



### JET KNITWEAVES LIMITED

Our Company was incorporated as Jet Knitweaves Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 02, 1996 in Kanpur, Uttar Pradesh. Subsequently, the name of our Company was changed to Jet Knitweaves Limited vide fresh certificate of incorporation dated April 01, 2015. The company was incorporated to takeover the running business of partnership firm M/s Jet Knitweaves Company along with all the assets and liabilities, approvals, permits, registrations, etc. The Corporate Identification Number of our Company is U19101UP1996PLC019722. For further details, please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 124 of this Prospectus.

**Registered Office:** 119/410, B-1, Darshanpurwa, Kanpur- 208012, Uttar Pradesh, India **Tel No:** +91 512-2217553;

**E-mail:** info@jetknit.com; **Website:** www.jetknit.com

**Contact Person:** Mr. Balram Kumar Narula, Managing Director

**Promoters of our Company:** Mr. Balram Kumar Narula, Mr. Anil Kumar Narula, Mr. Rakesh Kumar Narula, Mrs. Kanchan Narula, Mrs. Usha Narula, Mrs. Jyoti Narula and Mrs. Sandhya Narula

#### THE ISSUE

**PUBLIC ISSUE OF 10,83,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH FULLY PAID UP OF JET KNITWEAVES LIMITED ("JKL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. 39/- PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF Rs. 29/- PER EQUITY SHARE AGGREGATING Rs. 422.37 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH 57,000 EQUITY SHARES OF Rs.10/- FULLY PAID UP EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 10,26,000 EQUITY SHARES OF Rs.10/- EACH FULLY PAID UP IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.52% AND 25.13% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10/- EACH. THE ISSUE PRICE IS Rs. 39/- THE ISSUE PRICE IS 3.90 TIMES THE FACE VALUE.**

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

*For further details, please refer to "Section VII - Issue Information" beginning on page 226 of this Prospectus.*

All potential investors shall participate in the Issue through Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 232 of this Prospectus.

#### RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- and the Issue Price is 3.90 times of the face value. The Issue Price (as determined and justified by the Company and the Lead Manager as stated under chapter titled "Basis for Issue Price" beginning on page 88 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.

#### GENERAL RISKS



Investment 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. Specific attention of the investors is invited to the section titled "Risk Factors" on page 19 of this Prospectus.

#### COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of 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.

#### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the NSE Emerge Platform. Our Company has received an approval vide letter dated September 07, 2016 from NSE for using its name in this offer document for listing of our Equity Shares on the NSE Emerge Platform. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

| LEAD MANAGER TO THE ISSUE   |   | REGISTRAR TO THE ISSUE   |   |
|---|---|--|---|
|  | <b>SARTHI CAPITAL ADVISORS PRIVATE LIMITED</b><br>Unit No. 411, 4th Floor, Pratap Bhawan,<br>5, Bahadurshah Zafar Marg,<br>New Delhi – 110002<br><b>Tel:</b> (011) 23739425/26/27<br><b>Fax:</b> (011) 23739424<br><b>Investor Grievance Email:</b> ipo@sarthiwm.in<br><b>Website:</b> www.sarthi.in<br><b>Contact Person:</b> Mr. Anand Lakhotia<br><b>SEBI Registration No.:</b> INM000012011 |  | <b>BIGSHARE SERVICES PRIVATE LIMITED</b><br>E-2, Ansa Industrial Estate, Sakivihar Road,<br>Sakinaka, Andheri (East), Mumbai- 400072,<br>Maharashtra<br><b>Tel:</b> (022) 40430200<br><b>Fax:</b> (022) 28475207<br><b>E-mail:</b> ipo@bigshareonline.com<br><b>Website:</b> www.bigshareonline.com<br><b>Contact Person:</b> Mr. Vipin Gupta<br><b>SEBI Registration No.:</b> INR000001385 |
|   |   |  |   |

#### ISSUE PROGRAMME

**ISSUE OPENS ON: SEPTEMBER 27, 2016**

**ISSUE CLOSES ON: SEPTEMBER 29, 2016**



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

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



## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

#### Company Related Terms

| Term  | Description  |
|---|--|
| Articles or Articles of Association or AOA  | The articles of association of our Company, as amended from time to time   |
| Auditor or Statutory Auditor  | The auditor of our Company being M/s Pankaj Khanna & Associates, Chartered Accountants having their office at ‘Sudham’, 4/278, Vishnupuri, Kanpur – 208002, Uttar Pradesh  |
| Banker to our Company   | Axis Bank Limited  |
| “Board” or “Board of Directors” or “our Board”  | The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof.   |
| Company Secretary and Compliance Officer  | Mr. Yogi Srivastava  |
| Director(s)   | The Director(s) of our Company, unless otherwise specified.  |
| Equity Shares   | Equity Shares of our Company of face value of Rs. 10/- each.   |
| Equity Shareholders   | Persons holding equity shares of our Company.  |
| Group Companies   | Includes those companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under the Companies Act, 2013 and disclosed in the chapter titled “Our Group Entities” beginning on page 152 of this Prospectus.           |
| “Jet Knitwears Limited.”, or “JKL”, or “Jetknit”, or “the Company”, or “our Company” or “we”, “us”, or “our” and the “Issuer Company” | Jet Knitwears Limited, a public limited company incorporated under the provisions of the Companies Act, 1956.  |
| Memorandum of Association or Memorandum or MOA  | The memorandum of association of our Company, as amended from time to time.  |
| “Promoters” or “Our Promoters”  | Promoters of our company being Mr. Balram Kumar Narula, Mr. Anil Kumar Narula, Mr. Rakesh Kumar Narula, Mrs. Kanchan Narula, Mrs. Usha Narula, Mrs. Jyoti Narula, and Mrs. Sandhya Narula.   |
| Promoter Group  | Includes such persons and entities constituting our promoter group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and a list of which is provided in the chapter titled “Our Promoters and Promoter Group” beginning on page 145 of this Prospectus. |



|                     |  |
|---------------------|--|
| Peer Review Auditor | The Peer Review Auditor of our Company being RPMD & Associates, Chartered Accountants having their office at HO: AB-17, Ist Floor, Shalimar Bagh, New Delhi- 110088. |
| Registered Office   | The Registered Office of our Company is located at 119/410, B-1, Darshanpurwa, Kanpur- 208012, Uttar Pradesh, India.   |
| RoC                 | Registrar of Companies, Kanpur   |



## Issue Related Terms

| Term   | Description   |
|--|---|
| Allocation / Allocation of Equity Shares       | The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants.   |
| Allotment/ Allot/ Allotted                     | Issue an allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Applicants.   |
| Allottee(s)                                    | Successful Applicants to whom Equity Shares of our Company shall be allotted.   |
| Applicant                                      | Any prospective investor who makes an application for Equity Shares of our Company in terms of this Prospectus.   |
| Application Amount                             | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Prospectus.  |
| Application Form                               | The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.  |
| ASBA/ Application Supported by Blocked Amount. | Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.  |
| ASBA Account                                   | Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount.  |
| ASBA Application Location(s)/ Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda, and Surat.  |
| ASBA Investor/ASBA applicant                   | Any prospective investor(s)/applicants(s) in this Issue who apply(ies) through the ASBA process.  |
| Banker(s) to the Issue(s)/ Public Issue Bank.  | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being Yes Bank Limited.  |
| Basis of Allotment                             | The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 232 of this Prospectus.   |
| Controlling Branch                             | Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time. |
| Demographic Details                            | The demographic details of the Applicants such as their address, PAN, occupation and bank account details.  |
| Depository Participant                         | A Depository Participant as defined under the Depositories Act, 1996  |



| Term                      |                                     |                                    |                              | Description  |
|---------------------------|-------------------------------------|------------------------------------|------------------------------|--|
| Designated Branches       |                                     |                                    |                              | Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.   |
| Designated Date           |                                     |                                    |                              | Designated date means the date on which fund transfer instructions will be released to the controlling branches of SCSB's upon approval of basis of allotment by designated Stock exchange, NSE, following which the Board of Directors shall allot/credit the equity shares to successful applicants. |
| Designated Stock Exchange |                                     |                                    |                              | Emerge Platform of National Stock Exchange of India Limited (NSE).   |
| Prospectus                |                                     |                                    |                              | The Prospectus issued in accordance with Section 26 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations.   |
| Eligible NRIs             |                                     |                                    |                              | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.  |
| Public                    | Issue                               | Account                            | Agreement                    | Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager, and the Banker to the Issue for collection of the Application Amounts.  |
| First/ Sole Applicant     |                                     |                                    |                              | The Applicant whose name appears first in the Application Form or Revision Form  |
| Issue/ Public Offer/ IPO  | Issue/ Initial Public Offering/ IPO | Size/ Initial Public Offering/ IPO | Initial Public Offering/ IPO | Public Issue of 10,83,000 Equity Shares of face value of Rs. 10/- each fully paid of Jet Knitwears Limited for cash at a price of Rs. 39/- per Equity Share (including a premium of Rs. 29/- per Equity Share) aggregating Rs. 422.37 lakhs.   |
| Issue Agreement           |                                     |                                    |                              | The agreement dated August 10, 2016 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.   |
| Issue Closing Date        |                                     |                                    |                              | The date on which Issue closes for subscription  |
| Issue Opening Date        |                                     |                                    |                              | The date on which Issue opens for subscription   |
| Issue Period              |                                     |                                    |                              | The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application  |
| Issue Price               |                                     |                                    |                              | The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 39/- per Equity Share of face value of Rs.10/- each fully paid.   |
| Issue Proceeds            |                                     |                                    |                              | Proceeds from the fresh Issue that will be available to our Company, being Rs. 422.37 lakhs.   |
| Listing Agreement         |                                     |                                    |                              | The Listing Agreement to be signed between our Company and the NSE   |



| Term   | Description  |
|--|--|
|  | Emerge Platform.   |
| Lead Manager/ LM                             | Lead Manager to the Issue in this case being Sarthi Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker.  |
| Market Making Agreement                      | Market Making Agreement dated August 10, 2016 between our Company, LM and Market Maker.  |
| Market Maker                                 | Market Maker appointed by our Company from time to time, in this case being Choice Equity Broking Private Limited, who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.  |
| Market Maker Reservation Portion             | The Reserved Portion of 57,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 39/- per Equity Share aggregating Rs. 22.23 Lakhs for the Market Maker in this Issue.  |
| Mutual Fund(s)                               | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.  |
| NIF  | National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.  |
| Net Issue                                    | The Issue excluding the Market Maker Reservation Portion of 10,26,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 39/- Equity Share aggregating Rs. 400.14 Lakhs by our Company.  |
| Net Proceeds                                 | The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “Objects of the Issue” beginning on page 83 of this Prospectus.   |
| Non Institutional Investors                  | All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than Rs. 2,00,000.   |
| Emerge Platform of NSE                       | The Emerge Platform of NSE for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an NSE Emerge on October 14, 2011.   |
| OCB/Overseas Corporate Body                  | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue. |
| Payment through electronic transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable.  |





| Term                                   | Description   |
|--|---|
| Person/Persons                         | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.   |
| Prospectus                             | The Prospectus to be filed with RoC containing, <i>inter alia</i> , the issue opening and closing dates and other information.  |
| Public Issue Account                   | Public Issue Account means the accounts opened with the Banker(s) to the Issue to receive monies from the SCSBs by the ASBA Applicants, in each case on the Designated Date in terms of Section 40 of the Companies Act, 2013 in this case being Yes Bank Limited   |
| Qualified Institutional Buyers or QIBs | QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs, NIF, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India. |
| Refund Account (s)                     | Account(s) to which Application monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of Equity Shares does not occur.   |
| Refund Bank(s) / Refund Banker(s)      | Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened Account in case listing of Equity Shares does not occur, in this case being Yes Bank Limited   |
| Registrar /Registrar to the Issue      | Registrar to the Issue, in this case being Bigshare Services Private Limited having registered office at E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400072.   |
| Retail Individual Investor             | Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i> ) and ASBA Applicants, who apply for an amount less than or equal to Rs. 2,00,000.   |
| Revision Form                          | The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).   |
| SCSB/ Self Certified Syndicate Banker. | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of  |



| Term                   | Description   |
|------------------------|---|
|                        | bank account and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1470396128652.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1470396128652.html</a> , or at such other website as may be prescribed by SEBI from time to time. |
| Underwriters           | Sarathi Capital Advisors Private Limited  |
| Underwriting Agreement | The agreement dated August 10, 2016 entered into between the Sarathi Capital Advisors Private Limited and our Company   |
| Working Day            | Unless the context otherwise requires:<br>Working Days shall be all trading days of stock exchange excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.   |



## Technical and Industry Terms

| Term             | Description   |
|------------------|---|
| Bleach           | To cause a substance to become white or much lighter by a chemical process  |
| Calendering      | Calendering is the finishing process used on cloth. In this, a calender is employed, usually to smooth, coat, or thin a material. With textiles, fabric is passed under rollers at high temperatures, pressures and steam |
| Cellulosic Fibre | Fibers made with ether or esters of cellulose, which can be obtained from the bark, wood or leaves of plants, or from a plant-based material.   |
| Centrifuge       | Moving or tending to move away from a centre.   |
| DG Sets          | Diesel Generator Sets   |
| Dyeing           | The process of adding color to textile products like fibers, yarns, and fabrics.  |
| EC Act           | The Employees Compensation Act, 1923  |
| EPF Act          | The Employees' Provident Fund and Miscellaneous Provisions Act, 1952  |
| ESI Act          | The Employees' State Insurance Act, 1948  |
| HP               | Horse Power   |
| HR               | Human Resource  |
| Hydro Extractor  | A centrifugal machine used to dry the cloths  |
| KLD              | Kiloliters Per Day  |
| NGO              | Non-Governmental Organization   |
| Pole Drying      | Drying the cloth on hollow pipes releasing hot air to dry the cloths  |
| PSU              | Public Sector Units   |
| Yarn             | Spun thread used for knitting, weaving, or sewing   |



## Conventional and General Terms/ Abbreviations

| Term          | Description   |
|---------------|---|
| A/c           | Account   |
| Act           | The Companies Act, 1956 and amendments thereto including provisions of Companies Act 2013, wherever notified.   |
| AGM           | Annual General Meeting  |
| AMC           | Annual Maintenance Contract   |
| Articles      | Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies' law or of this Act. |
| AS            | Accounting Standards as issued by the Institute of Chartered Accountants of India.  |
| A.Y.          | Assessment Year   |
| ASBA          | Applications Supported by Blocked Amount  |
| B.A           | Bachelor's Degree in Arts   |
| B.Com         | Bachelor's Degree in Commerce   |
| B.Sc          | Bachelor's Degree in Science  |
| BIFR          | Board for Industrial and Financial Reconstruction   |
| BL            | Block Level   |
| NSE           | National Stock Exchange of India Limited  |
| CAGR          | Compounded Annual Growth Rate   |
| CDSL          | Central Depository Services (India) Limited   |
| CESTAT        | Customs, Excise and Service Tax Appellate Tribunal  |
| CENVAT        | Central Value Added Tax   |
| CIN           | Corporate Identification Number   |
| CMMI          | Capability Maturity Model Integration   |
| Companies Act | Companies Act, 2013 as amended from time to time, including sections of Companies Act, 1956 wherever applicable.  |
| CSO           | Central Statistical Organization  |
| Depositories  | NSDL and CDSL; Depositories registered with the SEBI under the Securities   |



|                  |  |
|------------------|--|
|                  | and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.                                       |
| Depositories Act | The Depositories Act, 1996, as amended from time to time.  |
| DIN              | Director Identification Number   |
| DP               | Depository Participant   |
| DP ID            | Depository Participant's Identity  |
| DB               | Designated Branch  |
| EBIDTA           | Earnings before Interest, Depreciation, Tax, Amortization and Extraordinary items.   |
| ECS              | Electronic Clearing Services   |
| EGM              | Extraordinary General Meeting  |
| ESIC             | Employee State Insurance Corporation   |
| ESOP             | Employee Stock Option Plan   |
| EPS              | Earnings per Share   |
| FDI              | Foreign Direct Investment  |
| FCNR Account     | Foreign Currency Non Resident Account  |
| FEMA             | Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under.   |
| FEMA Regulations | FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto.                                    |
| FII(s)           | Foreign Institutional Investors  |
| FIs              | Financial Institutions   |
| FIPB             | The Foreign Investment Promotion Board, Ministry of Finance, Government of India.  |
| FV               | Face Value   |
| FVCI             | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000. |
| F.Y              | Financial Year starting from 1 <sup>st</sup> of June of a year to 31 <sup>st</sup> of March of its next year.                                      |
| GAAP             | Generally Accepted Accounting Principles   |



|   |  |
|---|--|
| GDP   | Gross Domestic Product   |
| GOI   | Government of India.   |
| HNI   | High Networth Individual   |
| HUF   | Hindu Undivided Family   |
| ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.  |
| Indian GAAP   | Generally accepted accounting principles in India.   |
| IAS   | Indian Accounting Standards  |
| ICAI  | Institute of Chartered Accountants of India  |
| ICSI  | Institute of Company Secretaries of India  |
| IFRS  | International financial reporting standards.   |
| IPC   | Indian Penal Code  |
| IPO   | Initial Public Offer   |
| IPR   | Intellectual Property Right  |
| IT  | Information Technology   |
| IT Act  | The Income-Tax Act, 1961 as amended from time to time except as stated otherwise.  |
| IT Rules  | The Income-Tax Rules, 1962, as amended from time to time   |
| INR   | Indian National Rupee  |
| JV  | Joint venture  |
| KMP   | The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 130 of this Prospectus. |
| Ltd.  | Limited  |
| MBA   | Master in Business Administration  |
| M.Com   | Master of Commerce   |
| M.Sc.   | Master of Science  |
| MD  | Managing Director  |
| MoU   | Memorandum of Understanding  |



|             |  |
|-------------|--|
| MNC         | Multinational Corporation  |
| N/A or NA   | Not Applicable   |
| NAV         | Net Asset Value  |
| NECS        | National Electronic Clearing Services  |
| NEFT        | National Electronic Fund Transfer  |
| Net Worth   | The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account. |
| NOC         | No Objection Certificate   |
| NPV         | Net Present Value  |
| NR          | Non Resident   |
| NRE Account | Non Resident External Account  |
| NRI         | Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.                 |
| NRO Account | Non Resident Ordinary Account  |
| NSDL        | National Securities Depository Limited.  |
| OS          | Operating System   |
| p.a.        | Per Annum  |
| PAN         | Permanent Account Number   |
| PAT         | Profit After Tax   |
| Pvt.        | Private  |
| PBT         | Profit Before Tax  |
| PE Ratio    | Price Earnings Ratio   |
| POA         | Power of Attorney  |
| PIO         | Persons of Indian Origin   |
| QIB         | Qualified Institutional Buyer  |
| RBI         | Reserve Bank of India  |



|   |   |
|---|---|
| RBI Act                                   | The Reserve Bank of India Act, 1934, as amended from time to time   |
| Ron                                       | Return on Net Worth.  |
| Rs.                                       | Indian Rupees   |
| RTGS                                      | Real Time Gross Settlement  |
| SCRA                                      | Securities Contracts (Regulation) Act, 1956   |
| SCRR                                      | Securities Contracts (Regulation) Rules, 1957   |
| SCSB                                      | Self-Certified Syndicate Bank   |
| SEBI                                      | Securities and Exchange Board of India.   |
| SEBI Act                                  | Securities and Exchange Board of India Act, 1992, as amended from time to time.   |
| SEBI Insider Trading Regulations          | The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.  |
| SEBI Takeover Regulations / Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time. |
| Sec.                                      | Section   |
| SICA                                      | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.   |
| SME                                       | Small Medium Enterprise   |
| SSI Undertaking                           | Small Scale Industrial Undertaking  |
| Stock Exchange (s)                        | NSE Emerge Platform   |
| Sq.                                       | Square  |
| Sq. mtr                                   | Square Meter  |
| TAN                                       | Tax Deduction Account Number  |
| TRS                                       | Transaction Registration Slip   |
| TIN                                       | Taxpayers Identification Number   |
| TNW                                       | Total Net Worth   |
| u/s                                       | Under Section   |
| UIN                                       | Unique Identification Number  |





|                                 |  |
|---------------------------------|--|
| US/ U.S. / USA                  | United States of America   |
| USD or US\$                     | United States Dollar   |
| U.S. GAAP                       | Generally accepted accounting principles in the United States of America   |
| UOI                             | Union of India   |
| Venture Capital Fund(s)/ VCF(s) | Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time. |
| WDV                             | Written Down Value   |
| w.e.f.                          | With effect from   |
| YoY                             | Year over Year   |

Notwithstanding the following: -

- (i) In the section titled '*Main Provisions of the Articles of Association*' beginning on page 248 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled '*Financial Statements*' beginning on page 163 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled "*Statement of Possible Tax Benefits*" beginning on page 90 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter.



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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

### FINANCIAL DATA

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

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

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

### CURRENCY OF PRESENTATION

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

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

### INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Prospectus have been obtained from Centre for Monitoring Indian Economy (CMIE), Indian Brand Equity Foundation (IBEF), Asian Development Bank, Ministry of Statistics and Programme Implementation (MOSPI), Reserve Bank of India (RBI), Department of Industrial Policy & Promotion (DIPP), Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

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



## FORWARD-LOOKING STATEMENTS

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

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

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

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 19 and 198 respectively of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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



## SECTION II – RISK FACTORS

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

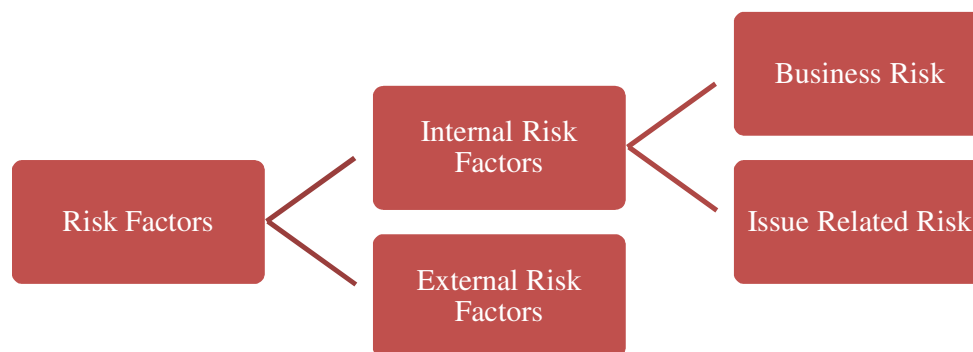
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 105, “Our Industry” beginning on page 98 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 198 respectively, of this Prospectus as well as other financial information contained herein.*

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

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

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

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





## A. INTERNAL RISK FACTORS

### I. Business Risks/ Company specific Risk

1. *Our Company & one of our Promoter is involved in certain legal proceeding(s). Any adverse decision in such proceeding(s) may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.*

#### Cases Filed By the Company

- Jet Knitwears Limited vs Sanjeev Gupta (Criminal Complaint No. 2667 of 2015)

Our Company filed a Complaint against Sanjeev Gupta (Proprietor) in the Court of A.C.M.M. VIII, Kanpur u/s 138 of Negotiable Instruments Act, 1881 and u/s 420 of I.P.C on July 10, 2015. The Cheque No. 561493 dated December 12, 2014 for an amount of Rs. 30,000 issued by one of our customer Mr. Sanjeev Kumar was returned by the Bank (Bank of Baroda) due to “insufficient funds” on May 22, 2015. The payment could not be received even after several reminders and notices. The case is now pending in competent court.

- Jet Knitwears vs M/s Vinay Hosiery (Plaint for Trademark Infringement filed vide No. 1/13 in A.D.J. IV, Kanpur in the year 2013)

M/s. Vinay Hosiery was manufacturing products under our brand name “JET”, Our company filed an trademark infringement case in Kanpur Court. The Hon’ble Court vide Order dated February 04, 2015 passed Stay Order in favour of our company. The opposite party filed an appeal in Hon’ble Allahabad High Court against Kanpur Court Order, which was dismissed by the Hon’ble Allahabad High Court. Now the matter is pending in Kanpur Court.

#### Case Pending with Tax Authorities Against our Company:

##### Details of outstanding demand in respect of Income Tax:

| A.Y.    | Section     | Outstanding demand amount<br>(in Rs.) | Pending with<br>jurisdiction  |
|---------|-------------|---------------------------------------|-------------------------------|
| 2013-14 | 143 (3)     | 1,06,469 plus applicable interest     | CIT (Appeals)                 |
| 2004-05 | 271 (1) (c) | 75,665                                | Appellate Tribunal,<br>Kanpur |

- Our Company has received a notice dated April 04, 2016 u/s 143(2) for the AY 2015-16. The assessment proceedings are going on and any liability on account of scrutiny will crystalize on finalization of assessment

##### Details of outstanding demand in respect of TDS:

| F.Y.   | Amount (in Rs.) |
|--|-----------------|
| 2007-08 to 2016-17 (1 <sup>st</sup> Quarter) | 8,84,360        |

##### Details of cases pending in respect of Service Tax:

##### Brief Facts of case:

The Audit of Our Company was conducted by the service tax department in June, 2012. Our Company had provided “Transport of Goods by Road Service” during the period 2007-08 to 2011-12 (upto July). However, our company had not taken service tax registration for the aforesaid period and neither filed the service tax return in ST-3.



Our Company received Order issued by Asstt. Commissioner, Service Tax Division, Kanpur vide V(30)632/ST/FAR/DIV-III/2013/822 dated June 09, 2015 stating the following:

1. Penalty u/s 77 (1) (a) of Finance Act, 1994 of Rs. 3,34,600 imposed for not taking Service Tax registration during the period of 2007-08 to October 30, 2011.
2. Imposition of Interest on Service Tax of Rs. 25,223 and allowing appropriation of Rs. 14,821 towards interest already paid.
3. Penalty u/s 77 (2) of Finance Act, 1994 of Rs. 90,000 imposed for non-submission of return in Form ST-3.

The company has preferred an appeal before CESTAT, Allahabad bench, against the aforesaid Order.

