</p>	
151.	<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>	
152.	<p>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.</p>	
153.	<p>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.</p>	
154.	<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>	
155.	<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>	
156.	<p>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.</p>	
157.	<p>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.</p>	
158.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	<b>Accounts</b>

159.	<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> <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>	<b>Inspection of Statutory Documents of the Company</b>
160.	<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>	<b>Register of charges</b>
161.	<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>	<b>Audit</b>
162.	<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 shares or others securities whereon there is any liability.</p>	<b>Winding up</b>
163.	<p>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—</p>	<b>Indemnity</b>

164.	<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>	<p><b>Secrecy</b></p>
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**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 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 or 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 Prospectus until the Issue Closing Date.

**Material Contracts**

1. Memorandum of Understanding dated August 01, 2015 between our Company and Hem Securities Limited as Lead Manager (LM) to the Issue.
2. Memorandum of Understanding dated August 01, 2015 executed between our Company and the Registrar to the Issue (Karvycomputershare Private Limited)
3. Escrow Agreement dated September 8, 2015 among our Company, the LM, Escrow Collection Bank(s), Refund Bank(s) and the Registrar to the Issue.
4. Market Making Agreement dated August 01, 2015 between our Company, the LM and Market Maker.
5. Underwriting Agreement dated August 01, 2015 between our Company, the LM and Underwriter.
6. Tripartite Agreement dated August 20, 2015 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated September 4, 2015 among NDSL, the Company and the Registrar to the Issue.

**Material Documents**

1. Certificate of Incorporation dated February 05, 1996 issued by the Registrar of Companies, Rajasthan, Jaipur. A certificate of incorporation dated July 14, 2015 pursuant to alteration of object clause, certificate of incorporation dated July 15, 2015 pursuant to change of Name and Fresh Certificate of Incorporation dated July 31, 2015 issued by the Registrar of Companies, Rajasthan, Jaipur consequent upon Conversion of the Company to Public Company.
2. Certified copies of the Memorandum and Articles of Association of the Company as amended.
3. Copy of the Board Resolution dated July 21, 2015 authorizing the Issue and other related matters.
4. Copy of the Shareholders' Resolutions dated July 31, 2015 authorizing the Issue and other related matters.
5. Copies of Audited Financial Statements of our Company for the years ended March 31, 2015, 2014, 2013, 2012 & 2011.
6. Peer Review Auditors Report dated August 07, 2015 on Restated Financial Statements of our Company for the years ended March 31, 2011, 2012, 2013, 2014, 2015.
7. Copy of the Statement of Tax Benefits dated August 07, 2015 from the Statutory Auditor.
8. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Escrow Collection Bank(s) and Refund Bank(s), 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.
9. Copy of Certificate from the Peer Review Auditors of our Company, M/s Kalani & Co, Chartered Accountants, August 07, 2015 regarding the Eligibility of the Issue.
10. Due Diligence Certificate from Lead Manager dated August 11, 2015 filed with BSE and dated September 15, 2015 filed with SEBI.
11. Approval from BSE vide letter dated September 10, 2015 to use the name of BSE in this Prospectus for listing of Equity Shares on the SME Platform of the BSE.

**DECLARATION**

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act the Securities and Exchange Board of India Act, 1992, each as amended or the rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the statements in the Prospectus are true and correct:

**SIGNED BY THE DIRECTORS OF THE COMPANY:**

<b>Sd/-</b>  <b>Mr. Harish Kumar Gupta</b> <i>Chairman &amp; Whole-time Director</i> DIN: 01323944	<b>Sd/-</b>  <b>Mr. Pawan Kumar Gupta</b> <i>Managing Director</i> DIN: 01543446
<b>Sd/-</b>  <b>Mr. Saurav Gupta</b> <i>Whole-Time Director</i> DIN: 07106619	<b>Sd/-</b>  <b>Mr. Gaurav Gupta</b> <i>Whole-Time Director</i> DIN: 07106587
<b>Sd/-</b>  <b>Mr. Gunjan Jain</b> <i>Non-Executive Independent Director</i> DIN: 07223400	<b>Sd/-</b>  <b>Ms. Kalpana Juneja</b> <i>Non-Executive Independent Director</i> DIN: 07226135
<b>Sd/-</b>  <b>Mr. Sharad Mangal</b> <i>Non-Executive Independent Director</i> DIN: 01127317	<b>Sd/-</b>  <b>Mr. Vikas Mathur</b> <i>Non-Executive Independent Director</i> DIN:07252879

**SIGNED BY -**

<b>Sd/-</b>  <b>Mr. Naresh Manwani</b> <i>Chief Financial Officer</i>	<b>Sd/-</b>  <b>Ms. Sonika Gupta</b> <i>Company Secretary and Compliance Officer</i>
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Place: Jaipur

Date: 15.09.2015