#### **Arbitration Case**

Nil.

#### **LITIGATIONS RELATING TO THE PROMOTERS OF OUR COMPANY**

##### **Cases filed by Our Promoters**

Nil

##### **Cases filed against our Promoters**

- State vs Balram Kumar Narula

All India agitation was organized by Readymade & Hosiery Association for removal of “EXCISE” from the Industry in the Budget of year 2011. One of our promoters Mr. Balram Kumar Narula took part in the agitation organized at Kanpur. Police arrested Mr. Balram Kumar Narula with a few other agitators and registered a case vide No. 12735/11 under Sec.143, 504, 336 & 337 of I.P.C with Sec. 174 of Railways Act with Sec. 7 of CLA Act through FIR dated March 26, 2011. The matter is pending at Kanpur Court.

2. ***We do not own any of our Offices, Manufacturing Units and the godowns from which we operate and the same are owned by our promoters/directors, their relatives and others.***

Our Registered Office, Manufacturing Units, and the godowns apart from other offices from which we operate are not owned by us. They are owned by our promoters and directors, their relatives and others. Rent agreements have been executed for using the same for business purpose. We cannot assure you that we will acquire, or have the right to occupy these premises in future, or that we will be able to continue with the uninterrupted use of these premises, which may impair our operations and adversely affect our financial condition. For details on properties taken on lease/rent by us please refer to the heading titled “Property” in chapter titled “Our Business” beginning on page 105 of this Prospectus.

3. ***We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business, we cannot assure that there are no other statutory/regulatory requirements which are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits in time or at all. Failure by



us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have an adverse effect on our business.

**4. *Our manufacturing operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.***

Any local, social unrest, natural disaster or breakdown of services and utilities in that area could have material adverse effect on the business and result of operations. Our facilities are subject to operating risks like breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply and performance below expected levels of efficiency, obsolescence, natural disaster, industrial accidents and the need to comply with the directives of relevant government authorities. In the event that we are forced to shut down our facilities for a significant period of time, it would have a material adverse effect on our business, results of operations and financial condition. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business. Further, the spiraling cost of living around our facilities may push our manpower costs higher, which may reduce our margin and cost competitiveness.

**5. *Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline.***

Our revenue and profitability have grown significantly in certain years and are likely to vary significantly in the future from period to period. Therefore, we believe that period to period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as an indication of our future performance. It is possible that in future our results of operations may be below market expectations, which could cause the share price of our equity shares to decline significantly.

**6. *The secured loan availed by us is callable by the lender at any time.***

Our Company has availed secured loan which is callable on demand by the lender. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. In case the loan is recalled on demand by the lender and our Company is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. See “Financial Indebtedness” in the chapter “Financial Information” beginning on page 163 of this Prospectus.

**7. *We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.***

We have entered into certain transactions with related parties, our Directors and our Key Managerial Personnel and their relatives and may continue to do so in future. For absolute value of all transactions entered into with our related party entities please refer to Statement of Related Party Transactions under chapter “Financial Statement” beginning on page 163 of this Prospectus. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.





- 8. *We are subject to stringent labor laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations***

Our manufacturing activities are labor-intensive. We are subject to a number of stringent labor laws that protect the interests of workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers that imposes financial obligations on employers. Strikes, lock-outs and other labor action may have an adverse impact on our operations, and we cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Also, our third-party suppliers may experience strikes or other labor disruptions and shortages that could affect our operations, possibly for a significant period of time, result in increased wages, shortage in manpower and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition.

We also enter into contracts with contract manufacturers who, in turn, employ on-site contract labor to perform certain operations. We generally engage such labor frequently, it is possible under Indian law that we may be held responsible for wage payments to the labor engaged by such contract manufacturers should they default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition, results of operations and cash flows. Any order from a regulatory body or court requiring us to make payments to such contract labor may have an adverse effect on our business, financial condition, results of operations and cash flows.

- 9. *We rely significantly on our Dealers/Distributors and Agents network in open market for sale of our products.***

We sell our products in open market through our network of Dealers/Distributors and agents as well as through Direct Marketing. However, significant proportion of the sale is done through our Dealers and Distributors. Furthermore, our business growth depends on our ability to attract additional dealerships/distributorships to our network. While, we believe that we have good relations with our dealers / distributors but there is no assurance that our current dealers / distributors will continue to do business with us or that we can continue to attract additional dealers / distributors to our network. If we do not succeed in maintaining the stability of our dealership / distributorship network, our market share may decline materially affecting our results of operations and financial condition.

- 10. *Our Company has not followed Accounting Standard – 15 regarding Employee Benefits prescribed by the Institute of Chartered Accountants of India (ICAI).***

The Accounting Policy followed by us is not in conformity with the Accounting Standard prescribed by the Institute of Chartered Accountants of India, regarding disclosure of Present Value of Obligations with respect to the retirement benefits such as gratuity and leave encashment to be paid to the employees. The Accounting Standard stipulates that these liabilities should be accounted in the Books on Accrual Basis.

- 11. *Our Company has appointed Promoters and their relatives at most of the key positions and have been paying monthly remuneration.***

Our Company has appointed Promoters and their relatives at most of the key positions and have been paying monthly remuneration. For more details, please refer to the chapter 'Our Management' beginning on page 130 of this Prospectus.





***12. We may not be able to adapt to changing market trends and customer requirements especially in the innerwear market in a timely manner, or at all.***

The market for innerwear in the country is highly competitive with several players present in various segments in brick and mortar stores and through third party e-commerce platforms. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products and their prices on a timely basis, we may lose customers to our competitors, or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. If our competitors are able to cater to these markets, or if we are not able to anticipate the demand, or misjudge the quantity, inter alia, this could lead to lower sales, higher inventories and higher discounts, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

***13. The products manufactured by our Company in relation to our brands as mentioned in chapter titled 'Our Business' beginning on page 105 of this Prospectus are vulnerable to counterfeiting or imitation by third parties that may affect the reputation of our Company***

The products manufactured and sold by us under our brands are developed by our management team based on prevailing trends. Our Company ensures that the cutting and finishing of these products are exclusively done by contract manufacturers for our Company and they are not permitted to sell these products. We maintain a close check and control over each stage of the production process and conduct quality checks at every stage. However, the products under our brands are vulnerable to counterfeiting and imitation by third party vendors who may manufacture and sell products in the mass market at relatively cheaper prices. While we make constant checks in mass markets in an effort to prevent the sale of any counterfeit products of our brands, there can be no assurance that we will be able to prevent sale of counterfeit products at all time. Any sale of counterfeit or imitation products which does not match the quality standards of our products will adversely impact our reputation and may also affect our relationship with our customers and suppliers. It will also materially affect our business, prospects, results of operations and financial conditions.

***14. We have high working capital requirements. Our inability to meet our working capital requirements may have a material adverse effect on our business, financial condition and results of operations.***

Our business requires a significant amount of working capital for smooth functioning. For the FY 2016 and FY 2015, our working capital requirements (Fund and Non-Fund based) were Rs. 11 Crores, and Rs. 8 Crores respectively. We meet our requirement for working capital majorly through banking facilities or fresh infusion of funds by way of issue of shares or internal accruals. In future, our inability, if any to meet our working capital requirements through banking arrangements can adversely impact our business operations and financial position.

***15. One of the Key Management Personnel is associated with the Company for less than one year.***

One of the Key Management Personnel i.e. Company Secretary & Compliance Officer is associated with the Company for a period of less than one year. For details of Key Management Personnel and their appointment, please refer to chapter "Our Management" beginning on page 130 of this Prospectus.



**16. Our Company had negative cash flows in the past 5 years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had negative cash flows from our investing activities and financing activities in some of the previous year(s) as per the Audited Financial Statements and the same are summarized as under:

(Rs. In lakhs)

| Particulars                                       | As on<br>March 31,<br>2016 | As on<br>March 31,<br>2015 | As on<br>March 31,<br>2014 | As on<br>March 31,<br>2013 | As on<br>March 31,<br>2012 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Cash Flow from/ (used in)<br>Operating Activities | 364.12                     | 5.89                       | 216.65                     | 143.02                     | 158.56                     |
| Cash Flow from/ (used in)<br>Investing Activities | (9.24)                     | (53.15)                    | (80.28)                    | (40.30)                    | (104.56)                   |
| Cash Flow from/ (used in)<br>Financing Activities | (166.83)                   | (3.24)                     | (65.82)                    | (90.86)                    | (59.15)                    |

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

**17. Our promoters will continue to retain significant control over our Company after the IPO.**

Upon completion of the IPO, our promoters will continue to own majority of our Equity Shares. As a result, our promoters will be in a position to influence any shareholder action or approval requiring a majority vote, except where it is required otherwise by applicable laws or where they abstain from voting. Our promoters will also have the ability to control our business including matters relating to any sale of all or substantially all its assets, the timing and distribution of dividends and the election or termination or appointment of its officers and directors. Further, the extent of the promoters' shareholding in the Company may result in the delay or prevention of a change of management or control of the Company, even if such a transaction may be beneficial to the other shareholders of the Company.

**18. We face competition in our business from both domestic and international competitors. Such competition would have an adverse impact on our business and financial performance.**

The industry, in which we are operating, is highly and increasingly competitive and our results of operations and financial condition are sensitive to, and may be materially/adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.



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

Our Company's performance is largely dependent upon the services of our Promoters and other Key Managerial Personnel. Our Promoters have built relations with suppliers, consumers and other persons who are connected with our business. Further, our Key Managerial Personal also possesses the requisite domain knowledge to provide efficient services to our consumers. Any failure or inability of our Company to attract and retain human resources may affect the operations and ability to expand our business.

- 20. *Our manufacturing activities are dependent upon availability of skilled and unskilled labour.***

We do not have any permanent arrangement of labour and recruitments are made as per requirements except for those who are on permanent pay rolls of our Company. Our manufacturing activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations.

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

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

- 22. *Within the parameters as mentioned in the chapter titled 'Objects of this Issue' beginning on page 83 of this Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page 83 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter "Objects of the Issue" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Occurrence of any event causing variance in actual costs or schedule of implementation as stated under chapter "Objects of the Issue" may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

- 23. *Delay in filing of certain forms under Companies Act with RoC.***

We have delayed in filing of certain forms under Companies Act with RoC and the Company has paid additional fees for the same. Such non-compliance may result in penalties or other action against our Company.



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

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

- 25. Our Contingent Liability and Commitments could affect our financial position.**

As on 31st March, 2016, we had Contingent Liability of Rs. 15.01 lakhs. Details of contingent liabilities are as follows:

(Rs. In Lakhs)

| Particulars | Amount as on 31st March, 2016 |
|-------------|-------------------------------|
| Income Tax  | 1.82                          |
| Service Tax | 4.35                          |
| TDS Demand  | 8.84                          |

For further details on the same please refer section “Financial Information of the Company” beginning on page 163 of this Prospectus.

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

Our Company has availed Credit facilities from Axis Bank Limited. Our Promoters and Promoter Group Members have provided personal guarantees to secure our existing borrowing, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoters and Promoter Group Members may be invoked and/ or the collateral may also be enforced, which could negatively impact the reputation and net worth of the Promoters. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoters and Promoter Group Members may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees satisfactory to the lenders and additional properties for mortgage, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “Statement of Financial Indebtness” in the chapter titled Financial Information beginning on page 163 of this Prospectus.



- 27. *The capacity of our manufacturing units are not fully utilized, which in turn could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.***

The capacities at our manufacturing units have not been fully utilized. Further, we may decide to increase our product portfolio and to enter more geographical areas based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our existing and / or future products and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our consolidated financial performance.

- 27. *One of our group entity Venus Knitwears Company Private Limited had incurred loss in the financial year 2012-13 and 2014-15.***

One of our group entity Venus Knitwears Company Private Limited had incurred loss in the financial year 2012-13 and 2014-15. For further details regarding the performance of our Group Entities, please refer to Chapter titled “Our Group Entities” beginning on page 152 of this Prospectus. Sustained financial losses by our Group Entity may not be perceived positively by external parties such as customers, bankers, suppliers etc., which may affect our credibility and business operations.

## **II. *Risk related to this Issue and our Equity Shares***

- 28. *Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

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

- 30. *There is no guarantee that the Equity Shares issued pursuant to this Issue will be listed on the NSE Emerge in a timely manner.***

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of shares issued. We have only applied to NSE to use its name as the Stock Exchange in this offer document for listing our shares on the NSE-Emerge. 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 after 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 delay in listing the Equity Shares on the NSE-Emerge. Any delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.



## **B. EXTERNAL RISK FACTORS**

### ***31. Natural calamities and force majeure events may have an adverse impact on our business.***

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

### ***32. We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards (“IFRS”). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.***

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the “IFRS Convergence Note”). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. Our financial condition, results of operations, cash flows or changes in shareholders’ equity may appear materially different under IFRS than under Indian GAAP or our adoption of converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal/period.

### ***33. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.***

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

### ***34. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.





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

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

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

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

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

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include Value Added Tax, Income Tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.

**38. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

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

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



## PROMINENT NOTES

- a) The Public Issue of 10,83,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 39/- per Equity Share aggregating Rs. 422.37 Lakhs ("the Issue"). Issue of Equity Shares will constitute 26.52% of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled "The Issue" on page 42 of this Prospectus.
- b) The net worth of our Company is Rs. 677.28 Lakhs, Rs. 639.99 Lakhs and Rs. 276.96 Lakhs as on March 31, 2016, March 31, 2015 and March 31, 2014 respectively as per audited financial statements of our Company. The book value of each Equity Share is Rs. 22.57, Rs. 21.33 and Rs. 16.59 as on March 31, 2016, March 31, 2015 and March 31, 2014 respectively as per the audited financial statements of our Company. For more information, please refer to section titled "Financial Statements" beginning on page 163 of this Prospectus.
- c) The average cost of acquisition of per Equity Shares by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

| Name of the Promoters | No. of Shares held | Average cost of Acquisition (in Rs.) |
|-----------------------|--------------------|--------------------------------------|
| Balram Kumar Narula   | 1,53,820           | 20.25                                |
| Anil Kumar Narula     | 3,04,760           | 20.89                                |
| Rakesh Kumar Narula   | 2,34,860           | 19.65                                |
| Kanchan Narula        | 2,85,160           | 16.79                                |
| Usha Narula           | 2,27,480           | 15.44                                |
| Jyoti Narula          | 1,82,000           | 13.38                                |
| Sandhya Narula        | 2,53,960           | 11.65                                |

- d) For details of Related Party Transactions entered into by our Company, please refer to the chapter titled "Related Party Transactions" beginning on page 161 of this Prospectus.
- e) Except as disclosed in the chapter titled "Capital Structure", "Our Promoters and Promoter Group" and "Our Management" beginning on pages 50, 145 and 130 respectively, of this Prospectus, none of our Promoters, Directors or Key Management Personnel have any interest in our Company.
- f) Except as disclosed in the chapter titled "Capital Structure" beginning on page 50 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
- g) Investors may contact the LM or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Compliance Officer, please refer to the chapter titled "General Information" beginning on page 43 of this Prospectus.
- h) Investors are advised to refer to chapter titled "Basis for Issue Price" on page 88 of this Prospectus.
- i) Trading and Allotment in Equity Shares for all investors shall be in dematerialized form only.
- j) There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus.





- k) Except as stated in the chapter titled “*Our Group Entities*” beginning on page 152 and chapter titled “Related Party Transactions” beginning on page 161 of this Prospectus, our Group Entities have no business interest or other interest in our Company.
- l) Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “Issue Structure” beginning on page 230 of this Prospectus.

## SECTION III- INTRODUCTION

### SUMMARY OF OUR INDUSTRY

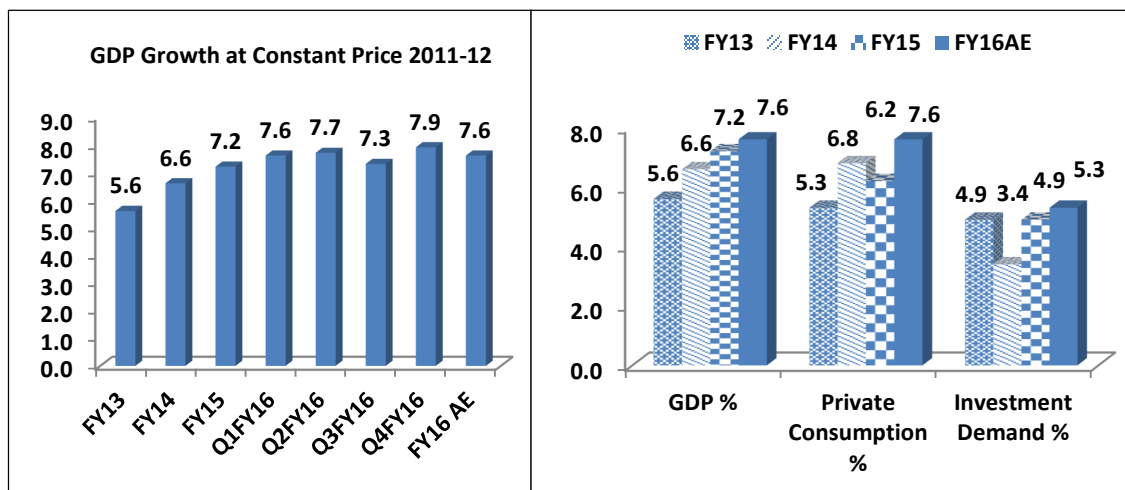
India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.25 billion people, and the most populous democracy in the world. India is the fourth largest economy in the world in terms of purchasing power parity (PPP). India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7% in 2016-17. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

According to IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow at 7-7.75% during FY 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will growing by more than 7% for the third successive year 2016-17 and can start growing at eight% or more in next two years.

The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2015-16 is Rs 113.5 trillion (US\$ 1.668 trillion), as against Rs 105.5 trillion (US\$ 1.55 trillion) in 2014-15, registering a growth rate of 7.6%. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5% and 'trade, hotels, transport, communication services' at 10.7%.

(Source: CMIE, IBEF, Asian Development Bank, MOSPI)



(Source: MOSPI, CSO, Base year 2011-12)

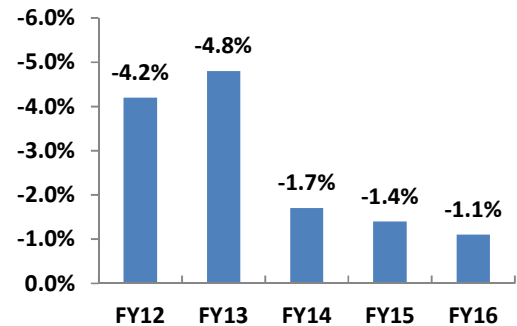
India's GDP grew at a robust 7.9% in the Q4 of the financial year FY16 gone by as against 7.2% (revised from 7.3% earlier) in Q3 of FY16. The government revised GDP growth data for Q2 and Q1 of FY16 to 7.6% versus 7.7% and 7.5% versus 7.6% respectively.



## Current Account Deficit

For the entire 2015-16 fiscal, CAD stood at 22.1 billion 1.1% of the GDP as against 26.8 billion 1.8% for 2014-15, according to Reserve Bank of India data. India's current account deficit (CAD) declined sharply to \$0.3 billion 0.1% of Gross Domestic Product in the fourth quarter of ended March 2016 (FY16) from \$ 7.1 billion 1.3%, in third quarter ended December 2015, on account of lower trade gap. The trade deficit in the fourth quarter of FY16 stood at \$24.8 billion compared to \$31.6 billion in Q4 of 2014-15. The country's trade deficit was \$130.1 billion for FY16 while for FY15 it stood at \$144.9 billion. Balance of Payments (BOP) stayed in positive territory with accretion of \$3.3 billion to India's Foreign exchange reserves in Q4 2015-16. The overall BOP during the fiscal FY16 moderated to \$17.9 billion from \$ 61.06 billion in 2014-15.

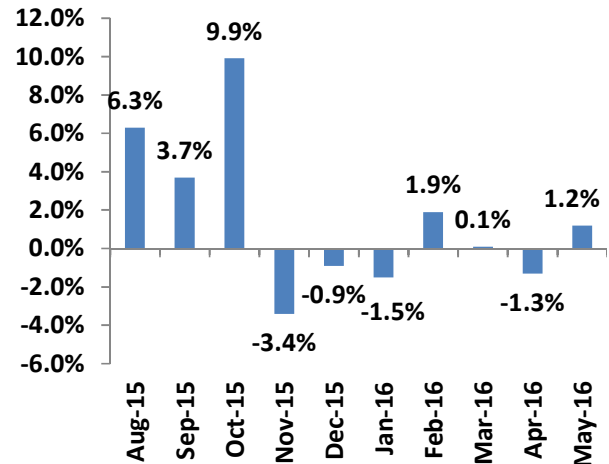
**CAD % of GDP**



## Index of Industrial Production

India's industrial production (IIP) increased 1.2% in May 2016 over May 2015, while snapping 1.4% dip recorded in the previous month. The manufacturing sector production rebounded 0.7%, after two months of decline, contributing to the rise in industrial output in May 2016. The mining output rose 1.3% in May 2016, but the electricity generation growth eased to five-month low of 4.7%. As per the use-based classification, the basic goods output moved up 4% in May 2016 over a year ago, while the output of intermediate goods moved up 3.6%. The consumer goods output moved up 1.1%, but that of capital goods plunged 12.4% in May 2016. Within consumer goods, the production of consumer durables increased 6%, but that of consumer non-durables declined 2.2% in May 2016.

**Index of Industrial Production**



## OVERVIEW OF INDIAN TEXTILE AND APPAREL INDUSTRY

### Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The textiles industry is also labour intensive and is one of the largest employers.

The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11% of total exports. India's overall textile exports during FY 2015-16 stood at US\$ 40 billion.



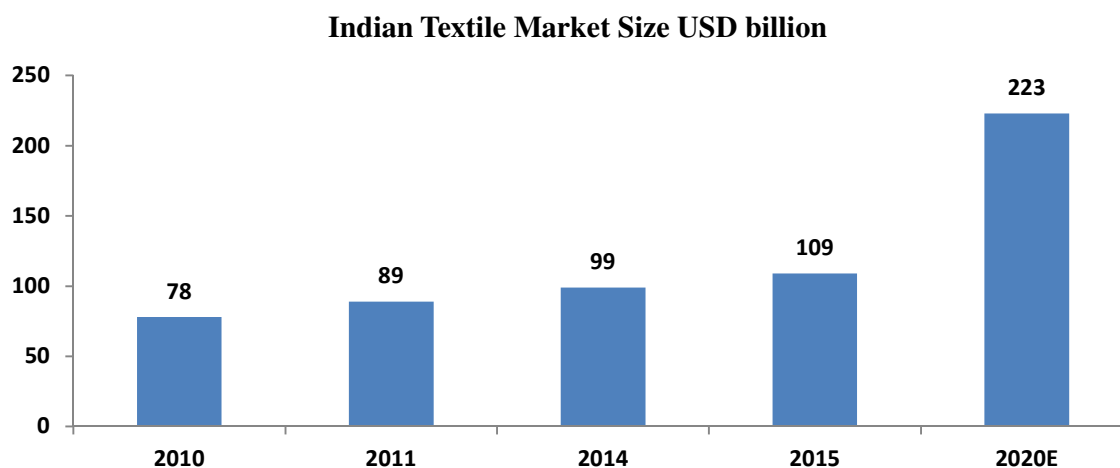
The Indian textiles industry is extremely varied, with the hand-spun and handwoven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector.

### Market Size

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly.

The Indian Textile Industry contributes approximately 5% to India's Gross Domestic Product (GDP), and 14% to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US\$ 500 billion in size. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.





## SUMMARY OF OUR BUSINESS

Our Company was incorporated as Jet Knitwears Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 02, 1996 in Kanpur, Uttar Pradesh. Subsequently, the name of our Company was changed to Jet Knitwears Limited vide fresh certificate of incorporation dated April 01, 2015. The company was incorporated to takeover the running business of partnership firm M/s Jet Knitwears Company along with all the assets and liabilities, approvals, permits, registrations, etc.

Late Mr. Bhushan Kumar Narula, erstwhile Promoter of our Company started a production unit in the name and style of “Venus Hosiery” along with his brothers and relatives in the year 1969 at Kanpur. In early 1990s, a Partnership firm in the name and style of “Jet Knitwears Company” was formed to carry out production of innerwear with brand name “Jet”. This firm was finally converted into our Company in the year 1996.

Our company is engaged in the business of manufacturing of intimate garments for men, women and children such as vests, briefs, brassiere, panties, socks, T-shirts and casual wears. The company markets its products through its own brands like “Lycot Australia”, “Jet”, “Jet Eco”, “Fresh-Long”, “Boski” and “Take- off”. We have set our footing in domestic market and have a strong retail presence through its own network for Sales, Marketing and Logistics serving to more than 5000 Retailers directly and also through a large number of Dealers and Wholesalers in North India.

Our Company has been committed to provide quality products that are safe and comfortable to the customers. In the year 2002, our product was tested for Eco-parameters such as presence of banned amines, heavy metals (such as Pb, Cd, Hg, Cu, Cr, Co, Ni and Sb), pesticides (DDT, BHC, Lindane, Aldrin, Dieldrin, 2,4-D, 2,4,5-7, D.D.E, p.D.D.D. Toxaphane, Heptachlorepoxyde,  $\alpha$ -HCH,  $\beta$ -HCH and  $\delta$ -HCH), Pentachlorophenol, Free Formaldehyde and PH at the Textiles Committee Laboratory, Mumbai and it was found to be eco-friendly textile with respect to the laid parameters. Further, Test Report for the samples drawn by Facility for Ecological and Analytical Testing, IIT Kanpur declared the cloth samples free from hazardous chemicals (such as Pesticide, Heavy Metals, Formaldehyde, Chrome-VI, Pentachlorophenol and Banned Amines) and safe for human use. In the year 2005, dyed samples drawn by The Bombay Textile Research Association, Mumbai were tested as Antibacterial according to ASTM Standards.

Our Company has been awarded with various National Awards, Certificates and Recognitions from various industries and government authorities as follows:

| Sr. No. | Year     | Particulars  |
|---------|----------|--|
| 1.      | 1993-94* | Mandalya Puraskar 1993-94 for excellent & successful Management of SSI unit.   |
| 2.      | 1994*    | “NATIONAL AWARD TO SMALL SCALE ENTREPRENEURS” by Small Industries Development Organisation, Ministry of Industry, Government of India                              |
| 3.      | 1995-96* | “NATIONAL AWARD TO SMALL SCALE ENTREPRENEURS” to Small Scale Entrepreneurs by Small Industries Development Organisation, Ministry of Industry, Government of India |
| 4.      | 2001     | “NATIONAL AWARD” for Excellence in Quality Products by Ministry of Ministry of Micro, Small & Medium Enterprises, Government of India                              |
| 5.      | 2001-02  | “SECOND PRIZE” for excellent performance in Export by Small Scale Industries & Export Promotion Department, Government of Uttar Pradesh.                           |
| 6.      | 2003     | “NATIONAL AWARD” for Research & Development (Small Industries) by Ministry of Micro, Small & Medium Enterprises, Government of India                               |
| 7.      | 2005     | “SECOND PRIZE” for excellent performance in Export by Small Scale Industries & Export Promotion Department, Government of Uttar Pradesh.                           |



|     |         |   |
|-----|---------|---|
| 8.  | 2007    | “NATIONAL AWARD” for Quality Products in Micro & Small Enterprises (Readymade Garments) by Ministry of Micro, Small & Medium Enterprises, Government of India   |
| 9.  | 2007    | “RAJIV GANDHI NATIONAL QUALITY AWARD” in the field of Textile Industry in the category Small Scale Manufacturing Industry.  |
| 10. | 2008    | “RAJIV GANDHI NATIONAL QUALITY AWARD” for achieving excellence amongst all applicants in the category Small Scale Manufacturing Industry.   |
| 11. | 2008    | “INTERNATIONAL QUALITY CROWN AWARD LONDON” from Business Initiative Directions, Spain   |
| 12. | 2009    | “NATIONAL AWARD” for Quality Products in Micro & Small Enterprises (Knitwear) by Ministry of Micro, Small & Medium Enterprises, Government of India   |
| 13. | 2011    | “NATIONAL RECORD” certificate from the Limca Book of Records for being the only unit in Micro, Small & Medium Enterprises (MSME) sector having six national awards in various fields between 1995 and 2009 along with an international award. |
| 14. | 2011    | “NATIONAL AWARD” for Quality Products in Micro & Small Enterprises (Undergarments) by Ministry of Micro, Small & Medium Enterprises, Government of India  |
| 15. | 2012    | Honor Certificate for “WELL-KNOWN BRAND IN ASIA” Asia Brand Attestation System (ABAS) Experts Committee.  |
| 16. | 2012-13 | Dr. Ram Manohar Lohia Small Business Promotion Award.   |

*\*Note: These Awards were received by the firm “Jet Knitwears Company.”*

## MANUFACTURING FACILITY

Our Company’s manufacturing activities are undertaken at two different units mentioned below:

| PARTICULARS   | KANPUR   | TIRUPUR   |
|---------------|--|---|
| Location      | 57-A, Dada Nagar, Kanpur, Uttar Pradesh-208022 | 26 A, Appachi Nagar, Kangu Main Road, Tirupur, Tamil Nadu- 641607 |
| Land Area     | 2360 Sq. Mtr                                   | 800 Sq. Mtr   |
| Build up Area | 1,400 Sq. Mtr                                  | 500 Sq. Mtr   |

## PRODUCTS PORTFOLIO

Our Company markets its products through various brands like “Lycot Australia”, “Jet”, “Jet Eco”, “Fresh-Long”, “Boski” and “Take- off”. Various product manufactured by our Company are Vest, Underwear (including Boxers, Briefs & Trunks), Brassiere, Panties, Socks, T-shirts, Thermals, Lowers, etc.

Our Company cater to everyday range of comfortable Innerwear, Socks, T-shirts and Thermals which are available in superior cotton fabrics, vibrant styles and are ideally suited for men and women. Our Company believes in providing those products to our consumers that are Skin Friendly and Anti-Bacterial.



## SUMMARY OF FINANCIAL STATEMENTS

### SUMMARY OF STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lakhs)

| Particulars                               | Annexure | As at 31st March |                |                |                |                |
|---|----------|------------------|----------------|----------------|----------------|----------------|
|   |          | 2016<br>Amount   | 2015<br>Amount | 2014<br>Amount | 2013<br>Amount | 2012<br>Amount |
| <b>EQUITY AND LIABILITIES</b>             |          |                  |                |                |                |                |
| Share Capital                             | 7        | 300.02           | 300.02         | 166.90         | 166.90         | 166.90         |
| Reserves & Surplus                        | 8        | 377.26           | 339.97         | 110.06         | 90.36          | 73.67          |
| Share Application Money Pending Allotment |          |                  |                |                |                |                |
| <b>Sub Total</b>                          |          | <b>677.28</b>    | <b>639.99</b>  | <b>276.96</b>  | <b>257.26</b>  | <b>240.57</b>  |
| <b>Non-Current Liabilities</b>            |          |                  |                |                |                |                |
| Long Term Borrowings                      | 9        | 159.85           | 205.50         | 408.99         | 345.98         | 308.15         |
| Deferred Tax Liabilities                  | 10       | 0.00             | 2.74           | 5.58           | 6.22           | 6.90           |
| Other Long Term Liabilities               |          |                  |                |                |                |                |
| <b>Sub Total</b>                          |          | <b>159.85</b>    | <b>208.25</b>  | <b>414.57</b>  | <b>352.21</b>  | <b>315.04</b>  |
| <b>Current Liabilities</b>                |          |                  |                |                |                |                |
| Short Term Borrowings                     | 11       | 1021.90          | 773.87         | 811.04         | 772.43         | 711.88         |
| Trade Payables                            | 12       | 276.22           | 363.88         | 270.67         | 324.37         | 290.55         |
| Other Current Liabilities                 | 13       | 19.48            | 17.45          | 20.17          | 18.36          | 14.21          |
| Short Term Provisions                     | 14       | 26.49            | 21.90          | 10.09          | 9.51           | 4.90           |
| <b>Sub Total</b>                          |          | <b>1344.08</b>   | <b>1177.10</b> | <b>1111.97</b> | <b>1124.68</b> | <b>1021.54</b> |
| <b>Total</b>                              |          | <b>2181.21</b>   | <b>2025.34</b> | <b>1803.50</b> | <b>1734.15</b> | <b>1577.15</b> |
| <b>ASSETS</b>                             |          |                  |                |                |                |                |
| <b>Non-Current Assets</b>                 |          |                  |                |                |                |                |
| <b>Fixed Assets</b>                       |          |                  |                |                |                |                |
| Tangible Assets                           | 15       | 216.37           | 255.69         | 259.37         | 231.71         | 237.48         |
| Intangible Assets                         |          | 0.00             | 0.00           | 0.00           | 0.00           | 0.00           |
| Non-Current Investments                   | 16       | 0.45             | 0.45           | 0.45           | 0.00           | 0.00           |
| Long Term Loans & Advances                |          | 0.00             | 0.00           | 0.00           | 0.00           | 0.00           |
| Deferred Tax Asset                        | 17       | 2.45             | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Sub Total</b>                          |          | <b>219.27</b>    | <b>256.14</b>  | <b>259.82</b>  | <b>231.71</b>  | <b>237.48</b>  |
| <b>Current Assets</b>                     |          |                  |                |                |                |                |
| Current Investments                       | 18       | 0.00             | 7.04           | 6.49           | 0.00           | 0.00           |
| Inventories                               | 19       | 591.51           | 754.23         | 597.90         | 807.48         | 789.49         |
| Trade Receivables                         | 20       | 990.25           | 838.11         | 723.42         | 540.32         | 426.54         |
| Cash & Bank Balances                      | 21       | 249.33           | 61.29          | 111.80         | 41.85          | 29.89          |
| Short Term Loans & Advances               | 22       | 130.84           | 108.52         | 104.08         | 112.79         | 93.75          |
| Other Current Assets                      |          | 0.00             | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Sub Total</b>                          |          | <b>1961.94</b>   | <b>1769.20</b> | <b>1543.68</b> | <b>1502.44</b> | <b>1339.67</b> |
| <b>Total</b>                              |          | <b>2181.21</b>   | <b>2025.34</b> | <b>1803.50</b> | <b>1734.15</b> | <b>1577.15</b> |



# SUMMARY STATEMENT OF PROFIT & LOSS AS RESTATED

(Rs. in Lakhs)

| Particulars  | Annexure | For The Year Ended as on 31st March |                |                |                |                |
|--|----------|-------------------------------------|----------------|----------------|----------------|----------------|
|  |          | 2016                                | 2015           | 2014           | 2013           | 2012           |
|  |          | Amount                              | Amount         | Amount         | Amount         | Amount         |
| <b>Revenue</b>   |          |                                     |                |                |                |                |
| Revenue From Operation Of Product Manufactured (Gross)   | 23       | 3854.94                             | 3731.83        | 3848.95        | 3746.94        | 3123.82        |
| Less: Excise Duty  |          | 0.00                                | 0.00           | 0.00           | -195.67        | -223.42        |
| Revenue From Operations (Net)                            |          | 3854.94                             | 3731.83        | 3848.95        | 3551.27        | 2900.40        |
| Other Income   | 24       | 1.72                                | 0.77           | 2.30           | 10.68          | 3.08           |
| <b>Total</b>   |          | <b>3856.66</b>                      | <b>3732.60</b> | <b>3851.25</b> | <b>3561.96</b> | <b>2903.47</b> |
| <b>Expenses</b>  |          |                                     |                |                |                |                |
| Cost Of Raw Material Consumed                            | 25       | 2385.36                             | 2584.15        | 2416.04        | 2427.94        | 2091.69        |
| Change In Inventory Of Finished Goods And WIP            | 26       | 162.52                              | -150.67        | 206.44         | -26.47         | -286.15        |
| Employee Benefit Expenses                                | 27       | 68.29                               | 32.91          | 25.93          | 22.44          | 17.53          |
| Finance Cost   | 28       | 122.90                              | 133.17         | 129.29         | 128.70         | 120.16         |
| Depreciation and Amortisation                            | 29       | 55.60                               | 56.28          | 45.68          | 45.97          | 40.57          |
| Other Expenses   | 30       | 1003.40                             | 1027.46        | 998.47         | 937.84         | 897.50         |
| <b>Total</b>   |          | <b>3798.08</b>                      | <b>3683.30</b> | <b>3821.85</b> | <b>3536.42</b> | <b>2881.30</b> |
| Profit Before Exceptional & Extra Ordinary Items and Tax |          | 58.58                               | 49.30          | 29.40          | 25.54          | 22.17          |
| Exceptional and Extra Ordinary Items                     |          | 0.00                                | 0.00           | 0.00           | 0.00           | 0.00           |
| Profit on Sale Of Investments                            |          | 0.00                                | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Profit Before Tax</b>                                 |          | <b>58.58</b>                        | <b>49.30</b>   | <b>29.40</b>   | <b>25.54</b>   | <b>22.17</b>   |
| <b>Tax</b>   |          |                                     |                |                |                |                |
| Current Income Tax                                       | 31       | 26.49                               | 21.90          | 10.09          | 9.51           | 4.90           |
| Dividend Tax   |          | 0.00                                | 0.00           | 0.00           | 0.00           | 0.00           |
| Deferred Tax   |          | -5.20                               | -2.84          | -0.64          | -0.67          | 1.76           |
| Wealth Tax   |          | 0.00                                | 0.00           | 0.26           | 0.00           | 0.00           |
| MAT Tax Entitlement                                      |          | 0.00                                | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Net Profit As Restated</b>                            |          | <b>37.29</b>                        | <b>30.23</b>   | <b>19.69</b>   | <b>16.69</b>   | <b>15.51</b>   |





## SUMMARY OF CASH FLOW STATEMENT AS RESTATED

(Rs. in Lakhs)

| S.N      | Particulars   | As at 31st March |                |                |                |                 |
|----------|---|------------------|----------------|----------------|----------------|-----------------|
|          |   | 2016             | 2015           | 2014           | 2013           | 2012            |
|          |   | Amount           | Amount         | Amount         | Amount         | Amount          |
|          |   |                  |                |                |                |                 |
| <b>A</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |                  |                |                |                |                 |
|          | Net Profit After Tax , As Restated  | 37.29            | 30.23          | 19.69          | 16.69          | 15.51           |
|          | Adjustments For:  |                  |                |                |                |                 |
|          | Extraordinary Items   | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | Deferred Tax  | (5.20)           | (2.84)         | (0.64)         | (0.67)         | 1.76            |
|          | Depreciation and Amortization   | 55.60            | 56.28          | 45.68          | 45.97          | 40.57           |
|          | (Profit) /Loss On Sale Of Fixed Assets  | 0.00             | 0.00           | 0.00           | 0.00           | 0.27            |
|          | Interest Costs  | 122.90           | 133.17         | 129.29         | 128.70         | 120.16          |
|          | Non-Operating Income  | (1.72)           | (0.62)         | (0.46)         | 0.00           | 0.00            |
|          | Bad Debts Written Off   | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | Profit On Sale Of Investments   | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          |   |                  |                |                |                |                 |
|          | Operating Profit Before Working Capital Changes                                     | 208.87           | 216.23         | 193.56         | 190.69         | 178.27          |
|          | Adjustments For:  |                  |                |                |                |                 |
|          | Current Assets  | (11.74)          | (275.47)       | 35.20          | (150.81)       | (170.13)        |
|          | Current Liabilities   | 162.39           | 53.32          | (13.28)        | 98.53          | 149.82          |
|          | Short Term Provisions   | 4.59             | 11.81          | 0.57           | 4.61           | 0.60            |
|          | Non-Current Assets  | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | Non-Current Liabilities   | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | Appropriation/Adjustments in Reserves   | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | CASH GENERATED FROM OPERATING ACTIVITIES BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS | 364.12           | 5.89           | 216.05         | 143.02         | 158.56          |
|          |   |                  |                |                |                |                 |
|          | <b>CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>                                 | <b>364.12</b>    | <b>5.89</b>    | <b>216.05</b>  | <b>143.02</b>  | <b>158.56</b>   |
|          |   |                  |                |                |                |                 |
|          |   |                  |                |                |                |                 |
| <b>B</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  |                  |                |                |                |                 |
|          | Purchase Of Fixed Assets  | (20.08)          | (52.59)        | (79.41)        | (40.20)        | (105.11)        |
|          | Sale of Fixed Assets  | 3.80             | 0.00           | 6.07           | 0.00           | 0.55            |
|          | Increase In Investments   | 7.04             | (0.55)         | (6.94)         | 0.00           | 0.00            |
|          |   |                  |                |                |                |                 |
|          | <b>CASH GENERATED FROM INVESTING ACTIVITIES (B)</b>                                 | <b>(9.24)</b>    | <b>(53.15)</b> | <b>(80.28)</b> | <b>(40.20)</b> | <b>(104.56)</b> |
|          |   |                  |                |                |                |                 |
|          |   |                  |                |                |                |                 |
| <b>C</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |                  |                |                |                |                 |
|          | Increase In Share Capital (Including Share Premium)                                 | 0.00             | 332.80         | 0.00           | 0.00           | 0.00            |
|          | Dividend  | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | Bank Loans  | (45.65)          | (203.49)       | 63.01          | 37.84          | 61.01           |



|  |   |                 |                |                |                |                |
|--|---|-----------------|----------------|----------------|----------------|----------------|
|  | Interest Paid During The Year                             | (122.90)        | (133.17)       | (129.29)       | (128.70)       | (120.16)       |
|  | Non-Operating Revenue                                     | 1.72            | 0.62           | 0.46           | 0.00           | 0.00           |
|  | <b>CASH GENERATED FROM<br/>FINANCING ACTIVITIES ( C )</b> | <b>(166.83)</b> | <b>(3.24)</b>  | <b>(65.82)</b> | <b>(90.86)</b> | <b>(59.15)</b> |
|  |   |                 |                |                |                |                |
|  | <b>NET CASH FLOW DURING THE<br/>YEAR(A+B+C)</b>           | <b>188.04</b>   | <b>(50.51)</b> | <b>69.95</b>   | <b>11.96</b>   | <b>(5.15)</b>  |
|  |   |                 |                |                |                |                |
|  | <b>NET INCREASE IN CASH AND CASH<br/>EQUIVALENTS</b>      | <b>188.04</b>   | <b>(50.51)</b> | <b>69.95</b>   | <b>11.96</b>   | <b>(5.15)</b>  |



## THE ISSUE

| Particulars                                  | Number of Equity Shares   |
|--|---|
| Equity Shares Offered                        | 10,83,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 39/- per Equity Share aggregating Rs. 422.37 lakhs.                                     |
| Fresh Issue Consisting of                    |   |
| Issue Reserved for Market Makers             | 57,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 39/- per Equity Share aggregating Rs. 22.23 lakhs.   |
| Net Issue to the Public                      | 10,26,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 39/- per Equity Share aggregating Rs. 400.14 lakhs.                                     |
|  | of which:   |
|  | 5,13,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 39/- per Equity Share will be available for allocation to investors up to Rs. 2.00 Lakhs |
|  | 5,13,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 39/- per Equity Share will be available for allocation to investors above Rs. 2.00 Lakhs |
| Equity Shares outstanding prior to the Issue | 30,00,200 Equity Shares   |
| Equity Shares outstanding after the Issue    | 40,83,200 Equity Shares   |
| Objects of the Issue                         | See the chapter titled “Objects of the Issue” on page 83 of this Prospectus.  |

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

For further details, please refer to chapter titled “Issue Structure” beginning on page 230 of this Prospectus.



## GENERAL INFORMATION

Our Company was incorporated as Jet Knitwears Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 02, 1996 in Kanpur, Uttar Pradesh. Subsequently, the name of our Company was changed to Jet Knitwears Limited vide fresh certificate of incorporation dated April 01, 2015. The company was incorporated to takeover the running business of partnership firm M/s Jet Knitwears Company along with all the assets and liabilities, approvals, permits, registrations, etc.

For further details, please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 124 of this Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### JET KNITWEARS LIMITED

119/410, B-1, Darshanpurwa,

Kanpur- 208012, Uttar Pradesh

**Tel:** 0512-2217553

**E-mail:** info@jetknit.com

**Website:** www.jetknit.com

**Registration Number:** 019722

**Corporate Identification Number:** U19101UP1996PLC019722

### REGISTRAR OF COMPANIES

#### REGISTRAR OF COMPANIES, KANPUR

10/499 B, Allenganj, Khalasi Line,

Kanpur-208002, Uttar Pradesh

**Website:** www.mca.gov.in

### DESIGNATED STOCK EXCHANGE

#### EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LTD (NSE)

Exchange Plaza, Plot no. C/1, G Block,

Bandra-Kurla Complex, Bandra (E)

Mumbai - 400051

For details in relation to the changes to the name of our Company, please refer to the chapter titled, "Our History and Certain Other Corporate Matters" beginning on page 124 of this Prospectus.

### BOARD OF DIRECTORS OF OUR COMPANY

| Sr. No. | Name                     | Age | DIN      | Address  | Designation                          |
|---------|--------------------------|-----|----------|--|--------------------------------------|
| 1.      | Mr. Balram Kumar Narula  | 65  | 00274566 | H. No. - 125/67-C, Block-K, Govind Nagar, Kanpur- 208006 (U.P)   | Managing Director                    |
| 2.      | Mr. Anil Kumar Narula    | 60  | 00274462 | H. No. - 125/67-C, Block-K, Govind Nagar, Kanpur- 208006 (U.P)   | Whole-time Director                  |
| 3.      | Mr. Rakesh Kumar Narula  | 58  | 00274483 | H. No. - 125/67-C, Block-K, Govind Nagar, Kanpur- 208006 (U.P)   | Whole-time Director                  |
| 4.      | Mr. Ashok Chandra Bajpai | 65  | 05358863 | J 28, Vishwa Bank Colony, Barra Naubasta, Kanpur - 208001 (U.P.) | Independent & Non-Executive Director |



| Sr. No. | Name                 | Age | DIN      | Address  | Designation                          |
|---------|----------------------|-----|----------|--|--------------------------------------|
| 5.      | Mr. Ramesh Chandra   | 78  | 00111716 | 201 Krishna Appartment, 113/104A, Swarup Nagar Kanpur - 208002 (U.P.)                              | Independent & Non-Executive Director |
| 6.      | Mrs. Dinesh Parashar | 66  | 07270662 | B227, Near The Omex Forest, Sector-92, Maharishi Nagar, Gautam Buddha Nagar, Noida - 201304 (U.P.) | Independent & Non-Executive Director |

For further details of our Directors, please refer to the chapter titled “Our Management” beginning on page 130 of this Prospectus.

#### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

**YOGI SRIVASTAVA**

**JET KNITWEARS LIMITED**

119/410, B-1, Darshanpurwa,

Kanpur- 208012, Uttar Pradesh

**Tel:** 0512-2217553

**E-mail:** info@jetknit.com

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

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

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

#### **CHIEF FINANCIAL OFFICER**

**ANKUR NARULA**

**JET KNITWEARS LIMITED**

119/410, B-1, Darshanpurwa,

Kanpur- 208012, Uttar Pradesh

**Tel:** 0512-2217553

**E-mail:** info@jetknit.com

#### **STATUTORY AUDITORS**

**M/S PANKAJ KHANNA & ASSOCIATES**

‘Sudham’, 4/278, Vishnupuri

Kanpur – 208002, Uttar Pradesh

**Tel:** 0512-2533568, 3015391

**Firm Registration No.:** 002144C

**Contact Person:** Mr. Pankaj Khanna



**Membership No.:** 070213

**E-mail:** pankajkhanna1209@rediffmail.com

#### **PEER REVIEW AUDITOR**

**CA RAHUL JAIN**

**RPMD & ASSOCIATES**

**Chartered Accountants**

**ICAI FRN:** 005961C

**Membership No.** 518352

**Address:** HO: AB-17, 1st Floor,

Shalimar Bagh, New Delhi- 110088;

**Telefax:** +91-11-27472042;

**Mobile:** +91-9811613999

**Email:** info@rpmd.in

#### **LEAD MANAGER TO THE ISSUE**

##### **SARTHI CAPITAL ADVISORS PRIVATE LIMITED**

159/11, Amar Brass Compound

Vidya Nagari Marg, Kalina,

Santacruz (E), Mumbai – 400098

**Tel:** (022) 26528671/72

**Fax:** (022) 26528673

**Contact Person:** Mr. Deepak Sharma

**Email:** ipo@sarthiwm.in

**SEBI Registration No.:** INM000012011

Unit No. 411, Fourth Floor, Pratap Bhavan,

5 Bahadur Shah Zafar Marg,

New Delhi-110002

**Tel:** (011) 23739425-27

**Fax:** (011) 23739424

**Contact Person:** Mr. Anand Lakhotia

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

##### **BIGSHARE SERVICES PRIVATE LIMITED**

E2 Ansa Industrial Estate,

Sakivihar Road, Sakinaka,

Andheri (E), Mumbai - 400072.

**Tel:** +91 22 40430200

**Fax:** +91 22 28475207

**E-mail:** ipo@bigshareonline.com

**Website:** www.bigshareonline.com

**Contact Person:** Mr. Vipin Gupta

**SEBI Registration No.:** INR000001385



#### LEGAL ADVISOR TO THE ISSUE

**NARESH TANEJA**

120/132, Lajpat Nagar,

Kanpur – 208001, Uttar Pradesh

**Phone:** +91 8795616001

**Email:** mail@nareshtaneja.com

#### BANKER TO THE COMPANY

**AXIS BANK LIMITED**

Ground Floor, Bldg No. 109/363,

G.T. Road, Kanpur-208 001

**Tel:** +91 8874208832

**Contact Person:** Ms. Gunjan Chopra

**Email:** proad.operationhead@axisbank.com

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

**YES BANK LIMITED**

YES Bank Tower, IF2, 8th Floor,

Elphinston (W), Senapati Bapat Marg,

Mumbai – 400013

**Tel:** 022-33477374/7259

**Fax:** 022-66699010

**Email:** dlbtiservices@yesbank.in

**Contact Person:** Mr. Alok Srivastava/ Mr. Shankar Vichare

**SEBI Registration No.:** INBI00000935

#### REFUND BANKER

**YES BANK LIMITED**

YES Bank Tower, IF2, 8th Floor,

Elphinston (W), Senapati Bapat Marg,

Mumbai – 400013

**Tel:** 022-33477374/7259

**Fax:** 022-66699010

**Email:** dlbtiservices@yesbank.in

**Contact Person:** Mr. Alok Srivastava/ Mr. Shankar Vichare

**SEBI Registration No.:** INBI00000935

#### SELF CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on



[http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1470396128652.html](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1470396128652.html). For details on Designated Branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

#### CREDIT RATING

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

#### IPO GRADING

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

#### APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. 422.37 lakhs, our Company has not appointed any monitoring agency for this Issue. However, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

#### INTER-SE ALLOCATION OF RESPONSIBILITIES

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

#### EXPERT OPINION

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

#### DEBENTURE TRUSTEE

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

#### UNDERWRITER

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting Agreement is dated August 10, 2016 pursuant to the terms of the underwriting agreement; the obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue.

| Name and Address of the Underwriter  | Indicative Number of Equity shares to be Underwritten | Amount Underwritten (Rupees in Lakhs) | % of the Total Issue Size Underwritten |
|--|---|---------------------------------------|--|
| <b>Sarthi Capital Advisors Private Limited</b><br>159/11, Amar Brass Compound,<br>Vidya Nagari Marg, Kalina,<br>Santacruz (E), Mumbai - 400098<br><b>Tel:</b> (022) 26528671/72<br><b>Fax:</b> (022) 26528673<br><b>Email:</b> ipo@sarthiwm.in<br><b>Contact Person:</b> Mr. Deepak Sharma<br><b>SEBI Registration No.:</b> INM000012011 | 10,83,000   | 422.37                                | 100.00                                 |
| <b>Total</b>   | <b>10,83,000</b>                                      | <b>422.37</b>                         | <b>100.00</b>                          |





In the opinion of the Board of Directors of the Company, the resources of the above mentioned underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. Further, the underwriter shall be paid a commission at the rate of 0.50% of the net offer to the public.

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

Our Company and the Lead Manager have entered into a tripartite agreement dated August 10, 2016 with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfill the obligations of Market Making:

##### **CHOICE EQUITY BROKING PRIVATE LIMITED**

Choice House, Shree Shakambhari Corporate Park,

156-158, J.B. Nagar, Andheri (E),

Mumbai – 400099

**Tel:** + 91 22 67079853

**Fax:** + 91 22 67079898

**E-mail:** sme@choiceindia.com

**Contact Person:** Mr. Premkumar Harikrishnan

**SEBI Registration No.:** INB231377335

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

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by the NSE and SEBI in this matter from time to time.

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three years from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25 % of Issue Size (Including the 57,000 Equity Shares out to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 57,000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.



6. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Choice Equity Broking Private Limited is acting as the sole Market Maker.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
8. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

11. Emerge of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
12. Emerge of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.  
The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
13. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.



## CAPITAL STRUCTURE

The share capital of our Company as of the date of this Prospectus before and after the issue is set forth below:

(Rs. In Lakhs except share data)

| Sr. No.  | Particulars  | Aggregate Value |             |
|----------|--|-----------------|-------------|
|          |  | Face Value      | Issue Price |
| <b>A</b> | <b>AUTHORISED SHARE CAPITAL</b>  |                 |             |
|          | 65,00,000 Equity Shares of face value of Rs. 10/- each   | 650.00          |             |
| <b>B</b> | <b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>  |                 |             |
|          | 30,00,200 fully paid up Equity Shares of face value of Rs. 10/- each   | 300.02          |             |
| <b>C</b> | <b>PRESENT ISSUE IN TERMS OF PROSPECTUS*</b>   |                 |             |
|          | 10,83,000 Equity Shares of face value of Rs. 10/- each   | 108.30          | 422.37      |
|          | Which comprises of   |                 |             |
|          | 57,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. 29/- per Equity Share reserved as Market Maker portion                                      | 5.70            | 22.23       |
|          | Net Issue to Public of 10,26,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 29/- per Equity Share to the Public                              | 102.60          | 400.14      |
|          | Of which   |                 |             |
|          | 5,13,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 29/- per Equity Share will be available for allocation to Investors up to Rs. 2.00 Lakhs | 51.30           | 200.07      |
|          | 5,13,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 29/- per Equity Share will be available for allocation to Investors above Rs. 2.00 Lakhs | 51.30           | 200.07      |
| <b>D</b> | <b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE</b>  |                 |             |
|          | 40,83,200 Equity Shares of face value of Rs. 10/- each   | 408.32          |             |



|          |                                   |        |
|----------|-----------------------------------|--------|
| <b>E</b> | <b>SECURITIES PREMIUM ACCOUNT</b> |        |
|          | Before the Issue                  | 199.68 |
|          | After the Issue                   | 513.75 |

*\*The Issue has been authorized pursuant to a resolution of our Board dated July 05, 2016 and by Special Resolution passed under Section 23 of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on August 07, 2016.*

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

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

#### **NOTES TO THE CAPITAL STRUCTURE:**

History of change in authorized Equity Share capital of Our Company

- The Initial authorized Share Capital of Rs. 25,00,000 (Rupees Twenty-Five Lakh only) consisting of 2,50,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 30, 1998.
- The authorized Share Capital of Rs. 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 60,00,000 (Rupees Sixty Lakhs only) consisting of 6,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 05, 1999.
- The authorized Share Capital of Rs. 60,00,000 (Rupees Sixty Lakhs only) consisting of 6,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 75,00,000 (Rupees Seventy-Five Lakhs only) consisting of 7,50,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated January 05, 2002.
- The authorized Share Capital of Rs. 75,00,000 (Rupees Seventy-Five Lakhs only) consisting of 7,50,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 1,25,00,000 (Rupees One Crore Twenty-Five Lakhs only) consisting of 12,50,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 17, 2003.
- The authorized share capital of Rs. 1,25,00,000 (Rupees One Crore Twenty-Five Lakhs only) consisting of 12,50,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 1,75,00,000 (Rupees One Crore Seventy-Five Lakhs only) consisting of 17,50,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 28, 2009.
- The authorized share capital of Rs. 1,75,00,000 (Rupees One Crore Seventy-Five Lakhs only) consisting of 17,50,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 2,00,00,000 (Rupees Two Crores only) consisting of 20,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated July 16, 2012.
- The authorized share capital of Rs. 2,00,00,000 (Rupees Two Crore only) consisting of 20,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 6,50,00,000 (Rupees Six Crore Fifty Lakhs only) consisting of 65,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 09, 2015.



# 1. Equity Share Capital History:

| Date of Allotment of the Equity shares | No. of Equity Shares Allotted | Face Value | Issue Price | Nature of Allotment                               | Nature of Consideration       | Cumulative No. of Shares | Cumulative Paid up Capital |
|--|-------------------------------|------------|-------------|---|-------------------------------|--------------------------|----------------------------|
| Since Incorporation                    | 50,000                        | 10         | 10          | Subscription to MOA <sup>(1)</sup>                | Consideration other than Cash | 50,000                   | 5,00,000                   |
| March 30, 1998                         | 2,00,000                      | 10         | 10          | Further Allotment <sup>(2)</sup>                  | Cash                          | 2,50,000                 | 25,00,000                  |
| December 10, 2001                      | 3,15,000                      | 10         | 10          | Further Allotment <sup>(3)</sup>                  | Cash                          | 5,65,000                 | 56,50,000                  |
| March 28, 2003                         | 1,69,000                      | 10         | 10          | Further Allotment <sup>(4)</sup>                  | Cash                          | 7,34,000                 | 73,40,000                  |
| December 09, 2006                      | 3,85,000                      | 10         | 10          | Further Allotment <sup>(5)</sup>                  | Cash                          | 11,19,000                | 1,11,90,000                |
| March 31, 2010                         | 2,20,000                      | 10         | 10          | Further Allotment <sup>(6)</sup>                  | Cash                          | 13,39,000                | 1,33,90,000                |
| March 17, 2011                         | 3,30,000                      | 10         | 10          | Further Allotment <sup>(7)</sup>                  | Cash                          | 16,69,000                | 1,66,90,000                |
| March 26, 2015                         | 13,31,200                     | 10         | 25          | Private Placement of Equity Shares <sup>(8)</sup> | Cash                          | 30,00,200                | 3,00,02,000                |

<sup>(1)</sup> Initial Subscribers to Memorandum of Association hold 50,000 Equity Shares each of face value of Rs. 10/- fully paid up pursuant to conversion of firm into company limited by shares as per the details given below:

| Sr. No. | Name of Person       | No. of Shares Allotted |
|---------|----------------------|------------------------|
| 1.      | Bhushan Kumar Narula | 9,000                  |
| 2.      | Balram Kumar Narula  | 9,000                  |
| 3.      | Satish Kumar Narula  | 9,000                  |
| 4.      | Anil Kumar Narula    | 9,000                  |
| 5.      | Rakesh Kumar Narula  | 9,000                  |
| 6.      | Kanchan Narula       | 2,500                  |
| 7.      | Usha Narula          | 2,500                  |



| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|----------------|------------------------|
|         | <b>Total</b>   | <b>50,000</b>          |

(2) The Company allotted 2,00,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

| Sr. No. | Name of Person      | No. of Shares Allotted |
|---------|---------------------|------------------------|
| 1.      | Anil Kumar Narula   | 15,000                 |
| 2.      | Rakesh Kumar Narula | 20,000                 |
| 3.      | Kanchan Narula      | 38,500                 |
| 4.      | Usha Narula         | 38,500                 |
| 5.      | Jyoti Narula        | 21,000                 |
| 6.      | Sandhya Narula      | 31,000                 |
| 7.      | Satish Kumar Narula | 10,000                 |
| 8.      | Geeta Narula        | 26,000                 |
|         | <b>Total</b>        | <b>2,00,000</b>        |

(3) The Company allotted 3,15,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

| Sr. No. | Name of Person                      | No. of Shares Allotted |
|---------|-------------------------------------|------------------------|
| 1.      | RNA Business & Investment Pvt. Ltd. | 30,000                 |
| 2.      | Usha Narula                         | 70,000                 |
| 3.      | Kanchan Narula                      | 40,000                 |
| 4.      | Balram Narula                       | 40,000                 |
| 5.      | Satish Narula                       | 10,000                 |
| 6.      | Anil Narula                         | 10,000                 |
| 7.      | Rakesh Narula                       | 5,000                  |
| 8.      | Geeta Narula                        | 15,000                 |
| 9.      | Sandhya Narula                      | 25,000                 |
| 10.     | Jyoti Narula                        | 20,000                 |
| 11.     | Winsome Portfolio (P) Ltd.          | 20,000                 |



| Sr. No. | Name of Person               | No. of Shares Allotted |
|---------|------------------------------|------------------------|
| 12.     | Volage Chemical Co. (P) Ltd. | 15,000                 |
| 13.     | Active Agencies (P) Ltd.     | 15,000                 |
|         | <b>Total</b>                 | <b>3,15,000</b>        |

(4) The Company allotted 1,69,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

| Sr. No. | Name of Person                       | No. of Shares Allotted |
|---------|--------------------------------------|------------------------|
| 1.      | Sarat Chand Das                      | 10,000                 |
| 2.      | Yogendra Chaudhari                   | 10,000                 |
| 3.      | Lakhmuna Devi Dubey                  | 20,000                 |
| 4.      | Usha Narula                          | 34,000                 |
| 5.      | Kanchan Narula                       | 25,000                 |
| 6.      | Comet Overseas (P) Ltd.              | 30,000                 |
| 7.      | Shree Gupteshwar Marketing. (P) Ltd. | 40,000                 |
|         | <b>Total</b>                         | <b>1,69,000</b>        |

(5) The Company allotted 3,85,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

| Sr. No. | Name of Person                              | No. of Shares Allotted |
|---------|---|------------------------|
| 1.      | Kuberco Sales Pvt. Ltd.                     | 50,000                 |
| 2.      | Garg Finvest Pvt. Ltd.                      | 50,000                 |
| 3.      | Sejhawati Finance Pvt. Ltd.                 | 40,000                 |
| 4.      | K R Fincap Pvt. Ltd.                        | 50,000                 |
| 5.      | Nikhil Builders & Promoters Pvt. Ltd.       | 50,000                 |
| 6.      | Shri Dinanath Luhariwala Spinning Pvt. Ltd. | 50,000                 |
| 7.      | Madan Electronics Pvt. Ltd.                 | 50,000                 |
| 8.      | Division Trading Pvt. Ltd.                  | 45,000                 |
|         | <b>Total</b>                                | <b>3,85,000</b>        |



- (6) The Company allotted 2,20,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|----------------|------------------------|
| 1.      | Gaurav Narula  | 50,000                 |
| 2.      | Jyoti Narula   | 1,00,000               |
| 3.      | Sandhya Narula | 70,000                 |
|         | <b>Total</b>   | <b>2,20,000</b>        |

- (7) The Company allotted 3,30,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|----------------|------------------------|
| 1.      | Vaibhav Narula | 30,000                 |
| 2.      | Bhushan Narula | 50,000                 |
| 3.      | Kanchan Narula | 50,000                 |
| 4.      | Anil Narula    | 50,000                 |
| 5.      | Rakesh Narula  | 50,000                 |
| 6.      | Sandhya Narula | 1,00,000               |
|         | <b>Total</b>   | <b>3,30,000</b>        |

- (8) The Company allotted as Private Placement of 13,31,200 Equity Shares of face value of Rs. 10/- each at premium of Rs. 15/- as per the details given below:

| Sr. No. | Name of Person           | No. of Shares Allotted |
|---------|--------------------------|------------------------|
| 1.      | Balram Narula            | 1,05,120               |
| 2.      | Ankur Narula HUF         | 41,120                 |
| 3.      | Balram Kumar Narula HUF  | 38,240                 |
| 4.      | Ankur Narula             | 24,000                 |
| 5.      | Usha Narula              | 82,480                 |
| 6.      | Bhushan Kumar Narula HUF | 26,600                 |
| 7.      | Rohit Narula HUF         | 42,000                 |
| 8.      | Rohit Narula             | 72,200                 |





| Sr. No. | Name of Person          | No. of Shares Allotted |
|---------|-------------------------|------------------------|
| 9.      | Kanchan Narula          | 1,29,160               |
| 10.     | Anil Kumar Narula HUF   | 74,000                 |
| 11.     | Anil Kumar Narula       | 2,21,160               |
| 12.     | Prashant Narula         | 46,000                 |
| 13.     | Geeta Narula            | 12,000                 |
| 14.     | Sneha Narula            | 7,000                  |
| 15.     | Rakesh Kumar Narula HUF | 68,000                 |
| 16.     | Jyoti Narula            | 41,000                 |
| 17.     | Rakesh Kumar Narula     | 1,51,160               |
| 18.     | Sandhya Narula          | 27,960                 |
| 19.     | Saurabh Narula          | 36,000                 |
| 20.     | Gaurav Narula           | 18,560                 |
| 21.     | Vaibhav Narula          | 26,400                 |
| 22.     | Gaurav Narula HUF       | 33,040                 |
| 23.     | Satish Kumar Narula HUF | 8,000                  |
|         | <b>Total</b>            | <b>13,31,200</b>       |

2. Except as stated above we have not issued any Equity Shares for consideration other than cash.
3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act.
4. We have not issued any equity shares in last one year at price below the Issue Price.
5. Details of shareholding of promoters:

**A. Mr. Balram Kumar Narula**

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|-----------------------------|----------------------|----------------------------|--|------------------------|--------------------------|----------------------------|-----------------------|---------------------|
| Since Incorporation         | 9,000                | 10                         | 10   | Subscription to MOA    | 0.30                     | 0.22                       | 0                     | 0.00%               |



|                   |                 |    |    |                   |             |             |          |              |
|-------------------|-----------------|----|----|-------------------|-------------|-------------|----------|--------------|
| December 08, 2001 | (300)           | 10 | 10 | (Transfer)        | (0.01)      | (0.01)      | 0        | 0.00%        |
| December 10, 2001 | 40,000          | 10 | 10 | Further Allotment | 1.33        | 0.98        | 0        | 0.00%        |
| March 26, 2015    | 1,05,120        | 10 | 25 | Private Placement | 3.50        | 2.57        | 0        | 0.00%        |
| <b>Total</b>      | <b>1,53,820</b> |    |    |                   | <b>5.13</b> | <b>3.77</b> | <b>0</b> | <b>0.00%</b> |

**B. Mr. Anil Kumar Narula**

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|-----------------------------|----------------------|----------------------------|--|------------------------|--------------------------|----------------------------|-----------------------|---------------------|
| Since Incorporation         | 9,000                | 10                         | 10   | Subscription to MOA    | 0.30                     | 0.22                       | 0                     | 0.00%               |
| March 30, 1998              | 15,000               | 10                         | 10   | Further Allotment      | 0.50                     | 0.37                       | 0                     | 0.00%               |
| December 08, 2001           | (400)                | 10                         | 10   | (Transfer)             | (0.01)                   | (0.01)                     | 0                     | 0.00%               |
| December 10, 2001           | 10,000               | 10                         | 10   | Further Allotment      | 0.34                     | 0.24                       | 0                     | 0.00%               |
| March 17, 2011              | 50,000               | 10                         | 10   | Further Allotment      | 1.67                     | 1.22                       | 0                     | 0.00%               |
| March 26, 2015              | 2,21,160             | 10                         | 25   | Private Placement      | 7.37                     | 5.42                       | 0                     | 0.00%               |
| <b>Total</b>                | <b>3,04,760</b>      |                            |  |                        | <b>10.17</b>             | <b>7.47</b>                | <b>0</b>              | <b>0.00%</b>        |

**C. Mr. Rakesh Kumar Narula**

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|-----------------------------|----------------------|----------------------------|--|------------------------|--------------------------|----------------------------|-----------------------|---------------------|
| Since Incorporation         | 9,000                | 10                         | 10   | Subscription to MOA    | 0.30                     | 0.22                       | 0                     | 0.00%               |
| March 30, 1998              | 20,000               | 10                         | 10   | Further Allotment      | 0.67                     | 0.49                       | 0                     | 0.00%               |
| December 08, 2001           | (300)                | 10                         | 10   | (Transfer)             | (0.01)                   | (0.01)                     | 0                     | 0.00%               |
| December 10, 2001           | 5,000                | 10                         | 10   | Further Allotment      | 0.16                     | 0.12                       | 0                     | 0.00%               |
| March 17, 2011              | 50,000               | 10                         | 10   | Further Allotment      | 1.66                     | 1.22                       | 0                     | 0.00%               |
| March 26, 2015              | 1,51,160             | 10                         | 25   | Private Placement      | 5.04                     | 3.70                       | 0                     | 0.00%               |
| <b>Total</b>                | <b>2,34,860</b>      |                            |  |                        | <b>7.83</b>              | <b>5.75</b>                | <b>0</b>              | <b>0.00%</b>        |



**D. Mrs. Kanchan Narula**

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|-----------------------------|----------------------|----------------------------|--|------------------------|--------------------------|----------------------------|-----------------------|---------------------|
| Since Incorporation         | 2,500                | 10                         | 10   | Subscription to MOA    | 0.08                     | 0.06                       | 0                     | 0.00%               |
| March 30, 1998              | 38,500               | 10                         | 10   | Further Allotment      | 1.28                     | 0.94                       | 0                     | 0.00%               |
| December 10, 2001           | 40,000               | 10                         | 10   | Further Allotment      | 1.33                     | 0.98                       | 0                     | 0.00%               |
| March 28, 2003              | 25,000               | 10                         | 10   | Further Allotment      | 0.83                     | 0.61                       | 0                     | 0.00%               |
| March 17, 2011              | 50,000               | 10                         | 10   | Further Allotment      | 1.67                     | 1.22                       | 0                     | 0.00%               |
| March 26, 2015              | 1,29,160             | 10                         | 25   | Private Placement      | 4.31                     | 3.17                       | 0                     | 0.00%               |
| <b>Total</b>                | <b>2,85,160</b>      |                            |  |                        | <b>9.50</b>              | <b>6.98</b>                | <b>0</b>              | <b>0.00%</b>        |

**E. Mrs. Usha Narula**

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|-----------------------------|----------------------|----------------------------|--|------------------------|--------------------------|----------------------------|-----------------------|---------------------|
| Since Incorporation         | 2,500                | 10                         | 10   | Subscription to MOA    | 0.08                     | 0.06                       | 0                     | 0.00%               |
| March 30, 1998              | 38,500               | 10                         | 10   | Further Allotment      | 1.28                     | 0.94                       | 0                     | 0.00%               |
| December 10, 2001           | 70,000               | 10                         | 10   | Further Allotment      | 2.34                     | 1.71                       | 0                     | 0.00%               |
| March 28, 2003              | 34,000               | 10                         | 10   | Further Allotment      | 1.13                     | 0.83                       | 0                     | 0.00%               |
| March 26, 2015              | 82,480               | 10                         | 25   | Private Placement      | 2.75                     | 2.02                       | 0                     | 0.00%               |
| <b>Total</b>                | <b>2,27,480</b>      |                            |  |                        | <b>7.58</b>              | <b>5.57</b>                | <b>0</b>              | <b>0.00%</b>        |



**F. Mrs. Jyoti Narula**

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|-----------------------------|----------------------|----------------------------|--|------------------------|--------------------------|----------------------------|-----------------------|---------------------|
| March 30, 1998              | 21,000               | 10                         | 10   | Further Allotment      | 0.70                     | 0.51                       | 0                     | 0.00%               |
| December 10, 2001           | 20,000               | 10                         | 10   | Further Allotment      | 0.67                     | 0.49                       | 0                     | 0.00%               |
| March 31, 2010              | 1,00,000             | 10                         | 10   | Further Allotment      | 3.33                     | 2.45                       | 0                     | 0.00%               |
| March 26, 2015              | 41,000               | 10                         | 25   | Private Placement      | 1.37                     | 1.01                       | 0                     | 0.00%               |
| <b>Total</b>                | <b>1,82,000</b>      |                            |  |                        | <b>6.07</b>              | <b>4.46</b>                | <b>0</b>              | <b>0.00%</b>        |

**G. Mrs. Sandhya Narula**

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|-----------------------------|----------------------|----------------------------|--|------------------------|--------------------------|----------------------------|-----------------------|---------------------|
| March 30, 1998              | 31,000               | 10                         | 10   | Further Allotment      | 1.03                     | 0.76                       | 0                     | 0.00%               |
| December 10, 2001           | 25,000               | 10                         | 10   | Further Allotment      | 0.84                     | 0.61                       | 0                     | 0.00%               |
| March 31, 2010              | 70,000               | 10                         | 10   | Further Allotment      | 2.33                     | 1.71                       | 0                     | 0.00%               |
| March 17, 2011              | 1,00,000             | 10                         | 10   | Further Allotment      | 3.33                     | 2.45                       | 0                     | 0.00%               |
| March 26, 2015              | 27,960               | 10                         | 25   | Private Placement      | 0.93                     | 0.69                       | 0                     | 0.00%               |
| <b>Total</b>                | <b>2,53,960</b>      |                            |  |                        | <b>8.46</b>              | <b>6.22</b>                | <b>0</b>              | <b>0.00%</b>        |

6. Our Promoter Group, Directors and their immediate relatives have not purchased/sold Equity Shares of the Company during last 6 months except as mentioned below:

| Sr. No. | Name of Transferor | Name of Transferee | Date of Transfer   | No. of Shares |
|---------|--------------------|--------------------|--------------------|---------------|
| 1.      | Radhika Narula     | Ankur Narula       | September 10, 2016 | 100           |
| 2.      | Ruchi Narula       | Rohit Narula       | September 10, 2016 | 100           |
| 3.      | Priyanka Narula    | Gaurav Narula      | September 10, 2016 | 100           |

Note: The above transfers were made as a Gift.



7. Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
8. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchange.
9. Details of Promoter's Contribution locked in for three years:

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

Our Promoters Mr. Balram Kumar Narula, Mr. Anil Kumar Narula, Mr. Rakesh Kumar Narula and Mrs. Kanchan Narula have granted their consent to include such number of Equity Shares held by them as may constitute 23.97% of the post-issue Equity Share Capital of our Company as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above.

| Date of allotment                  | Date when made fully paid up | No. of Shares Allotted | Face Value | Issue Price | Nature of Allotment | % of Post Issue Capital |
|------------------------------------|------------------------------|------------------------|------------|-------------|---------------------|-------------------------|
| <b>Mr. Balram Kumar Narula (A)</b> |                              |                        |            |             |                     |                         |
| Since Incorporation                | Since Incorporation          | 9,000                  | 10         | 10          | Subscription to MOA | 0.22                    |
| December 08, 2001                  | December 08, 2001            | (300)                  | 10         | 10          | (Transfer)          | (0.01)                  |
| December 10, 2001                  | December 10, 2001            | 40,000                 | 10         | 10          | Further Allotment   | 0.98                    |
| March 26, 2015                     | March 26, 2015               | 1,05,120               | 10         | 25          | Private Placement   | 2.57                    |
| <b>Total (A)</b>                   |                              | <b>1,53,820</b>        |            |             |                     | <b>3.77</b>             |
| <b>Mr. Anil Kumar Narula (B)</b>   |                              |                        |            |             |                     |                         |
| Since Incorporation                | Since Incorporation          | 9,000                  | 10         | 10          | Subscription to MOA | 0.22                    |
| March 30, 1998                     | March 30, 1998               | 15,000                 | 10         | 10          | Further Allotment   | 0.37                    |
| December 08, 2001                  | December 08, 2001            | (400)                  | 10         | 10          | (Transfer)          | (0.01)                  |
| December 10, 2001                  | December 10, 2001            | 10,000                 | 10         | 10          | Further Allotment   | 0.24                    |
| March 17, 2011                     | March 17, 2011               | 50,000                 | 10         | 10          | Further Allotment   | 1.22                    |
| March 26, 2015                     | March 26, 2015               | 2,21,160               | 10         | 25          | Private Placement   | 5.42                    |



|                                    |                     |                 |    |    |                     |              |
|------------------------------------|---------------------|-----------------|----|----|---------------------|--------------|
| <b>Total (B)</b>                   |                     | <b>3,04,760</b> |    |    |                     | <b>7.47</b>  |
| <b>Mr. Rakesh Kumar Narula (C)</b> |                     |                 |    |    |                     |              |
| Since Incorporation                | Since Incorporation | 9,000           | 10 | 10 | Subscription to MOA | 0.22         |
| March 30, 1998                     | March 30, 1998      | 20,000          | 10 | 10 | Further Allotment   | 0.49         |
| December 08, 2001                  | December 08, 2001   | (300)           | 10 | 10 | (Transfer)          | (0.01)       |
| December 10, 2001                  | December 10, 2001   | 5,000           | 10 | 10 | Further Allotment   | 0.12         |
| March 17, 2011                     | March 17, 2011      | 50,000          | 10 | 10 | Further Allotment   | 1.22         |
| March 26, 2015                     | March 26, 2015      | 1,51,160        | 10 | 25 | Private Placement   | 3.70         |
| <b>Total (C)</b>                   |                     | <b>2,34,860</b> |    |    |                     | <b>5.75</b>  |
| <b>Mrs. Kanchan Narula (D)</b>     |                     |                 |    |    |                     |              |
| Since Incorporation                | Since Incorporation | 2,500           | 10 | 10 | Subscription to MOA | 0.06         |
| March 30, 1998                     | March 30, 1998      | 38,500          | 10 | 10 | Further Allotment   | 0.94         |
| December 10, 2001                  | December 10, 2001   | 40,000          | 10 | 10 | Further Allotment   | 0.98         |
| March 28, 2003                     | March 28, 2003      | 25,000          | 10 | 10 | Further Allotment   | 0.61         |
| March 17, 2011                     | March 17, 2011      | 50,000          | 10 | 10 | Further Allotment   | 1.22         |
| March 26, 2015                     | March 26, 2015      | 1,29,160        | 10 | 25 | Private Placement   | 3.17         |
| <b>Total (D)</b>                   |                     | <b>2,85,160</b> |    |    |                     | <b>6.98</b>  |
| <b>Total (A+B+C+D)</b>             |                     | <b>9,78,600</b> |    |    |                     | <b>23.97</b> |

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

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



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

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

10. Details of share capital locked in for one year

In addition to minimum 20% of the Post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, the entire pre-issue share capital of our Company shall be locked in for a period of one year from the date of Allotment in this Issue.

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



A. The table below represents the current shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015:

I. Summary of Shareholding Pattern

| Cat<br>ego<br>ry<br>Co<br>de | Category of shareholder            | No. Of shareh<br>olders | No.<br>of<br>fully<br>paid<br>up<br>equit<br>y<br>share<br>s held | No. of<br>Partly<br>paid<br>up<br>equity<br>shares<br>held | No. of<br>shares<br>underlyi<br>ng<br>Deposito<br>ry<br>Receipts | Total<br>nos.<br>shares<br>held | Share<br>holdin<br>g as a<br>% of<br>total<br>no. of<br>shares<br>(calcul<br>ated as<br>per<br>SCRR,<br>1957)<br><br>As a<br>% of<br>(A+B+C2) | Number of Voting Rights held in each class of securities* |            |               |                                      | No. of<br>Shares<br>Underl<br>ying<br>Outsta<br>nding<br>convert<br>ible<br>securiti<br>es<br>(includi<br>ng<br>Warra<br>nts) | Shareholdi<br>ng, as a %<br>assuming<br>full<br>conversion<br><br>of<br>convertible<br>securities (<br>as a<br>percentage<br>of diluted<br>share<br>Capital)<br><br>As a % of<br>(A+B+C2) | Number of<br>locked in<br>Shares** |  | Number of<br>Shares pledged<br>or otherwise<br>encumbered |  | Numb<br>er of<br>shares<br>held in<br>demat<br>erializ<br>ed<br>form |
|------------------------------|------------------------------------|-------------------------|---|--|--|---------------------------------|---|---|------------|---------------|--------------------------------------|---|---|------------------------------------|--|---|--|--|
|                              |                                    |                         |   |  |  |                                 |   | No. of Voting Rights                                      |            |               | Total<br>as a<br>% of<br>(A+B<br>+C) |   |   | No.<br>(a)                         | As a<br>% of<br>total<br>shares<br>held<br>(B) | No.<br>(a)  | As a<br>% of<br>total<br>shares<br>held<br>(B) |  |
|                              |                                    |                         |   |  |  |                                 |   | Class<br>X  | Class<br>Y | Total         |                                      |   |   |                                    |  |   |  |  |
| I                            | II                                 | III                     | IV  | V  | VI   | VII=I<br>V+V<br>+VI             | VIII  | IX  |            |               |                                      | X   | XI=VII<br>+X  | XII                                |  | XIII  |  | XIV  |
| (A)                          | Promoters<br>and Promoter<br>Group | 25                      | 29,99,<br>990   | -  | -  | 29,99,<br>990                   | 99.99   | 29,99,<br>990   | 0          | 29,99,<br>990 | 99.99                                | -   | 99.99   | 29,9<br>9,99<br>0                  | 99.99  | -   | -  | 29,99,9<br>90  |





|      |                                |           |                  |          |          |                  |               |                  |          |                  |               |          |               |                  |               |          |          |                  |
|------|--------------------------------|-----------|------------------|----------|----------|------------------|---------------|------------------|----------|------------------|---------------|----------|---------------|------------------|---------------|----------|----------|------------------|
| (B)  | Public                         | 4         | 210              | -        | -        | 210              | 0.01          | 210              | 0        | 210              | 0.01          | -        | 0.01          | 210              | 0.01          | -        | -        | 200              |
| (C)  | Non Promoter-Non Public        | -         | -                | -        | -        | -                | -             | -                | -        | -                | -             | -        | -             | -                | -             | -        | -        | -                |
| (C1) | Shares underlying DRs          | -         | -                | -        | -        | -                | -             | -                | -        | -                | -             | -        | -             | -                | -             | -        | -        | -                |
| (C2) | Shares held by Employee Trusts | -         | -                | -        | -        | -                | -             | -                | -        | -                | -             | -        | -             | -                | -             | -        | -        | -                |
|      | <b>Total</b>                   | <b>29</b> | <b>30,00,200</b> | <b>-</b> | <b>-</b> | <b>30,00,200</b> | <b>100.00</b> | <b>30,00,200</b> | <b>0</b> | <b>30,00,200</b> | <b>100.00</b> | <b>-</b> | <b>100.00</b> | <b>30,00,200</b> | <b>100.00</b> | <b>-</b> | <b>-</b> | <b>30,00,190</b> |

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

*\*\*Shall be locked-in on or before the date of allotment in this Issue.*



## II. Shareholding Pattern of promoters and Promoter Group

|     | Category<br>& name<br>of<br>sharehold<br>er<br><br>(I) | PAN<br><br>(II) | No. of<br>shareh<br>olders<br><br>(III) | No.<br>of<br>fully<br>paid<br>up<br>equit<br>y<br>shar<br>es<br>held<br><br>(IV) | No.<br>of<br>Par<br>tly<br>paid<br>up<br>equit<br>y<br>sha<br>res<br>hel<br>d<br><br>(V) | No. of<br>shares<br>underl<br>ying<br>Deposi<br>tory<br>Receip<br>ts<br><br>(VI) | Total nos.<br>shares<br>held | Shareh<br>olding<br>as a %<br>of total<br>no. of<br>shares<br>(calcul<br>ated as<br>per<br>SCRR,<br>1957)<br><br>As a %<br>of<br>(A+B+C2) | Number of Voting Rights<br>held in each class of<br>securities* |       |   |            | No. of<br>Shares<br>Underl<br>ying<br>Outsta<br>nding<br>conver<br>tible<br>securit<br>ies<br>(includ<br>ing<br>Warra<br>nts)<br><br>(X) | Shareho<br>lding, as<br>a %<br>assumin<br>g full<br>conversi<br>on of<br>converti<br>ble<br>securitie<br>s ( as a<br>percent<br>age of<br>diluted<br>share<br>Capital)<br><br>As a %<br>of<br>(A+B+C<br>2) | Number of<br>locked in<br>Shares**                               |                    | Numbe<br>r of<br>Shares<br>pledged<br>or<br>otherwi<br>se<br>encumb<br>ered |  | Number<br>of<br>shares<br>held in<br>demater<br>ialized<br>form |
|-----|--|-----------------|---|--|--|--|------------------------------|---|---|-------|---|------------|--|--|--|--------------------|---|--|---|
|     |  |                 |   |  |  |  |                              | No. of Voting<br>Rights   |   |       | Tota<br>l as a<br>% of<br>(A+<br>B+C<br>) | No.<br>(a) |  |  | As<br>a<br>%<br>of<br>tot<br>al<br>sha<br>res<br>hel<br>d<br>(B) | N<br>o.<br>(a<br>) | As<br>a<br>%<br>of<br>tot<br>al<br>sha<br>res<br>hel<br>d<br>(B)            |  |   |
|     |  |                 |   |  |  |  |                              | Class<br>: X  | Cl<br>ass<br>:<br>Y   | Total |   |            |  |  |  |                    |   |  |   |
|     | (I)  | (II)            | (III)                                   | (IV)   | (V)  | (VI)   | (VII)=(IV)+(V)+(VI)          | (VIII)  | (IX)  |       |   |            | (X)  | (XI)=(VII)+(X)   | (XII)  |                    | (XIII)  |  | (XIV)   |
| (1) | Indian   |                 |   |  |  |  |                              |   |   |       |   |            |  |  |  |                    |   |  |   |



|             |   |                |    |               |   |   |               |       |               |   |               |           |   |       |               |           |   |   |               |
|-------------|---|----------------|----|---------------|---|---|---------------|-------|---------------|---|---------------|-----------|---|-------|---------------|-----------|---|---|---------------|
| (<br>a<br>) | Individual<br>/Hindu<br>Undivided<br>Family |                | 25 | 29,99<br>,990 | - | - | 29,99,9<br>90 | 99.99 | 29,99<br>,990 | - | 29,99<br>,990 | 99.9<br>9 | - | 99.99 | 29,99<br>,990 | 99.<br>99 | - | - | 29,99,99<br>0 |
|             | Balram<br>Kumar<br>Narula                   | AAGPN<br>3562Q | 1  | 1,53,<br>820  | - | - | 1,53,82<br>0  | 5.13  | 1,53,<br>820  | 0 | 1,53,<br>820  | 5.13      | - | 5.13  | 1,53,<br>820  | 5.1<br>3  | - | - | 1,53,820      |
|             | Anil<br>Kumar<br>Narula                     | AAOPN<br>3158Q | 1  | 3,04,<br>760  | - | - | 3,04,76<br>0  | 10.16 | 3,04,<br>760  | 0 | 3,04,<br>760  | 10.1<br>6 | - | 10.16 | 3,04,<br>760  | 10.<br>16 | - | - | 3,04,760      |
|             | Rakesh<br>Kumar<br>Narula                   | AAGPN<br>1548J | 1  | 2,34,<br>860  | - | - | 2,34,86<br>0  | 7.83  | 2,34,<br>860  | 0 | 2,34,<br>860  | 7.83      | - | 7.83  | 2,34,<br>860  | 7.8<br>3  | - | - | 2,34,860      |
|             | Kanchan<br>Narula                           | AAGPN<br>1549K | 1  | 2,85,<br>160  | - | - | 2,85,16<br>0  | 9.50  | 2,85,<br>160  | 0 | 2,85,<br>160  | 9.50      | - | 9.50  | 2,85,<br>160  | 9.5<br>0  | - | - | 2,85,160      |
|             | Usha<br>Narula                              | AAGPN<br>1550J | 1  | 2,27,<br>480  | - | - | 2,27,48<br>0  | 7.58  | 2,27,<br>480  | 0 | 2,27,<br>480  | 7.58      | - | 7.58  | 2,27,<br>480  | 7.5<br>8  | - | - | 2,27,480      |
|             | Jyoti<br>Narula                             | AAIPN2<br>373H | 1  | 1,82,<br>000  | - | - | 1,82,00<br>0  | 6.07  | 1,82,<br>000  | 0 | 1,82,<br>000  | 6.07      | - | 6.07  | 1,82,<br>000  | 6.0<br>7  | - | - | 1,82,000      |



|  |                          |             |   |          |   |   |          |      |          |   |          |      |   |      |          |      |   |   |          |
|--|--------------------------|-------------|---|----------|---|---|----------|------|----------|---|----------|------|---|------|----------|------|---|---|----------|
|  | Sandhya Narula           | AAIPN0734C  | 1 | 2,53,960 | - | - | 2,53,960 | 8.46 | 2,53,960 | 0 | 2,53,960 | 8.46 | - | 8.46 | 2,53,960 | 8.46 | - | - | 2,53,960 |
|  | Rohit Narula             | ADHPN0698M  | 1 | 1,37,400 | - | - | 1,37,400 | 4.58 | 1,37,400 | 0 | 1,37,400 | 4.58 | - | 4.58 | 1,37,400 | 4.58 | - | - | 1,37,400 |
|  | Rohit Narula HUF         | AAMH R6550G | 1 | 70,700   | - | - | 70,700   | 2.36 | 70,700   | 0 | 70,700   | 2.36 | - | 2.36 | 70,700   | 2.36 | - | - | 70,700   |
|  | Bhushan Kumar Narula HUF | AAEHB 8130J | 1 | 1,06,700 | - | - | 1,06,700 | 3.56 | 1,06,700 | 0 | 1,06,700 | 3.56 | - | 3.56 | 1,06,700 | 3.56 | - | - | 1,06,700 |
|  | Balram Kumar Narula HUF  | AADHB 9020N | 1 | 1,18,340 | - | - | 1,18,340 | 3.94 | 1,18,340 | 0 | 1,18,340 | 3.94 | - | 3.94 | 1,18,340 | 3.94 | - | - | 1,18,340 |
|  | Ankur Narula             | AAIPN2370E  | 1 | 59,190   | - | - | 59,190   | 1.97 | 59,190   | 0 | 59,190   | 1.97 | - | 1.97 | 59,190   | 1.97 | - | - | 59,190   |
|  | Ankur Narula HUF         | AAJHA 9091G | 1 | 41,120   | - | - | 41,120   | 1.37 | 41,120   | 0 | 41,120   | 1.37 | - | 1.37 | 41,120   | 1.37 | - | - | 41,120   |



|  |                         |             |   |              |   |   |              |      |              |   |              |      |   |      |              |          |   |   |          |
|--|-------------------------|-------------|---|--------------|---|---|--------------|------|--------------|---|--------------|------|---|------|--------------|----------|---|---|----------|
|  | Gaurav Narula           | ADUPN 7211P | 1 | 68,76<br>0   | - | - | 68,760       | 2.29 | 68,76<br>0   | 0 | 68,76<br>0   | 2.29 | - | 2.29 | 68,76<br>0   | 2.2<br>9 | - | - | 68,760   |
|  | Saurabh Narula          | ADUPN 9208J | 1 | 91,10<br>0   | - | - | 91,100       | 3.04 | 91,10<br>0   | 0 | 91,10<br>0   | 3.04 | - | 3.04 | 91,10<br>0   | 3.0<br>4 | - | - | 91,100   |
|  | Satish Kumar Narula HUF | AAKMS 0575E | 1 | 88,10<br>0   | - | - | 88,100       | 2.94 | 88,10<br>0   | 0 | 88,10<br>0   | 2.94 | - | 2.94 | 88,10<br>0   | 2.9<br>4 | - | - | 88,100   |
|  | Vaibhav Narula          | AMGPN 3801N | 1 | 65,10<br>0   | - | - | 65,100       | 2.17 | 65,10<br>0   | 0 | 65,10<br>0   | 2.17 | - | 2.17 | 65,10<br>0   | 2.1<br>7 | - | - | 65,100   |
|  | Gaurav Narula HUF       | AAFHG 0969K | 1 | 33,04<br>0   | - | - | 33,040       | 1.10 | 33,04<br>0   | 0 | 33,04<br>0   | 1.10 | - | 1.10 | 33,04<br>0   | 1.1<br>0 | - | - | 33,040   |
|  | Geeta Narula            | AAIPN2 371F | 1 | 93,00<br>0   | - | - | 93,000       | 3.10 | 93,00<br>0   | 0 | 93,00<br>0   | 3.10 | - | 3.10 | 93,00<br>0   | 3.1<br>0 | - | - | 93,000   |
|  | Anil Kumar Narula HUF   | AADHA 4798L | 1 | 1,34,<br>100 | - | - | 1,34,10<br>0 | 4.47 | 1,34,<br>100 | 0 | 1,34,<br>100 | 4.47 | - | 4.47 | 1,34,<br>100 | 4.4<br>7 | - | - | 1,34,100 |



|             |  |             |   |          |   |   |          |      |          |   |          |      |   |      |          |      |   |   |          |
|-------------|--|-------------|---|----------|---|---|----------|------|----------|---|----------|------|---|------|----------|------|---|---|----------|
|             | Prashant Narula                        | CAWPP 7895J | 1 | 61,000   | - | - | 61,000   | 2.03 | 61,000   | 0 | 61,000   | 2.03 | - | 2.03 | 61,000   | 2.03 | - | - | 61,000   |
|             | Sneha Narula                           | EJRPS7 102F | 1 | 7,100    | - | - | 7,100    | 0.24 | 7,100    | 0 | 7,100    | 0.24 | - | 0.24 | 7,100    | 0.24 | - | - | 7,100    |
|             | Rakesh Kumar Narula HUF                | AAGHR 2368A | 1 | 1,48,100 | - | - | 1,48,100 | 4.94 | 1,48,100 | 0 | 1,48,100 | 4.94 | - | 4.94 | 1,48,100 | 4.94 | - | - | 1,48,100 |
|             | Aditya Narula                          | AMGPN 3802R | 1 | 35,000   | - | - | 35,000   | 1.67 | 35,000   | 0 | 35,000   | 1.67 | - | 1.67 | 35,000   | 1.67 | - | - | 35,000   |
|             | Madhu Sabbharwal                       | AZPPS7 691M | 1 | 100      | - | - | 100      | 0.01 | 100      | 0 | 100      | 0.01 | - | 0.01 | 100      | 0.01 | - | - | 100      |
| (<br>b<br>) | Central Government/State Government(s) | -           | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | -        | -    | - | - | -        |
| (<br>c<br>) | Financial Institutions/Banks           | -           | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | -        | -    | - | - | -        |



|             |  |   |           |                       |   |   |                       |              |                       |          |                       |                   |   |              |                       |                   |   |   |                       |
|-------------|--|---|-----------|-----------------------|---|---|-----------------------|--------------|-----------------------|----------|-----------------------|-------------------|---|--------------|-----------------------|-------------------|---|---|-----------------------|
| (<br>d<br>) | Any other<br>(Body<br>Corporate)   | - | -         | -                     | - | - | -                     | -            | -                     | -        | -                     | -                 | - | -            | -                     | -                 | - | - | -                     |
|             | <b>Sub-total<br/>(A) (1)</b>   | - | <b>25</b> | <b>29,99<br/>,990</b> | - | - | <b>29,99,9<br/>90</b> | <b>99.99</b> | <b>29,99<br/>,990</b> | <b>0</b> | <b>29,99<br/>,990</b> | <b>99.9<br/>9</b> | - | <b>99.99</b> | <b>29,99<br/>,990</b> | <b>99.<br/>99</b> | - | - | <b>29,99,99<br/>0</b> |
| (<br>2<br>) | <b>Foreign</b>   |   |           |                       |   |   |                       |              |                       |          |                       |                   |   |              |                       |                   |   |   |                       |
| (<br>a<br>) | Individual<br>(Non-<br>Resident<br>Individual<br>/Foreign<br>Individual<br>) | - | -         | -                     | - | - | -                     | -            | -                     | -        | -                     | -                 | - | -            | -                     | -                 | - | - | -                     |
| (<br>b<br>) | Governme<br>nt   | - | -         | -                     | - | - | -                     | -            | -                     | -        | -                     | -                 | - | -            | -                     | -                 | - | - | -                     |
| (<br>c<br>) | Institution<br>s   | - | -         | -                     | - | - | -                     | -            | -                     | -        | -                     | -                 | - | -            | -                     | -                 | - | - | -                     |
| (<br>d<br>) | Foreign<br>Portfolio<br>Investor   | - | -         | -                     | - | - | -                     | -            | -                     | -        | -                     | -                 | - | -            | -                     | -                 | - | - | -                     |



|     |   |   |    |               |   |   |               |       |               |   |               |           |   |       |               |           |   |   |               |
|-----|---|---|----|---------------|---|---|---------------|-------|---------------|---|---------------|-----------|---|-------|---------------|-----------|---|---|---------------|
| (f) | Any Other<br>(specify)  | - | -  | -             | - | - | -             | -     | -             | - | -             | -         | - | -     | -             | -         | - | - | -             |
|     | <b>Sub-Total<br/>(A) (2)</b>  | - | -  | -             | - | - | -             | -     | -             | - | -             | -         | - | -     | -             | -         | - | - | -             |
|     | <b>Total<br/>Sharehol<br/>ding of<br/>Promoter<br/>and<br/>Promoter<br/>Group<br/><br/>(A)=(A)(1<br/>)+(A)(2)</b> | - | 25 | 29,99<br>,990 | - | - | 29,99,9<br>90 | 99.99 | 29,99<br>,990 | 0 | 29,99<br>,990 | 99.9<br>9 | - | 99.99 | 29,99<br>,990 | 99.<br>99 | - | - | 29,99,99<br>0 |

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

*\*\*Shall be locked-in on or before the date of allotment in this Issue.*





III. Shareholding Pattern of the Public shareholder.

|     | Category & name of shareholder | PAN  | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* |           |       |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities<br><br>( as a percentage of diluted share Capital)<br><br>As a % of (A+B+C2) | Number of locked in Shares* |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of shares held in dematerialized form |
|-----|--------------------------------|------|---------------------|---|--|--|------------------------|---|---|-----------|-------|-------------------------|--|--|-----------------------------|---------------------------------|--|---------------------------------|--|
|     |                                |      |                     |   |  |  |                        |   | No. of Voting Rights                                      |           |       | Total as a % of (A+B+C) |  |  | No. (a)                     | As a % of total shares held (B) | No. (a)  | As a % of total shares held (B) |  |
|     |                                |      |                     |   |  |  |                        |   | Class : X   | Class : Y | Total |                         |  |  |                             |                                 |  |                                 |  |
|     | (I)                            | (II) | (III)               | (IV)                                    | (V)                                      | (VI)   | (VII)=(IV)+(V)+(VI)    | (VIII)  | (IX)  |           |       |                         | (X)  | (XI)=(VII)+(X)   | (XII)                       |                                 | (XIII)   |                                 | (XIV)  |
| (1) | Institutions                   | -    | -                   | -                                       | -  | -  | -                      | -   | -   | -         | -     | -                       | -  | -  | -                           | -                               | -  | -                               |  |
| (a) | Mutual Funds                   | -    | -                   | -                                       | -  | -  | -                      | -   | -   | -         | -     | -                       | -  | -  | -                           | -                               | -  | -                               |  |



|     |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|-----|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (b) | Venture Capital Funds                    | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Alternate Investment Funds               | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Foreign Venture Capital Investors        | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (e) | Foreign Portfolio Investor               | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (f) | Financial Institutions/Banks             | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (g) | Insurance Companies                      | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (h) | Provident Funds/ Pension Funds           | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (i) | Any other (specify)                      | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
|     | Sub-Total (B)(1)                         | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (2) | Central Government/ State Government(s)/ | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |



|     |   |   |   |     |   |   |     |      |     |   |     |      |     |      |     |      |   |   |     |
|-----|---|---|---|-----|---|---|-----|------|-----|---|-----|------|-----|------|-----|------|---|---|-----|
|     | President of India  |   |   |     |   |   |     |      |     |   |     |      |     |      |     |      |   |   |     |
|     | <b>Sub-Total (B)(2)</b>   | - | - | -   | - | - | -   | -    | -   | - | -   | -    | -   | -    | -   | -    | - | - | -   |
| (3) | Non-Institutions  | - | - | -   | - | - | -   | -    | -   | - | -   | -    | -   | -    | -   | -    | - | - | -   |
|     | Individuals-  | - | - | -   | - | - | -   | -    | -   | - | -   | -    | -   | -    | -   | -    | - | - | -   |
| (a) | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.         | - | 4 | 210 | - | - | 210 | 0.01 | 210 | 0 | 210 | 0.01 | 210 | 0.01 | 210 | 0.01 | - | - | 200 |
|     | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | - | - | -   | - | - | -   | -    | -   | - | -   | -    | -   | -    | -   | -    | - | - | -   |
| (b) | NBFCs registered with RBI   | - | - | -   | - | - | -   | -    | -   | - | -   | -    | -   | -    | -   | -    | - | - | -   |
| (C) | Employee Trusts   | - | - | -   | - | - | -   | -    | -   | - | -   | -    | -   | -    | -   | -    | - | - | -   |



|     |  |   |   |     |   |   |     |      |     |   |     |      |     |      |     |      |   |   |     |
|-----|--|---|---|-----|---|---|-----|------|-----|---|-----|------|-----|------|-----|------|---|---|-----|
| (d) | Overseas Depositories (holding DRs) (balancing figure) | - | - | -   | - | - | -   | -    | -   | - | -   | -    | -   | -    | -   | -    | - | - | -   |
| (e) | Any Other (specify)                                    | - | - | -   | - | - | -   | -    | -   | - | -   | -    | -   | -    | -   | -    | - | - | -   |
|     | Sub-Total (B)(3)                                       | - | 4 | 210 | - | - | 210 | 0.01 | 210 | 0 | 210 | 0.01 | 210 | 0.01 | 210 | 0.01 | - | - | 200 |
|     | Total Public Shareholding (B)-(B)(1)+(B)(2)+(B)(3)     | - | 4 | 210 | - | - | 210 | 0.01 | 210 | 0 | 210 | 0.01 | 210 | 0.01 | 210 | 0.01 | - | - | 200 |

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

*\*\*Shall be locked-in on or before the date of allotment in this Issue.*



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

|       | Category & name of shareholder | P A N | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |           |       |                                     | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Total Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share Capital)<br><br>As a % of (A+B+C2) | Number of locked in Shares |                                 | Number of Shares pledged or otherwise encumbered |  | Number of shares held in dematerialized form |
|-------|--------------------------------|-------|---------------------|---|--|--|------------------------|---|--|-----------|-------|-------------------------------------|--|---|----------------------------|---------------------------------|--|--|--|
|       |                                |       |                     |   |  |  |                        |   | No. of Voting Rights                                     |           |       | Total as a % of Total Voting rights |  |   | N o. (a )                  | As a % of total shares held (B) | No. (Not Applicable)                             | As a % of total shares held (Not Applicable) |  |
|       |                                |       |                     |   |  |  |                        |   | Class : X  | Class : Y | Total |                                     |  |   |                            |                                 |  |  |  |
|       | (I)                            | (II ) | (III)               | (IV )                                   | (V)                                      | (VI)   | (VII)=(IV)+(V)+(VI)    | (VIII)  | (IX)   |           |       |                                     | (X)  | (XI)=(VI I)+(X)   | (XII)                      |                                 | (XIII)   |  | (XIV)  |
| ( 1 ) | Custodian/ DR Holder           | -     | -                   | -                                       | -  | -  | -                      | -   | -  | -         | -     | -                                   | -  | -   | -                          | -                               | -  | -  |  |



|     |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|-----|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (a) | Name of DR Holder (if applicable)  | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (2) | Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
|     | <b>Total Non-Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)</b>                  | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

*\*In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/Cir/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialised prior to filing the Prospectus with the RoC. Our Company has duly complied with this requirement.*

*Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015 one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE (National Stock Exchange of India Limited) before commencement of trading of such Equity Shares.*



## B. Shareholding of our Promoters and Promoter Group

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

| Sr. No. | Name of the Shareholder  | Pre – Issue          |                        | Post – Issue         |                         |
|---------|--------------------------|----------------------|------------------------|----------------------|-------------------------|
|         |                          | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
| (I)     | (II)                     | (III)                | (IV)                   | (V)                  | (VI)                    |
|         | <b>Promoters</b>         |                      |                        |                      |                         |
| 1.      | Balram Kumar Narula      | 1,53,820             | 5.13                   | 1,53,820             | 3.77                    |
| 2.      | Anil Kumar Narula        | 3,04,760             | 10.16                  | 3,04,760             | 7.46                    |
| 3.      | Rakesh Kumar Narula      | 2,34,860             | 7.83                   | 2,34,860             | 5.75                    |
| 4.      | Kanchan Narula           | 2,85,160             | 9.50                   | 2,85,160             | 6.98                    |
| 5.      | Usha Narula              | 2,27,480             | 7.58                   | 2,27,480             | 5.75                    |
| 6.      | Jyoti Narula             | 1,82,000             | 6.07                   | 1,82,000             | 4.46                    |
| 7.      | Sandhya Narula           | 2,53,960             | 8.46                   | 2,53,960             | 6.22                    |
|         | <b>Promoter Group</b>    |                      |                        |                      |                         |
| 1.      | Bhushan Kumar Narula HUF | 1,06,700             | 3.56                   | 1,06,700             | 2.61                    |
| 2.      | Balram Kumar Narula HUF  | 1,18,340             | 3.94                   | 1,18,340             | 2.90                    |
| 3.      | Anil Kumar Narula HUF    | 1,34,100             | 4.47                   | 1,34,100             | 3.28                    |
| 4.      | Rakesh Kumar Narula HUF  | 1,48,100             | 4.94                   | 1,48,100             | 3.63                    |
| 5.      | Rohit Narula             | 1,37,400             | 4.58                   | 1,37,400             | 3.36                    |
| 6.      | Rohit Narula HUF         | 70,700               | 2.36                   | 70,700               | 1.73                    |
| 7.      | Ankur Narula             | 59,190               | 1.97                   | 59,190               | 1.45                    |
| 8.      | Ankur Narula HUF         | 41,120               | 1.37                   | 41,120               | 1.01                    |
| 9.      | Gaurav Narula            | 68,760               | 2.29                   | 68,760               | 1.68                    |
| 10.     | Gaurav Narula HUF        | 33,040               | 1.10                   | 33,040               | 0.81                    |
| 11.     | Satish Kumar Narula HUF  | 88,100               | 2.94                   | 88,100               | 2.16                    |
| 12.     | Saurabh Narula           | 91,100               | 3.04                   | 91,100               | 2.23                    |



|     |                  |                  |              |                  |              |
|-----|------------------|------------------|--------------|------------------|--------------|
| 13. | Vaibhav Narula   | 65,100           | 2.17         | 65,100           | 1.59         |
| 14. | Geeta Narula     | 93,000           | 3.10         | 93,000           | 2.28         |
| 15. | Prashant Narula  | 61,000           | 2.03         | 61,000           | 1.49         |
| 16. | Sneha Narula     | 7,100            | 0.24         | 7,100            | 0.17         |
| 17. | Aditya Narula    | 35,000           | 1.17         | 35,000           | 0.86         |
| 18. | Madhu Sabbharwal | 100              | 0.01         | 100              | 0.01         |
|     | <b>Total</b>     | <b>29,99,990</b> | <b>99.99</b> | <b>29,99,990</b> | <b>73.47</b> |

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

| Name of the Promoters | No. of Shares held | Average cost of Acquisition (in Rs.) |
|-----------------------|--------------------|--------------------------------------|
| Balram Kumar Narula   | 1,53,820           | 20.25                                |
| Anil Kumar Narula     | 3,04,760           | 20.89                                |
| Rakesh Kumar Narula   | 2,34,860           | 19.65                                |
| Kanchan Narula        | 2,85,160           | 16.79                                |
| Usha Narula           | 2,27,480           | 15.44                                |
| Jyoti Narula          | 1,82,000           | 13.38                                |
| Sandhya Narula        | 2,53,960           | 11.65                                |

#### Equity Shares held by top Ten shareholders

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

| Sr. No. | Name of shareholder | No. of Shares | % age of pre-Issue capital |
|---------|---------------------|---------------|----------------------------|
| 1.      | Anil Kumar Narula   | 3,04,760      | 10.16                      |
| 2.      | Kanchan Narula      | 2,85,160      | 9.50                       |
| 3.      | Sandhya Narula      | 2,53,960      | 8.46                       |
| 4.      | Rakesh Kumar Narula | 2,34,860      | 7.83                       |
| 5.      | Usha Narula         | 2,27,480      | 7.58                       |
| 6.      | Jyoti Narula        | 1,82,000      | 6.07                       |





| Sr. No. | Name of shareholder     | No. of Shares    | % age of pre-Issue capital |
|---------|-------------------------|------------------|----------------------------|
| 7.      | Balram Kumar Narula     | 1,53,820         | 5.13                       |
| 8.      | Rakesh Kumar Narula HUF | 1,48,100         | 4.94                       |
| 9.      | Rohit Narula            | 1,37,400         | 4.58                       |
| 10.     | Anil Kumar Narula HUF   | 1,34,100         | 4.47                       |
|         | <b>Total</b>            | <b>20,61,540</b> | <b>68.71</b>               |

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

| Sr. No. | Name of shareholder     | No. of Shares    | % age of pre-Issue capital |
|---------|-------------------------|------------------|----------------------------|
| 1.      | Anil Kumar Narula       | 3,04,760         | 10.16                      |
| 2.      | Kanchan Narula          | 2,85,160         | 9.50                       |
| 3.      | Sandhya Narula          | 2,53,960         | 8.46                       |
| 4.      | Rakesh Kumar Narula     | 2,34,860         | 7.83                       |
| 5.      | Usha Narula             | 2,27,480         | 7.58                       |
| 6.      | Jyoti Narula            | 1,82,000         | 6.07                       |
| 7.      | Balram Kumar Narula     | 1,53,820         | 5.13                       |
| 8.      | Rakesh Kumar Narula HUF | 1,48,100         | 4.94                       |
| 9.      | Rohit Narula            | 1,37,300         | 4.58                       |
| 10.     | Anil Kumar Narula HUF   | 1,34,100         | 4.47                       |
|         | <b>Total</b>            | <b>20,61,540</b> | <b>68.71</b>               |

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

| Sr. No. | Name of shareholder | No. of Shares | % age of then existing capital |
|---------|---------------------|---------------|--------------------------------|
| 1.      | Sandhya Narula      | 2,26,000      | 13.54                          |
| 2.      | Kanchan Narula      | 1,56,000      | 9.35                           |
| 3.      | Usha Narula         | 1,45,000      | 8.69                           |
| 4.      | Jyoti Narula        | 1,41,000      | 8.45                           |



|     |                          |                  |              |
|-----|--------------------------|------------------|--------------|
| 5.  | Rakesh Kumar Narula      | 83,700           | 5.01         |
| 6.  | Anil Kumar Narula        | 83,600           | 5.01         |
| 7.  | Geeta Narula             | 81,000           | 4.85         |
| 8.  | Balram Kumar Narula HUF  | 80,100           | 4.80         |
| 9.  | Bhushan Kumar Narula HUF | 80,100           | 4.80         |
| 10. | Rakesh Kumar Narula HUF  | 80,100           | 4.80         |
|     | Satish Kumar Narula HUF  | 80,100           | 4.80         |
|     | <b>Total</b>             | <b>12,36,700</b> | <b>74.10</b> |

11. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through this Prospectus.
12. The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
13. As on the date of this Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
14. Except, as otherwise disclosed in the chapter titled "Objects of the Issue" beginning on page 83 of this Prospectus, we have not raised any bridge loans against the proceeds of the Issue.
15. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 238 of this Prospectus.
16. The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
17. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Prospectus.
18. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
19. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and NSE Emerge Platform.
20. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
21. The Issue is being made through Fixed Price Method.



22. As on date of filing of this Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
23. On the date of filing of this Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
24. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
25. Lead Manager to the Issue viz. Sarthi Capital Advisors Private Limited and its associates do not hold any Equity Shares of our Company.
26. Our Company has not revalued its assets since incorporation.
27. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
28. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
29. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
30. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
31. Except as disclosed in this Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
32. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
33. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
34. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
35. Our Company has Twenty-Nine (29) shareholders as on the date of filing of this Prospectus.



## OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the NSE Emerge Platform.

The objects of the Issue are:-

1. To meet the working capital requirements of our Company;
2. General Corporate Purposes;
3. Issue Expenses.

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

### FUND REQUIREMENTS:

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

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

(Rs. In lakhs)

| Sr. No. | Particulars                  | Amount        |
|---------|------------------------------|---------------|
| 1.      | Working Capital Requirements | 352.37        |
| 2.      | General Corporate Purposes   | 35.00         |
| 3.      | *Issue Expenses              | 35.00         |
|         | <b>Total</b>                 | <b>422.37</b> |

*\*As of September 15, 2016, our Company has incurred a sum of Rs. 10,45,710/- (Rupees Ten Lakh Forty-Five Thousand Seven Hundred and Ten Only) towards issue expenses.*

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

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

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

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



requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 / Companies Act, 1956.

#### DETAILS OF UTILIZATION OF ISSUE PROCEEDS

##### Working Capital Requirements:

(Rs. in Lakhs)

| Particulars                        | 2014-15 (Audited) | 2015-16 (Audited) | 2016-17 (Estimated) |
|------------------------------------|-------------------|-------------------|---------------------|
| <i>Current Assets:</i>             |                   |                   |                     |
| Cash & Cash Equivalents            | 61.30             | 249.33            | 384.44              |
| Trade Receivables                  | 838.11            | 990.25            | 1,200.00            |
| Inventories                        | 754.23            | 591.52            | 795.19              |
| Other Current Assets               | 108.51            | 130.84            | 163.52              |
| <b>Total (A)</b>                   | <b>1,762.15</b>   | <b>1,961.94</b>   | <b>2,543.15</b>     |
|                                    |                   |                   |                     |
| <i>Current Liabilities:</i>        |                   |                   |                     |
| Trade Payables                     | 317.85            | 228.52            | 280.00              |
| Other Current Liabilities          | 71.21             | 74.28             | 95.00               |
| Statutory Liabilities              | 17.45             | 19.47             | 25.00               |
| Short Term Provisions              | 15.45             | 26.49             | 43.52               |
| <b>Total (B)</b>                   | <b>421.96</b>     | <b>348.76</b>     | <b>443.52</b>       |
|                                    |                   |                   |                     |
| <b>Net Working Capital (A)-(B)</b> | <b>1,340.19</b>   | <b>1,613.18</b>   | <b>2,099.63</b>     |
|                                    |                   |                   |                     |
| <i>Sources of Working Capital:</i> |                   |                   |                     |
| Fund Based Borrowing               |                   | 1,021.90          | 1,100.00            |
| IPO Proceeds                       |                   |                   | 352.37              |
| Internal Sources/ Share Capital    |                   |                   | 647.26              |

The Company's business is working capital intensive and they avail their working capital in the ordinary course of business from Axis Bank Limited. As on March 31, 2015 and March 31, 2016 the Company's net working capital consisted of Rs. 1,340.19 and Rs. 1,613.18 Lakhs respectively.

The total working capital requirement for the year 2016-17 is expected to be Rs. 2,099.63 Lakhs. The incremental working capital requirement for the year ended 2016-17 will be Rs. 486.45 lakhs which will be met through the Net Proceeds to the extent of Rs. 352.37 lakhs and the balance portion will be met through Internal Accruals.

#### BASIS OF ESTIMATION

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in FY 2016-17 considering the growth in activities of our Company and in line with norms generally accepted by banker(s).



We have estimated future working capital requirements based on the following:

(No. of Days)

| Particulars       | Basis                     | 2014-15 | 2015-16 | 2016-17 |
|-------------------|---------------------------|---------|---------|---------|
| Receivables       | Debtors Collection Period | 82      | 94      | 90      |
| Inventory         | Cost of Production        | 25      | 25      | 25      |
| -Work In Progress |                           |         |         |         |
| -Finished Goods   | Cost of Sales             | 59      | 45      | 45      |
| Payables          | Credit Period             | 45      | 35      | 30      |

#### GENERAL CORPORATE PURPOSES

Our Company intends to deploy the balance Net Proceeds aggregating to Rs. 35.00 Lakhs for General Corporate Purposes as decided by our Board from time to time, including but not restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

#### ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 35.00 Lakhs.

(Rs. in Lakhs)

| Expenses   | Expenses<br>(Rs. in<br>Lakhs) | Expenses<br>(% of total<br>Issue<br>expenses) | Expenses<br>(% of Issue<br>size) |
|--|-------------------------------|---|----------------------------------|
| Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Market Makers, Bankers etc. | 31.00                         | 88.57   | 7.33                             |
| Regulatory Fees & Other Expenses   | 4.00                          | 11.43   | 0.95                             |
| <b>Total estimated Issue expenses</b>  | <b>35.00</b>                  | <b>100.00</b>                                 | <b>8.29</b>                      |

#### DEPLOYMENT OF FUNDS:

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

(Rs. In Lakhs)

| Particulars               | Total Funds required | Amount incurred till<br>September 15, 2016 | Balance deployment<br>during FY 2016-17 |
|---------------------------|----------------------|--|---|
| Working Capital           | 352.37               | 0.00                                       | 352.37                                  |
| General Corporate Purpose | 35.00                | 0.00                                       | 35.00                                   |
| *Issue Expenses           | 35.00                | 10.46                                      | 24.54                                   |
| <b>Total</b>              | <b>422.37</b>        | <b>10.46</b>                               | <b>411.91</b>                           |

\*As of September 15, 2016, our Company has incurred a sum of Rs. 10,45,710/- (Rupees Ten Lakh Forty-Five Thousand Seven Hundred and Ten Only) towards issue expenses.



Pankaj Khanna & Associates, Statutory Auditor has vide certificate dated September 15, 2016 confirmed that as on September 15, 2016 following funds were deployed for the proposed Objects of the Issue:

| Source            | Estimated Amount (Rs. in Lakhs) |
|-------------------|---------------------------------|
| Internal Accruals | 10.46                           |
| <b>Total</b>      | <b>10.46</b>                    |

#### MEANS OF FINANCE

(Rs. in Lakhs)

| Particulars       | Estimated Amount |
|-------------------|------------------|
| Net Proceeds      | 422.37           |
| Internal Accruals | Nil              |
| <b>Total</b>      | <b>422.37</b>    |

#### APPRAISAL BY APPRAISING AGENCY

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

#### INTERIM USE OF FUNDS

Pending utilization for the purposes described above, our Company intends to deposit the funds with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

#### BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

#### MONITORING UTILIZATION OF FUNDS

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

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business.



## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.





## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 39 per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10 and Issue Price is Rs. 39 per Equity Share and is 3.90 times the face value.

### QUALITATIVE FACTORS

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

- Established and proven track record;
- Leveraging the experience of our Promoters;
- Experienced management team and a motivated and efficient work force;
- Sufficient production capacity
- Established brands
- Wide dealer network across North India

For further details, refer to heading ‘Our Strengths’ under chapter titled ‘Our Business’ beginning on page 105 of this Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2013-14, 2014-15 and 2015-16 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

| Year ended              | EPS (Rs.)   | Weight |
|-------------------------|-------------|--------|
| March 31, 2014          | 1.18        | 1      |
| March 31, 2015          | 1.79        | 2      |
| March 31, 2016          | 1.24        | 3      |
| <b>Weighted Average</b> | <b>1.41</b> |        |

**Note:** The EPS has been computed by dividing net profit as restated, attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 39 per Equity Share of face value of Rs. 10/- each.

| Particulars                                 | P/E Ratio |
|---|-----------|
| P/E ratio based on Basic EPS for FY 2015-16 | 31.45     |
| P/E ratio based on Weighted Average EPS     | 27.66     |

#### 3. Average Return on Net worth (Ron) for the preceding three years.

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

| Year ended              | Ron (%)     | Weight |
|-------------------------|-------------|--------|
| March 31, 2014          | 7.11        | 1      |
| March 31, 2015          | 4.72        | 2      |
| March 31, 2016          | 5.51        | 3      |
| <b>Weighted Average</b> | <b>5.51</b> |        |



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

**4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2016 – 4.60 %**

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

| Particulars   | Amount (Rs.) |
|---|--------------|
| Net Asset Value per Equity Share as of March 31, 2016 | 22.57        |
| Net Asset Value per Equity Share after the Issue      | 26.93        |
| Issue Price per equity share                          | 39.00        |

\*NAV per Equity Share has been calculated as Net Worth as divided by number of Equity Shares

**6. Comparison with other listed companies/Industry peers\***

| Companies                  | Face Value | Sales (Rs. in Cr.) | PAT (Rs. in Cr.) | EPS (In Rs.) | P/E Ratio | CMP (In Rs.) |
|----------------------------|------------|--------------------|------------------|--------------|-----------|--------------|
| Jet Knitwears Limited      | 10         | 38.57              | 0.37             | 1.24         | 31.45     | 39.00        |
| <b>Peer Groups:</b>        |            |                    |                  |              |           |              |
| Rupa & Company Limited     | 1.00       | 1,013.03           | 77.95            | 9.80         | 28.97     | 279.40       |
| Maxwell Industries Limited | 2.00       | 194.57             | (9.93)           | -            | -         | 65.05        |
| Lux Industries Limited     | 2.00       | 940.87             | 51.34            | 101.65       | 6.23      | 579.60       |
| Page Industries Limited    | 10.00      | 1,783.43           | 232.66           | 208.59       | 69.58     | 15,196.70    |

\*Source for Peer Group information: [www.bseindia.com](http://www.bseindia.com)

- The figures of Our Company are based on the restated results for the year ended March 31, 2016
- The figures for the Peer group are based on Standalone audited results for the Financial Year ended March 31, 2016
- Current Market Price (CMP) is the closing prices of respective scrips as on September 19, 2016

The Company in consultation with the Lead Manager and after considering various valuation fundamentals including Book Value and other relevant factors believes that the issue price of Rs. 39.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to pursue the Risk Factors beginning on page 19 of this Prospectus and Financials of the company as set out in the Financial Statements beginning on page 163 of this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs. 10 per share and the Issue Price is 3.90 times of the face value i.e. Rs. 39.00 per share.

For further details, see “Risk Factors” beginning on page 19 of this Prospectus and the financials of the Company including profitability and return ratios, as set out in the “Financial Statements” beginning on page 163 of this Prospectus for a more informed view.



## STATEMENT OF TAX BENEFITS

### Statement of possible tax benefits available to the company and its shareholders

To

**The Board of Directors**

**Jet Knitwears Limited,**

119/410, B-1, Darshanpurwa,

Kanpur, Uttar Pradesh - 208012

We hereby confirm that the enclosed annexure, prepared by **Jet Knitwears Limited** ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. 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 imperatives, the company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Our confirmation is 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. We do not express any opinion or provide any assurance as to whether:

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

Yours faithfully,

For, **Pankaj Khanna & Associates**

Chartered Accountants

F.R.N. 002144C

**Pankaj Khanna**

(Partner)

M. No. 070213

Place: Kanpur, UP

Date: August 26, 2016



## **ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO JET KNITWEARS LIMITED AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2016-17.

### **Benefits to the Company under the Income Tax Act, 1961 (The “Act”)**

#### **1. General tax benefits**

##### **A. Business Income**

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

##### **B. MAT Credit**

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (“MAT”) paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- As per Section 115JB, Minimum Alternate Tax (“MAT”) is payable @18.5% of the Book profits computed in accordance with the provisions of this section, where income-tax computed under the normal provisions of the Act is less than 18.5% of the Book profits as computed under the said section. A surcharge on income tax of 7% would be levied if the total income exceeds ₹10 million but does not exceed ₹100 million. A surcharge at the rate of 12% would be levied if the total income exceeds ₹100 million. Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge.
- MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to ten years succeeding the assessment year in which the MAT credit arises.

##### **C. Capital Gains**

###### **(i) Computation of capital gains**

- Capital assets are to be categorized into short - term capital assets and long - term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as long - term capital gains (“LTCG”). In respect of any other capital assets, the holding period should exceed thirty - six months to be considered as long - term capital assets.
- Short - term capital gains (“STCG”) means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.



- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
  - As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
  - As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bond exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
  - As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income
  - STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
  - As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
  - As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.
- (ii) Exemption of capital gains from income – tax
- Under Section 54EC of the Act, capital gain arising from transfer of long – term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by -:
    1. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
    2. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
  - Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 per assessee during any financial year.
  - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
  - As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
  - The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.



#### **D. Securities Transaction Tax**

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

#### **E. Dividends**

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax (DDT) at the rate of 15%. A surcharge of 12% would be levied on the amount of DDT. Further, Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge. Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O (1A) of the Act, subject to fulfillment of prescribed conditions.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.
- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of as specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
- As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).

#### **Benefits to the Resident members / shareholders of the Company under the Act**

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

As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge as applicable, on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend. In respect of individual, Hindu undivided family or a firm, resident in India, includes any income in aggregate exceeding ten lakh rupees by way of Dividends declared, distributed or paid by a domestic company or companies then u/s. 115BBD on the dividend exceeding Rs. 10,00,000, income tax at 10 % shall be payable. No deduction in respect of any expenditure or allowance or set off of loss shall be allowed to the assessee under any provision of this Act in computing the income by way of dividends.

##### **B. Capital Gains**

###### **(i) Computation of capital gains**

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



- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.
  - LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
  - As per first proviso to Section 48 of the Act, the capital gains arising on transfer of share of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration receiving or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
  - As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% (plus applicable surcharge and cess) with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bond exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% (plus applicable surcharge and cess) provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
  - STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
  - As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long – term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
  - As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent 8 assessment years.
- (ii) Exemption of capital gains arising from income – tax
- As per Section 54EC of the Act, capital gains arising from the transfer of a long – term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
  - Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long - term asset cannot exceed Rs 5,000,000 per assessee during any financial year
  - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
  - As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
  - The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
  - In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').





- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

#### **C. Tax Treaty Benefits**

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

#### **D. Non-Resident Taxation**

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

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





## Benefits available to Foreign Institutional Investors ('FIIs') under the Act

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

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

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

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

### C. Capital Gains

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

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

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

### D. Securities Transaction Tax

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

### E. Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors



**Benefits available to Mutual Funds under the Act**

- a) Dividend income, 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 115 O of the Act.
- b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

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

For, **Pankaj Khanna & Associates**  
Chartered Accountants  
F.R.N. 002144C

**Pankaj Khanna**  
(Partner)  
M.No. 070213

Place: Kanpur, UP  
Date: August 26, 2016



## SECTION IV – ABOUT THE COMPANY

### OUR INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and other industry sources. Neither we nor any other person connected with this Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly investment decisions should not be based on such information.*

### OVERVIEW OF INDIAN ECONOMY

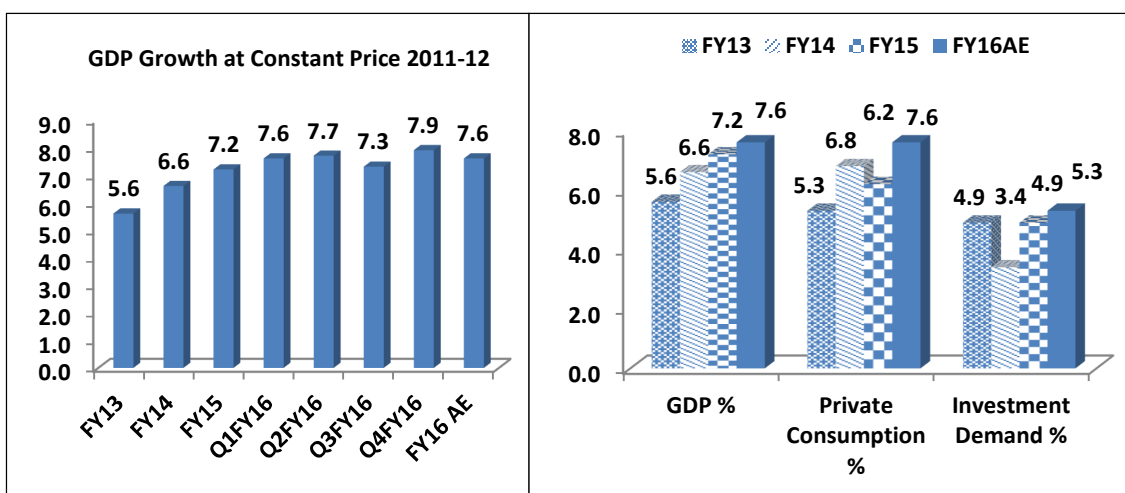
India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.25 billion people, and the most populous democracy in the world. India is the fourth largest economy in the world in terms of purchasing power parity (PPP). India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7% in 2016-17. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

According to IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow at 7-7.75% during FY 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will growing by more than 7% for the third successive year 2016-17 and can start growing at eight% or more in next two years.

The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2015-16 is Rs 113.5 trillion (US\$ 1.668 trillion), as against Rs 105.5 trillion (US\$ 1.55 trillion) in 2014-15, registering a growth rate of 7.6%. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5% and 'trade, hotels, transport, communication services' at 10.7%.

(Source: CMIE, IBEF, Asian Development Bank, MOSPI)



(Source: MOSPI, CSO, Base year 2011-12)



India's GDP grew at a robust 7.9% in the Q4 of the financial year FY16 gone by as against 7.2% (revised from 7.3% earlier) in Q3 of FY16. The government revised GDP growth data for Q2 and Q1 of FY16 to 7.6% versus 7.7% and 7.5% versus 7.6% respectively.

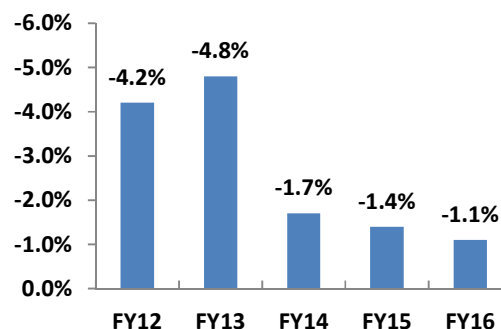
### Current Account Deficit

For the entire 2015-16 fiscal, CAD stood at 22.1 billion 1.1% of the GDP as against 26.8 billion 1.8% for 2014-15, according to Reserve Bank of India data. India's current account deficit (CAD) declined sharply to \$0.3 billion 0.1% of Gross Domestic Product in the fourth quarter of ended March 2016 (FY16) from \$ 7.1 billion 1.3%, in third quarter ended December 2015, on account of lower trade gap. The trade deficit in the fourth quarter of FY16 stood at \$24.8 billion compared to \$31.6 billion in Q4 of 2014-15. The country's trade deficit was \$130.1 billion for FY16 while for FY15 it stood at \$144.9 billion. Balance of Payments (BOP) stayed in positive territory with accretion of \$3.3 billion to India's Foreign exchange reserves in Q4 2015-16. The overall BOP during the fiscal FY16 moderated to \$17.9 billion from \$ 61.06 billion in 2014-15.

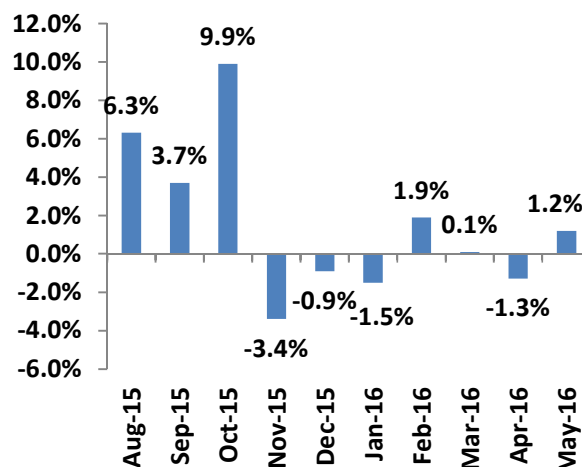
### Index of Industrial Production

India's industrial production (IIP) increased 1.2% in May 2016 over May 2015, while snapping 1.4% dip recorded in the previous month. The manufacturing sector production rebounded 0.7%, after two months of decline, contributing to the rise in industrial output in May 2016. The mining output rose 1.3% in May 2016, but the electricity generation growth eased to five-month low of 4.7%. As per the use-based classification, the basic goods output moved up 4% in May 2016 over a year ago, while the output of intermediate goods moved up 3.6%. The consumer goods output moved up 1.1%, but that of capital goods plunged 12.4% in May 2016. Within consumer goods, the production of consumer durables increased 6%, but that of consumer non-durables declined 2.2% in May 2016.

CAD % of GDP



Index of Industrial Production





## Foreign Direct Investments

According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments India received in April-December period of 2015 was US\$ 40.82 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

Data for April-December 2015 indicates computer hardware and software segment attracted the highest FDI equity inflow of US\$ 5.31 billion, followed by services sector – US\$ 4.26 and trading business – US\$ 2.72 billion. Most recently, the total FDI equity inflows for the month of December 2015 touched US\$ 4.64 billion as compared to US\$ 2.16 billion in the same period last year.

During FY2015, India received the maximum FDI equity inflows from Singapore at US\$ 10.99 billion, followed by Mauritius (US\$ 6.12 billion), USA (US\$ 3.51 billion), Netherlands (US\$ 2.15 billion) and Japan (US\$ 1.08 billion). Healthy inflow of foreign investments into the country helped India's balance of payments (BoP) situation and stabilised the value of rupee.

FDI in India witnessed an increase of 40% and reached US\$ 29.44 billion during April-December, 2015 as compared to US\$ 21.04 billion in the same period last year.

FII's net investments in Indian equities and debt have touched record highs in the past financial year, backed by expectations of an economic recovery, falling interest rates and improving earnings outlook. FIIs net investments stood at Rs 18,106 crore (US\$ 2.65 billion) in March 2016, out of which Rs 16,731 crore (US\$ 2.45 billion) was invested in equities and Rs 1,375 crore (US\$ 201 million) was invested in debt. Cumulative value of investments by FIIs during April 2000- December 2015 stood at US\$ 179.32 billion.

India companies signed Merger and Acquisition (M&A) deals worth US\$ 30.43 billion in 2015 across 600 deals. The total M&A transaction value for the month of February 2016 was US\$ 1.83 billion involving a total of 37 transactions. Total Private Equity (PE) deals increased by 62% year-on-year to US\$ 1.19 billion in February 2016 through 94 deals, whereas PE investments during the October-December 2015 period totalled US\$ 3.9 billion, leading to total PE investments for 2015 to hit record highs of US\$ 19.5 billion through 159 deals.

(Source: IBEF)

## Key Economic Variables

| Particulars                             | FY13 | FY14 | FY15 | FY16E              |
|---|------|------|------|--------------------|
| <b>GDP %</b>                            | 5.6  | 6.6  | 7.2  | 7.6                |
| <b>GVA Growth Rate (%)</b>              | 5.4  | 6.3  | 7.1  | 7.3                |
| <b>Export Growth (%)</b>                | -1.8 | 4.7  | -1.3 | -17.6 <sup>e</sup> |
| <b>Import Growth (%)</b>                | 0.3  | -8.3 | -0.5 | -15.5 <sup>e</sup> |
| <b>Current Account Balance % to GDP</b> | -4.8 | -1.7 | -1.3 | 1.4 <sup>e</sup>   |
| <b>Inflation – WPI #</b>                | 7.4  | 6.0  | 2.0  | -2.8 <sup>e</sup>  |
| <b>Inflation- CPI</b>                   | 10.2 | 9.5  | 5.9  | 4.9 <sup>e</sup>   |

(Source <http://indiabudget.nic.in> Volume 1, RBI, DIPP)

## OVERVIEW OF INDIAN TEXTILE AND APPAREL INDUSTRY

### Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The textiles industry is also labor intensive and is one of the largest employers.

The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11% of total exports. India's overall textile exports during FY 2015-16 stood at US\$ 40 billion.

The Indian textiles industry is extremely varied, with the hand-spun and handwoven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the **organised sector** consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector.

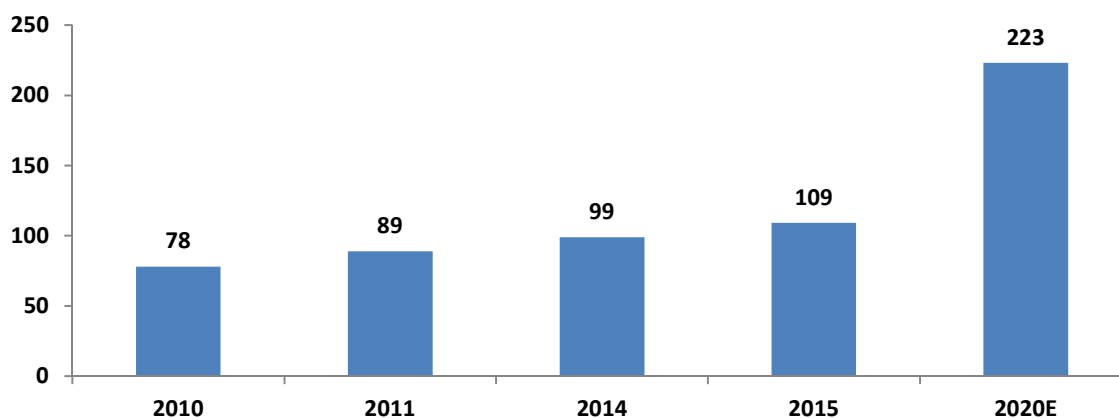
### Market Size

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly.

The Indian Textile Industry contributes approximately 5% to India's Gross Domestic Product (GDP), and 14% to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US\$ 500 billion in size. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.

**Indian Textile Market Size USD billion**





## Export of Textiles and Apparels

Exports have been a core feature of India's textile and India's textile trade (USD billion) apparel sector. Exports grew to USD41.4 billion in FY15 from USD17.6 billion in FY06, implying a CAGR of 9.97%. Exports during FY16 (between April-September 2015) touched USD19.1 billion. However, in FY15, India's textile exports crossed the mark of FY14 and touched USD41.4 Billion.

Readymade garments was the largest contributor to total Shares in India's textile exports (FY15) textile and apparel exports from India in FY15 the segment had a share of 41%. Cotton and man-made textiles were the major contributors with shares of 31% and 16%, respectively.



The textile and apparel industry can be broadly divided into two segments

- Yarn and fibre
- Processed fabrics and apparel.

India accounts for 14% of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63% of the world's market share.

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

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



### **Rising production of man-made fabric**

- Production of man-made fibre has been on an upward trend.
- Production stood at 1.34 million tons in FY15 with the figure reinforcing a recovery from 2009 levels.
- During the period of FY07-15, production increased at a CAGR of 2.0%.
- During FY16 (April-October 2015), production stood at 0.77 million tones.

### **Government Initiatives**

- Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates.
- USD 0.39 billion has been allocated for Technology Upgradation Fund Scheme(TUFS) scheme for FY15.
- The policy was introduced for the overall development of textile industry.
- Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements.
- New draft for this policy ensures to employ 35 million by attracting foreign investments. It also focuses on establishing a modern apparel garment manufacturing center in every North Eastern state for which Government has invested an amount of USD3.27 million.
- FDI of up to 100% is allowed in the textile sector through the automatic route.
- Scheme for Integrated Textiles Parks (SITP) was set up in 2005 to provide necessary infrastructure to new textile units; under SITP, 40 projects (worth USD678 million) have been sanctioned.
- Government of India has planned an increase in the fund outlay for technical textile industry to more than USD117 million during the current 12th Five Year Plan (2012-17).

### **The Innerwear Category**

Innerwear is one of the high growth categories in the apparel market and promises growth and innovation. The increase in income levels, along with higher discretionary spending, growing fashion orientation of consumers, and product innovations by the innerwear market have turned innerwear from a traditionally utilitarian item to an essential fashion requirement.

The size of the Indian Innerwear market is INR 15,870 crore (USD 2.9 billion); the category is also growing at an impressive CAGR of 12% and is expected to reach INR 27,900 crore (USD 5.1 billion) by 2017. The women's innerwear market, which is driven by value-added innerwear products, contributes around 60% to the market. The growth of the innerwear category is primarily centered in urban India. The trend towards western outfits, combined with the demand for occasion- and outfit-based innerwear, is acting as a boost for the market. The demand for innerwear with higher functionality and greater comfort is rising fast. The market for innerwear product variations like seamless intimates, plus size inner wear, body shape enhancers, etc. is burgeoning in the metros and mini metros.

Consumer Innerwear consumers can be segregated into four core groups on the basis of their attitude towards innerwear products and their buying behaviour. The first group comprises men and women employed in high-paying jobs, earning high disposable incomes, having high aspirations, seeking only branded innerwear. The next group also consists of consumers with well-paying jobs, but these consumers assess value along various parameters of which price is just one; others are convenience of purchase, easy availability, style, quality, etc. Again, these consumers do not have any issue with paying a premium for innerwear products of a particular brand as long as the quality is assured. The third group includes consumers from mostly tier -I, -II and -III cities having high aspirations and eager to have a metro-like lifestyle. They are open to experimenting through purchasing aspirational brands. The last group of consumers consists of men and women who have low





disposable incomes but have big dreams and aspirations. They have cautious buying patterns and value price over brands. For them comfort, price and quality are most crucial while purchasing innerwear.

**Indian Innerwear Market** Among the core apparel categories, innerwear appears to be a potential growth category across all segments. With rising incomes, higher discretionary spending, greater number of working women and growing fashion consciousness, the innerwear segment is expected to continue to progress. Currently, the Indian innerwear market is worth Rs. 19,960 crore (2014) and is estimated to grow at 13% to reach Rs. 68,270 crore by 2024. The innerwear market has traditionally been largely unorganised, although in the past few years, the organised innerwear segment has shown promising growth in both men's and women's categories.

### **Looking to the Future**

Simply put, the future of the apparel market, and the innerwear category, looks promising. At the same time, fashion retailers have to face some daunting challenges prior to tapping the extant opportunities. Rising real estate costs, increasing power tariffs, and supply chain inefficiencies are some of the issues that have to be tackled with utmost prudence. The growth story of Indian consumption is expected to revive in the medium to long term, but it will require improvements in the overall business performance and managerial prudence of the highest degree to benefit from this growth. To emerge a winner in a market marked by the presence of multiple players, brands and retailers have to optimize their business operations by addressing the challenges and harnessing market opportunities. Understanding the psyche of the Indian consumer, amalgamating the Indian style of functioning with western management techniques, and tailoring fashion offerings to defined consumer segments, are some of the key areas on which fashion and innerwear players have to focus.

*(Source: IBEF)*



## OUR BUSINESS

### OVERVIEW OF OUR COMPANY

Our Company was incorporated as Jet Knitwears Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 02, 1996 in Kanpur, Uttar Pradesh. Subsequently, the name of our Company was changed to Jet Knitwears Limited vide fresh certificate of incorporation dated April 01, 2015. The company was incorporated to takeover the running business of partnership firm M/s Jet Knitwears Company along with all the assets and liabilities, approvals, permits, registrations, etc.

Late Mr. Bhushan Kumar Narula, erstwhile Promoter of our Company started a production unit in the name and style of “Venus Hosiery” along with his brothers and relatives in the year 1969 at Kanpur. In the year 1990, a Partnership firm in the name and style of “M/s Jet Knitwears Company” was formed to carry out production of innerwear with brand name “Jet”. This firm was finally converted into our Company in the year 1996.

Our company is engaged in the business of manufacturing of intimate garments for men, women and children such as vests, briefs, brassiere, panties, socks, T-shirts and casual wears. The company markets its products through its own brands like “Lycot Australia”, “Jet”, “Jet Eco”, “Fresh-Long”, “Boski” and “Take- off”. We have set our footing in domestic market and have a strong retail presence through its own network for Sales, Marketing and Logistics serving to more than 5000 Retailers directly and also through a large number of Dealers and Wholesalers in North India.

Our Company has been committed to provide quality products that are safe and comfortable to the customers. In the year 2002, our product was tested for Eco-parameters such as presence of banned amlnes, heavy metals (such as Pb, Cd, Hg, Cu, Cr, Co, Ni and SB), pesticides (DDT, BHC, Lindane, Aldrin, Dieldrin, 2,4-D, 2,4,5-7, D.D.E, p.D.D.D. Toxaphane, Heptachlorepoide,  $\alpha$ -HCH,  $\beta$ -HCH and  $\delta$ -HCH), Pentachlorophenol, Free Formaldehyde and PH at the Textiles Committee Laboratory, Mumbai and it was found to be eco-friendly textile with respect to the laid parameters. Further, Test Report for the samples drawn by Facility for Ecological and Analytical Testing, IIT Kanpur declared the cloth samples free from hazardous chemicals (such as Pesticide, Heavy Metals, Formaldehyde, Chrome-VI, Pentachlorophenol and Banned Amines) and safe for human use. In the year 2005, dyed samples drawn by The Bombay Textile Research Association, Mumbai were tested as Antibacterial according to ASTM Standards.

Our Company has been awarded with various National Awards, Certificates and Recognitions from various industries and government authorities as follows:

| Sr. No | Year     | Particulars  |
|--------|----------|--|
| 1.     | 1993-94* | Mandalya Puraskar 1993-94 for excellent & successful Management of SSI unit.   |
| 2.     | 1994*    | “NATIONAL AWARD TO SMALL SCALE ENTREPRENEURS” by Small Industries Development Organisation, Ministry of Industry, Government of India                              |
| 3.     | 1995-96  | “NATIONAL AWARD TO SMALL SCALE ENTREPRENEURS” to Small Scale Entrepreneurs by Small Industries Development Organisation, Ministry of Industry, Government of India |
| 4.     | 2001     | “NATIONAL AWARD” for Excellence in Quality Products by Ministry of Ministry of Micro, Small & Medium Enterprises, Government of India                              |
| 5.     | 2001-02  | “SECOND PRIZE” for excellent performance in Export by Small Scale Industries & Export Promotion Department, Government of Uttar Pradesh.                           |
| 6.     | 2003     | “NATIONAL AWARD” for Research & Development (Small Industries) by Ministry of Micro, Small & Medium Enterprises, Government of India                               |



|     |         |   |
|-----|---------|---|
| 7.  | 2005    | “SECOND PRIZE” for excellent performance in Export by Small Scale Industries & Export Promotion Department, Government of Uttar Pradesh.  |
| 8.  | 2007    | “NATIONAL AWARD” for Quality Products in Micro & Small Enterprises (Readymade Garments) by Ministry of Micro, Small & Medium Enterprises, Government of India   |
| 9.  | 2007    | “RAJIV GANDHI NATIONAL QUALITY AWARD” in the field of Textile Industry in the category Small Scale Manufacturing Industry.  |
| 10. | 2008    | “RAJIV GANDHI NATIONAL QUALITY AWARD” for achieving excellence amongst all applicants in the category Small Scale Manufacturing Industry.   |
| 11. | 2008    | “INTERNATIONAL QUALITY CROWN AWARD LONDON” from Business Initiative Directions, Spain   |
| 12. | 2009    | “NATIONAL AWARD” for Quality Products in Micro & Small Enterprises (Knitwear) by Ministry of Micro, Small & Medium Enterprises, Government of India   |
| 13. | 2011    | “NATIONAL RECORD” certificate from the Limca Book of Records for being the only unit in Micro, Small & Medium Enterprises (MSME) sector having six national awards in various fields between 1995 and 2009 along with an international award. |
| 14. | 2011    | “NATIONAL AWARD” for Quality Products in Micro & Small Enterprises (Undergarments) by Ministry of Micro, Small & Medium Enterprises, Government of India  |
| 15. | 2012    | Honor Certificate for “WELL-KNOWN BRAND IN ASIA” Asia Brand Attestation System (ABAS) Experts Committee.  |
| 16. | 2012-13 | Dr. Ram Manohar Lohia Small Business Promotion Award.   |

*\*Note: These Awards were received by the firm “Jet Knitwears Company.”*

## MANUFACTURING FACILITY

Our Company’s manufacturing activities are undertaken at two different units mentioned below:

| PARTICULARS   | KANPUR   | TIRUPUR   |
|---------------|--|---|
| Location      | 57-A, Dada Nagar, Kanpur, Uttar Pradesh-208022 | 26 A, Appachi Nagar, Kangu Main Road, Tirupur, Tamil Nadu- 641607 |
| Land Area     | 2360 Sq. Mtr                                   | 800 Sq. Mtr   |
| Build up Area | 1,400 Sq. Mtr                                  | 500 Sq. Mtr   |

## PRODUCTS PORTFOLIO

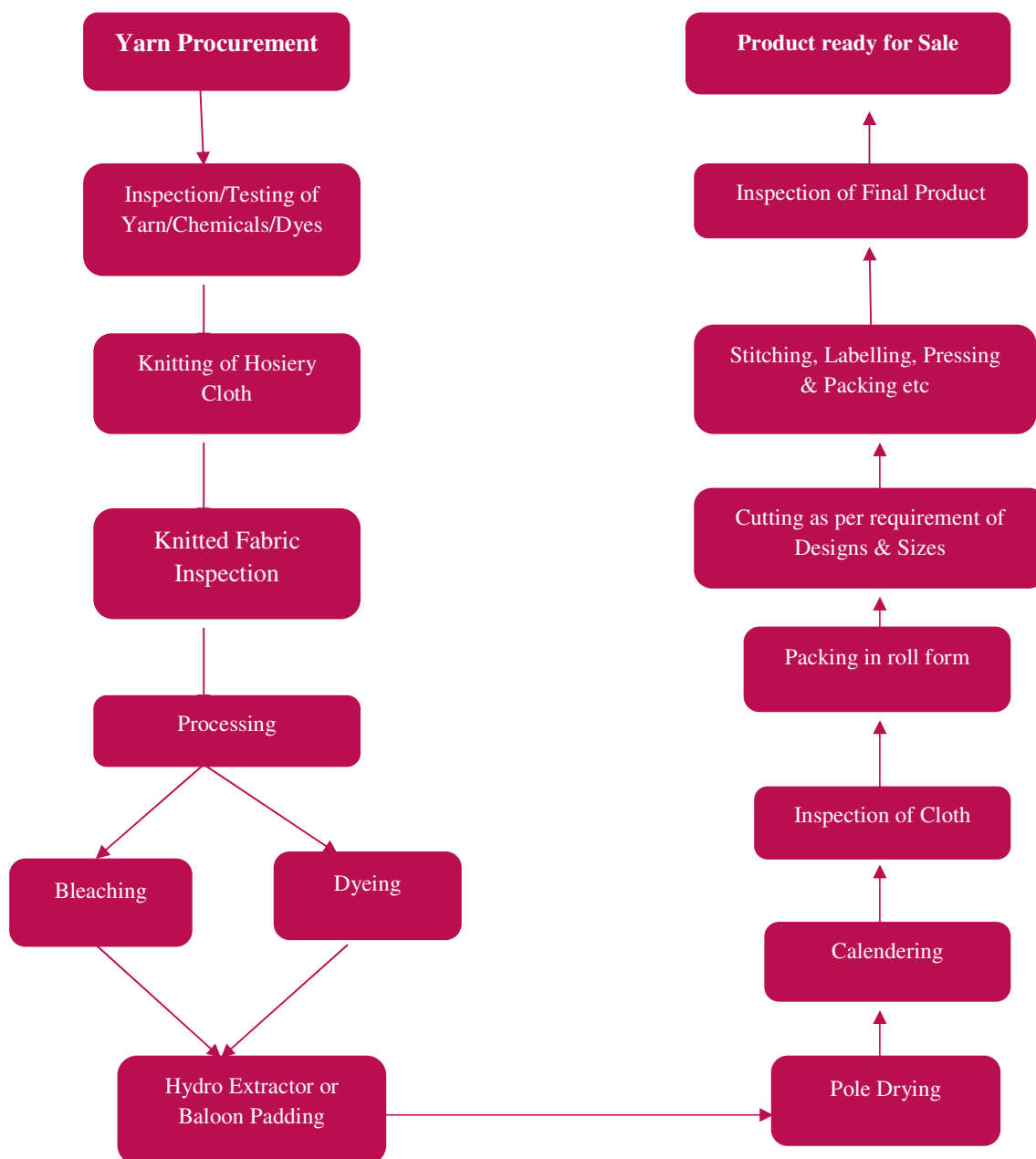
Our Company markets its products through various brands like “Lycot Australia”, “Jet”, “Jet Eco”, “Fresh-Long”, “Boski” and “Take- off”. Various product manufactured by our Company are Vest, Underwear (including Boxers, Briefs & Trunks), Brassiere, Panties, Socks, T-shirts, Thermals, Lowers, etc.

Our Company cater to everyday range of comfortable Innerwear, Socks, T-shirts and Thermals which are available in superior cotton fabrics, vibrant styles and are ideally suited for men and women. Our Company believes in providing those products to our consumers that are Skin Friendly and Anti-Bacterial.



## **PROCESS FLOW CHART OF PRODUCTS**

The entire process of manufacturing is elaborated herein below :





## DETAILS OF INSTALLED CAPACITY

Our Company operates its manufacturing unit from 57-A, Dada Nagar, Kanpur-208022, Uttar Pradesh and 26 A, Appachi Nagar, Kangu Main Road, Tirupur-641607, Tamil Nadu.

| Particulars                              | Kanpur   |  | Tirupur                              |                     |
|--|--|--|--------------------------------------|---------------------|
|  | No. of Machines  | Production Capacity                                  | No. of Machines                      | Production Capacity |
| <b>Knitting</b>                          | <ul style="list-style-type: none"> <li>26 Machines of 24 gauge</li> <li>15 Machines of 26 gauge</li> </ul> | 12,30,000 kg/annum in two duties of 10 hours per day | Done on Job Work Basis as per demand |                     |
| <b>Processing</b>                        | 6 Machines   | 15,00,000 kg/annum in two duties of 10 hours per day | 4 Machines                           | 3,60,00 kg/annum*   |
| <b>Cutting</b>                           | Done in house as well as on Job Work basis   |  |                                      |                     |
| <b>Stitching, Pressing &amp; Packing</b> | Done in house as well as on Job Work basis   |  |                                      |                     |

\*Processing at Tirupur Unit is outsourced in the premises of the Company.

## DETAILS OF ACTUAL PRODUCTION AND SALES

Our Company has produced and sold the following quantities of finished goods (i.e. Innerwear, Socks, T-shirts and Thermals) at its manufacturing units located at Kanpur and Tirupur during the previous four years: -

(Qty. in dozen)

| Particulars       | 2015-16          | 2014-15          | 2013-14          | 2012-13          |
|-------------------|------------------|------------------|------------------|------------------|
| <b>PRODUCTION</b> |                  |                  |                  |                  |
| Kanpur            | 562664.00        | 535334.50        | 559973.25        | 634090.00        |
| Tirupur           | 294673.25        | 353673.00        | 333357.75        | 352840.25        |
| <b>Total</b>      | <b>857337.25</b> | <b>889007.50</b> | <b>893331.00</b> | <b>986930.25</b> |
| <b>SALES</b>      |                  |                  |                  |                  |
| Kanpur            | 896050.00        | 868285.25        | 947249.00        | 967674.50        |
| <b>Total</b>      | <b>896050.00</b> | <b>868285.25</b> | <b>947249.00</b> | <b>967674.50</b> |

The production and sales have reduced from previous years due to change in the product mix by addition of more value added products.

## PLANT & MACHINERY

Our manufacturing units are located at Kanpur and Tirupur. The units have been setup by using the machineries and components which have been bought from reliable sources in the country. All the suppliers have been selected by the company on the basis of their past experience and competitive prices.



Our company has installed the following major machineries and equipment: -

In Kanpur:-

- Knitting Machines
- Cutting Machines
- Winch Machines
- Hydro Extractors
- Pole Dryer
- Baloon Padder
- Thermopack Heaters
- Boiler
- Calender Machines
- Effluent Treatment Plant
- Stitching Machines
- Hydraulic Machines
- Labelling Machines
- DG Sets

In Tirupur:-

- Winch Machines
- Hydro Extractors
- Cutting Machines

At Tirupur unit, machines are installed in the premises of our group entity M/s Frontline Exports Pvt Ltd who are doing processing for our Company on contract basis.

The technology available with our company is commonly available in India and manufacturing quality is dependent on:

- Trained and efficient manpower
- Quality of raw materials such as yarn, dyes, chemicals, etc.
- Effective quality control
- Efficient process control
- Efficiency of our lab tests and experiments

**BRIEF FINANCIALS OF OUR COMPANY**

(Rs. In Lakhs)

| Particulars                          | As on March 31, |         |         |         |         |
|--------------------------------------|-----------------|---------|---------|---------|---------|
|                                      | 2016            | 2015    | 2014    | 2013    | 2012    |
| Share Capital                        | 300.02          | 300.02  | 166.90  | 166.90  | 166.90  |
| Reserve & Surplus                    | 377.26          | 339.97  | 110.06  | 90.36   | 73.67   |
| Net Worth                            | 677.28          | 639.99  | 276.96  | 257.26  | 240.57  |
| Sales                                | 3854.94         | 3731.83 | 3848.95 | 3551.27 | 2900.40 |
| Other Income                         | 1.72            | 0.77    | 2.30    | 10.68   | 3.08    |
| Profit after Tax                     | 37.29           | 30.23   | 19.69   | 16.69   | 15.51   |
| EPS (Basic & Diluted)<br>(In Rs)     | 1.24            | 1.79    | 1.18    | 1.00    | 0.93    |
| Return on Net Worth (%)              | 5.51            | 4.72    | 7.11    | 6.49    | 6.45    |
| Net Asset Value per<br>Share (In Rs) | 22.57           | 21.33   | 16.59   | 15.41   | 1.44    |



## UTILITIES & INFRASTRUCTURE FACILITIES

Our registered office is located at Kanpur. Our offices are equipped with computer systems, servers, relevant softwares such as ERP (Enterprise Resource Planning) and other communication equipment's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

### **Power**

The total power requirement for Kanpur unit is 130 HP which is met by Kanpur Electricity Supply Company Limited. Our Company also has provision for DG sets for any exigencies.

The power requirement for our manufacturing unit at Tirupur is 15 units per day which is fulfilled through local electricity supplier.

### **Water**

The requirement of water at Kanpur has been estimated at 23 KLD. The Company is having "Effluent Treatment Plant" to process the effluents in water subsequent to which some of the water is reused.

### **Raw Material**

The basic raw material required is cotton yarn and fabric which is available in the Indian domestic market. Major suppliers are Liberty Clothing Company, J.V. Tapes, Komal Texfab Pvt. Ltd., Pandian Textile Mills Pvt. Ltd at Tirupur and Jagat Surana & Sons, Chokhani & Company, Mansi Electronics at Kanpur.

### **Manpower**

The manpower requirement for Kanpur Manufacturing Unit is 36 being 19 for manufacturing activities and 17 for office/administrative/sales.

The manpower requirement at Tirupur unit is 6 since majority of the work is done on job work basis.

## OUR STRENGTH

We believe that the following strengths have contributed to success and will be competitive advantages for us, supporting our strategy and contribution to improvements in financial performance:

### **1. Well qualified and experienced promoters**

Our promoters have vast experience in the innerwear and textile industry and have always believed in maintaining the best quality in our processes and products. Our Company is dedicated towards quality of our products, processes and inputs which have helped us to have long term relations with our customers and has also facilitated us to entrench with new customers.

### **2. Well qualified and experienced staff**

Along with qualified promoters, our company has a team of employees and workers who assist the top management, having knowledge of core aspects of innerwear industry and marketing. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

### **3. Wide Product Range Offering**

The Company has a range of products such as Innerweares, Socks, T-shirts, Lowers and Thermals which are available in superior cotton fabrics and vibrant styles enabling it to cater to the demands of the consumers of our products in various markets.



#### **4. North-India presence**

We are having a wide range of retailer network of more than 5,000 retailers who are served being directly by our sales depots in the different parts of North India.

#### **5. Strong and popular brand**

We have been marketing our products through strong brands “JET” and “LYCOT”. “JET” is 30 years old whereas “LYCOT” is 10 years old.

### **BUSINESS STRATEGY**

#### **1. Leverage our brand:**

We believe that our customers, vendors and suppliers perceive the “JET” brand to be that of a trusted provider of quality products. We are planning to leverage the brand equity enjoyed by our brand, “JET”, using our existing formats while selectively expanding within our existing markets and into new markets. In order to do so we have started manufacturing of value added products such as Socks, T-shirts, Thermals etc in addition to innerwears.

#### **2. Focus on Product Quality**

We believe in creating value for our customers be it in terms of quality or pricing. Quality is of primary importance and our focus is on improving the quality of our products so that the products we offer are Skin Friendly and Anti-bacterial which helps in developing and maintaining long term sustainable relationships with our customers, enhancing our brand value and further increase in the business.

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

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

#### **4. Our Work Philosophy**

- Faith in positive work; continues
- Improvement in the production process
- Value for the money to the consumer
- Consumer’s Satisfaction

#### **5. Enhance consumer base by entering new geographies to establish long-term relationships:-**

We intend to cater to the increasing demand of our existing consumers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. Our Company operates from Kanpur with having dealers/vendors in North India. Enhancing our presence in additional region will enable us to reach out to a larger population. Further, our Company believes in maintain long term relationship with our customers by adding value through innovations, quality assurance and timely delivery of our products which will ultimately enhance our sales.

### **COLLABORATIONS**

We have not entered into technical or any other collaboration.





## HUMAN RESOURCE

Human resource plays an essential role in developing a company's strategy as well as handling the employee centered activities of an organization. We have 42 full time employees as on June 30, 2016. Our man power is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans. Apart from the above employees, we also have a network of job workers on assignment basis.

## DEPARTMENT WISE BREAKUP

Details of our employees as on June 30, 2016 are as follows:

| Department             | Number of Employees |
|------------------------|---------------------|
| Finance & Accounts     | 4                   |
| Sales & Marketing      | 7                   |
| Production & Store     | 8                   |
| IT Department          | 3                   |
| Office Administration  | 6                   |
| Secretarial Department | 1                   |
| Labour and Workers     | 13                  |
| <b>Total</b>           | <b>42</b>           |

## COMPETITION

We face competition from various domestic and international players. The Industry in which we operate is unorganized, competitive and highly fragmented in India. We have over a decade of experience in innerwear and textile industry. We believe that our Company will not only maintain but further enhance its position in the industry. We believe that our ability to compete effectively is primarily dependent on ensuring consistent quality products with on time delivery at competitive prices. We believe that the principal factors affecting competition in our business include consumer relationships, reputation, the abilities of employees, market focus and the relative quality and price.

## MARKETING

We manufacture Innerwears, Socks, T-shirts and Thermals for men, women and infants. We employ a very customer driven approach to business development and service that is strongly oriented to the customer's specifications and satisfaction.

We have a dedicated sales team which handles business development and relationship management for our Innerwears, Socks, T-shirts and Thermals business. Our new customer additions are mainly through referrals from our existing customers and direct enquiries. We also identify potential retailers suitable for our products and approach them for new business. Our marketing services are designed with an objective of enhancing awareness and spreading reach for our products. We believe that having a direct dealing with more than 5000 retailers will help our Company in reaching potential markets of our products.



## INSURANCE

At present, we maintain insurance for Standard Fire and Special Perils Policy, which provides insurance cover against loss or damage by fire, earthquake, explosion, burglary, theft and robbery. Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions and/or insurance, the indemnities set forth in our contracts and/ or our insurance may not be enforceable in all instances or the limitations of liability may not protect us from entire liability for damages.

Following are the details of Insurance Policies.

| Sr. No. | Name of the Policy                                      | Description of Item Insured   | Policy No.             | Insurance Company                  | Coverage (In Rs.) | Expiry Date      |
|---------|---|---|------------------------|------------------------------------|-------------------|------------------|
| 1.      | Standard Fire and Special Perils Policy                 | Plant & Machinery and Accessories   | 222100/11/2 016/184    | The Oriental Insurance Company Ltd | Rs. 1,60,00,000   | October 29, 2016 |
| 2.      | Standard Fire and Special Perils Policy                 | Material stored in Godown and Silos   | 222100/11/2 016/186    | The Oriental Insurance Company Ltd | Rs. 42,96,000     | October 31, 2016 |
| 3.      | Burglary Floater Policy                                 | Stocks and Office Equipments  | 0808021216 P102228524  | United India Insurance Company Ltd | Rs. 4,00,00,000   | May 15, 2017     |
| 4.      | Standard Fire and Special Perils Policy (Floater Basis) | Storage of hazardous as mentioned in Category I in the policy               | 0808021116 P102227915  | United India Insurance Company Ltd | Rs. 4,00,00,000   | May 15, 2017     |
| 5.      | Burglary Floater Policy                                 | On Stock in Trade or Goods in the custody of the Company                    | 0808021216 P102228866  | United India Insurance Company Ltd | Rs. 3,75,00,000   | May 15, 2017     |
| 6.      | Standard Fire and Special Perils Policy (Floater Basis) | On Stock of all kind of Hosiery goods and such other goods related to trade | 0808021116 P1022277 74 | United India Insurance Company Ltd | Rs. 3,75,00,000   | May 15, 2017     |

## LAND & PROPERTIES

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

| Sr. No. | Location of the property                                   | Document and Date                    | Licensor / Lessor                                   | Lease Rent/ License Fee | Lease/License period |               | Purpose                       |
|---------|--|--------------------------------------|---|-------------------------|----------------------|---------------|-------------------------------|
|         |  |                                      |   |                         | From                 | To            |                               |
| 1.      | 119/410, B-1, Darshanpurwa, Kanpur, Uttar Pradesh - 208012 | Rent Agreement dated August 27, 2016 | Mrs. Sandhya Narula and Mr. Rakesh Kumar Narula     | Rs. 1000 Per Month      | September 01, 2016   | July 31, 2021 | Registered Office and Godown  |
| 2.      | 57-A, Dada Nagar, Kanpur, Uttar Pradesh - 208022           | Rent Agreement dated August 27,      | Mr. Rohit Narula, Mr. Anil Kumar Narula, Mr. Rakesh | Rs. 2000 Per Month      | September 01, 2016   | July 31, 2021 | Manufacturing Unit and Godown |



|    |   |  |  |   |                      |                      |                                     |
|----|---|--|--|---|----------------------|----------------------|-------------------------------------|
|    |   | 2016   | Kumar Narula,<br>Mr. Balram<br>Kumar Narula,<br>and Mrs.<br>Sandhya Narula   |   |                      |                      |                                     |
| 3. | Pooja Vihar,<br>Sevla Kalan,<br>Dehradun,<br>Uttarakhand                              | Rent<br>Agreement<br>dated<br>December<br>01, 2015 | Mrs. Pratima<br>Vancoti  | Rs.<br>23,500<br>Per<br>Month           | December<br>01, 2015 | October<br>31, 2016  | Business                            |
| 4. | 244/8A/4/2A,<br>Bhola Ka Pura,<br>Sainik Colony,<br>Allahabad,<br>U.P.                | Rent<br>Agreement<br>dated April<br>20, 2016       | Mrs. Sheela<br>Devi  | Rs.<br>15,600<br>Per<br>Month           | April 20,<br>2016    | March 19,<br>2017    | Business                            |
| 5. | Kishun<br>Devpur, G.T.<br>Road,<br>Jangiganj,<br>Badohi, U.P.                         | Rent<br>Agreement<br>dated May<br>12, 2016         | Mrs. Mamta<br>Mishra   | Rs.<br>9,000<br>Per<br>Month<br>as Rent | May 10,<br>2016      | April 04,<br>2017    | Godown                              |
| 6. | Plot No. 684,<br>Gali No. 03,<br>Nr. Saini<br>Vihar,<br>Mundka, New<br>Delhi - 110041 | Rent<br>Agreement<br>dated<br>December<br>02, 2015 | Mr. Manoj Lakra  | Rs.<br>1,500<br>Per<br>Month            | December<br>02, 2015 | November<br>01, 2016 | Business                            |
| 7. | 887, Tulsi<br>Kutir, Muhalla<br>Das<br>Compound,<br>Shikohabad,<br>U.P.               | Rent<br>Agreement<br>dated<br>November<br>26, 2015 | Mr. Govind<br>Krishna Sharma   | Rs.<br>14,000<br>Per<br>Month           | January<br>01, 2016  | November<br>30, 2016 | Business                            |
| 8. | 559 ख/69, Shri<br>Nagar, Alam<br>Bagh,<br>Lucknow, U.P.                               | Rent<br>Agreement<br>dated July<br>16, 2016        | Mr. Harcharan<br>Singh   | Rs.<br>24,000<br>Per<br>Month           | July 20,<br>2016     | June 19,<br>2017     | Business                            |
| 9. | *26 A,<br>Appachi<br>Nagar, Kangu<br>Main Road,<br>Tirupur, Tamil<br>Nadu- 641607     | Rent<br>Agreement<br>dated April<br>04, 2015       | Mr. Balram<br>Kumar Narula,<br>Mr. Anil Kumar<br>Narula, Mr.<br>Rakesh Kumar<br>Narula, Mrs.<br>Kanchan Narula<br>and Mrs.<br>Sandhya Narula | Rs.<br>5,000<br>Per<br>Month            | April 01,<br>2015    | March 21,<br>2020    | Manufacturing<br>Unit and<br>Godown |






|     |   |                                      |                     |                      |                 |               |          |
|-----|---|--------------------------------------|---------------------|----------------------|-----------------|---------------|----------|
| 10. | C-75, Radha Garden, Ganga Nagar, Meerut, U.P.                                       | Rent Agreement dated August 22, 2016 | Smt. Vimla Devi     | Rs. 14,500 Per Month | August 03, 2016 | July 02, 2017 | Business |
| 11. | Utalwa, Kamroli, zila-Sultanpur, U.P.   | Rent Agreement dated August 22, 2016 | Smt. Vibha Singh    | Rs. 13,750 Per Month | August 03, 2016 | July 02, 2017 | Business |
| 12. | D.No. 127, SNVS Compound, Ground Floor, Kongu Main Road, Tirupur, Tamil Nadu-641607 | Rent Agreement dated August 24, 2016 | Mr. S. Om Saravanan | Rs. 39,000 Per Month | August 24, 2016 | July 23, 2017 | Business |

*\*Our Company is in process to register the Rent Agreement.*

*Note: The Building as shown in our financials represents leasehold improvement.*

#### INTELLECTUAL PROPERTY

We have filed the applications for trademark registration before the Registrar of Trade Marks, Trademarks Registry at Delhi and Mumbai, which is summarized as follows:-

| Sr. No. | Logo  | Date of Application/Approval date | Application No./Trademark No. | Class | Current Status | Valid Upto        |
|---------|---|-----------------------------------|-------------------------------|-------|----------------|-------------------|
| 1.      | VENUS'S JET   | May 28, 1979                      | 349697                        | 25    | Registered     | May 28, 2017      |
| 2.      |  | August 16, 1994                   | 637004                        | 25    | Registered     | August 16, 2018   |
| 3.      |  | August 16, 1994                   | 637005                        | 25    | Registered     | August 16, 2018   |
| 4.      |  | December 14, 1994                 | 648783                        | 25    | Registered     | December 14, 2018 |



|     |  |                    |         |    |                     |                    |
|-----|--|--------------------|---------|----|---------------------|--------------------|
| 5.  |  | June 01, 1995      | 667858  | 25 | Registered          | June 01, 2019      |
| 6.  |  | December 15, 1997  | 782278  | 25 | Registered          | December 15, 2017  |
| 7.  |  | August 04, 1998    | 813304  | 25 | Registered          | August 04, 2018    |
| 8.  |  | August 04, 1998    | 813303  | 25 | Registered          | August 04, 2018    |
| 9.  |  | December 28, 1998  | 833993  | 25 | Registered          | December 14, 2018  |
| 10. |  | May 30, 2000       | 928170  | 24 | Registered          | May 30, 2020       |
| 11. |  | February 20, 2002  | 1081935 | 25 | Rectification Filed | February 20, 2012  |
| 12. |  | September 17, 2004 | 1309424 | 25 | Registered          | September 17, 2024 |



## **KEY INDUSTRY REGULATIONS AND POLICIES**

The following description is a summary of various sector-specific laws and regulations in India, which are applicable to our Company. The information below has been obtained from publications in the public domain. It may not be exhaustive, and is only intended to provide general information and is neither designed nor intended to substitute for professional legal advice.

### **INDUSTRY-SPECIFIC REGULATIONS**

#### **The Textiles Committee Act, 1963**

The Textiles committee Act, 1963 (“Textile Act”) grants the Textile Committee the power to adopt, recognize or establish standard qualities of textiles and provide standard specifications of textile machinery for internal consumption and export purposes. Other functions of the Textile Committee include undertaking, assisting and encouraging scientific, technological and economic research in the textile industry, specifying quality control regulations, promotion of exporting activities, providing for the inspection, testing, and examination of textile machinery, and packing materials and advising on all matters relating to the development of textile industry and the production of textiles machinery. The Textile Act also provides for the imposition of cess on textiles and textile machinery that is manufactured in India. On the recommendation of the Textile committee, the Central government has the right to prohibit any export or sale of any textiles or textile machinery that does not conform to the standards laid out by the Committee and penalties for a subsequent breach are specified under the Textile Committee Act.

#### **National Textile Policy, 2000**

The National Textile Policy, 2000 was formulated for the development of the Indian textile industry. The policy aims to inter-alia equip the textile industry with the ability to withstand import pressures, to build world-class manufacturing capabilities in conformity with environmental standards, to encourage foreign direct investment and research and development in the textile sector. The policy covers various initiatives concerning natural and man-made materials, technological up gradation, the textile production chain and the development of the garment industry.

#### **Scheme of Technological Up Gradation Fund Scheme (TUFS)**

The technological up-gradation fund Scheme (TUFS) launched by the Ministry of Textiles on April 1, 1999, is a scheme for modernization and technology up-gradation in the textile sector. This Scheme aims to provide funds to the domestic textile industry for technology up gradation of existing units and for the setting up of new units with state-of-the-art technology in order to improve its viability and competitiveness in the domestic and international markets. The government has restructured the TUFS as revised restructured technology up-gradation fund scheme (“RR-TUFS”) applicable from April 1, 2013 to March 31, 2017. RR- TUFS provides for subsidies for garment manufacturing machinery.

#### **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 01,



2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

## **ENVIRONMENTAL LAWS**

### **ENVIRONMENT (PROTECTION) ACT, 1986**

The main objective of this Act is to provide the protection and improvement of environment (which includes water, air, land, human being, other living creatures, plants, micro-organism and properties) and for matters connected therewith. The Act provide power to make rules to regulate environmental pollution, to notify standards and maximum limits of pollutants of air, water, and soil for various areas and purposes, prohibition and restriction on the handling of hazardous substances and location of industries.

The Central Government is empowered to constitute authority or authorities for the purpose of exercising of performing such of the powers and functions, appoint a person for inspection, for analysis or samples and for selection or notification of environmental laboratories. Such person or agency has power to inspect or can enter in the premises or can take samples for analysis.

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

### **THE WATER (PREVENTION AND CONTROL OF POLLUTION) CESS ACT, 1977, AS AMENDED (THE “WATER CESS ACT”)**

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Every person carrying on an industry specified under the Water Cess Act 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 non-compliance 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 Rs. 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 (“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 above requirements include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. Under the Air Act, the Central Board for the Prevention and Control of Water Pollution has powers, inter alia, to specify standards for quality of air, while the State Board for the Prevention and Control of Water Pollution have powers, inter alia, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

#### **LAWS RELATING TO EMPLOYMENT AND LABOUR**

#### **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.

#### **PAYMENT OF GRATUITY ACT, 1972**

The Payment of Gratuity Act, 1972 (“Act”) was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. A terminal Lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as “gratuity.” The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

#### **PAYMENT OF BONUS ACT, 1965**

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also requires for the submission of Annual





Return in the prescribed form (FORM D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

### **FACTORIES ACT, 1948**

This Act came into force on 1<sup>st</sup> April, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children.

### **MINIMUM WAGES ACT, 1948**

This Act aims to make provisions for statutory fixation of minimum rates of wages in scheduled employment wherein labour is not organized. It seeks to prevent the exploitation of workers and protect their interest in the 'sweated industries'. Wage fixing authorities have been guided by the norms prescribed by the Fair Wage Committee in the settlement of issues relating to wage fixation in organized industries. The Act contemplates the minimum wage rates must ensure not only the mere physical needs of a worker which keeps them just above starvation level, but must ensure for him and his family's subsistence, and also to preserve his efficiency as a worker.

### **WORKMEN'S COMPENSATION ACT 1923**

This Act came into force on 1<sup>st</sup> April, 1924. It aims at providing financial protection to workmen and their dependents in case of accidental injury by means of payment of compensation by the employers. However, here the employer shall not be liable in respect of any injury that does not result in the total or partial disablement of the workmen for a period exceeding 3 days in respect of any injury not resulting in death, caused by an accident which was due to the reason that workman was under the influence of drugs, or due to his willful disobedience of an order expressly given to him, or a willful removal or disregard of any safety device by the workmen, or when the employee has contracted a disease which is not directly attributable to a specific injury caused by the accident or to the occupation.

### **THE EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952** *("Employees Provident Fund and Miscellaneous Provisions Act")*

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organization (EPFO). The following three schemes have been framed under the Act by the Central Government:

- (a) he Employees' Provident Fund Schemes, 1952;
- (b) The Employees' Pension Scheme, 1995; and
- (c) The Employees' Deposit-Linked Insurance Scheme; 1976.

The Central Government has been constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees' Provident Funds and Miscellaneous Provisions Act, 1952.



## **EMPLOYEES STATE INSURANCE ACT, 1948**

The promulgation of Employees' State Insurance Act, 1948 (ESI Act), by the Parliament was the first major legislation on social Security for workers in independent India. It was a time when the industry was still in a nascent stage and the country was heavily dependent on an assortment of imported goods from the developed or fast developing countries. The deployment of manpower in manufacturing processes was limited to a few select industries such as jute, textile, chemicals etc. The legislation on creation and development of a fool proof multi-dimensional Social Security system, when the country's economy was in a very fledgling state was obviously a remarkable gesture towards the socio economic amelioration of a workforce though limited in number and geographic distribution. India, notwithstanding, thus, took the lead in providing organized social protection to the working class through statutory provisions.

The ESI Act, 1948, encompasses certain health related eventualities that the workers are generally exposed to; such as sickness, maternity, temporary or permanent disablement, Occupational disease or death due to employment injury, resulting in loss of wages or earning capacity-total or partial. Social security provision made in the Act to counterbalance or negate the resulting physical or financial distress in such contingencies, are thus, aimed at upholding human dignity in times of crises through protection from deprivation, destitution and social degradation while enabling the society the retention and continuity of a socially useful and productive manpower.

## **THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("SHWW ACT")**

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

## **INTELLECTUAL PROPERTY LAWS**

### **TRADEMARKS ACT, 1999**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure.

As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.



## **INDIAN COPYRIGHT ACT, 1957 (“COPYRIGHT ACT”)**

The “Copyright 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.

## **PROPERTY RELATED LAWS**

### **THE INDIAN STAMP ACT, 1899**

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 Indian Stamp Act, 1899 (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.

## **TAXATION & DUTY LAWS**

### **THE CENTRAL SALES TAX ACT, 1956 (“Central Sales Tax Act”)**

Central Sales Tax Act 1956 was enacted by the Parliament and received the assent of the president on December 21, 1956. Imposition of tax became effective from July 01, 1957. It extends to the whole of India. Every dealer who makes an inter-state sale must be a registered dealer and a certificate of registration has to be displayed at all places of his business. There is no exemption limit of turnover for the levy of central sales tax. The tax is levied under this act by the Central Government but, it is collected by that state government from where the goods were sold. The tax thus collected is given to the same state government which collected the tax. In case of Union Territories, the tax collected is deposited in the consolidated fund of India.

### **VALUE ADDED TAX (“VAT”)**

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by Jet Knitwears Limited, manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.



## **INCOME TAX ACT, 1961**

The government of India imposes an income tax on taxable income of all *persons* including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

## **SERVICE TAX ACT, 1994**

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules the assessee is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half-year to which the return relates.

## **IN GENERAL**

### **THE COMPANIES ACT, 1956**

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

### **THE COMPANIES ACT, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 notified 100 Sections and on March 26, 2014 notified 183 Sections of the Companies Act, 2013. The same are applicable from September 12, 2013 and April 01, 2014, respectively. The Ministry of Corporate Affairs has issued the rules and new improved e-forms complementary to the Act establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Act.



## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated as Jet Knitwears Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 02, 1996 in Kanpur, Uttar Pradesh. Subsequently, the name of our Company was changed to Jet Knitwears Limited vide fresh certificate of incorporation dated April 01, 2015. The Corporate Identification Number of our Company is U19101UP1996PLC019722. The company was incorporated to takeover the running business of partnership firm M/s Jet Knitwears Company along with all the assets and liabilities, approvals, permits, registrations, etc.

Our Company filed a Draft Prospectus dated September 25, 2015 earlier on NSE Emerge platform but as we decided to shelve expansion plan of further capacity of our manufacturing unit located at Kanpur, we have withdrawn the said Draft Prospectus with NSE.

The registered office of our company is situated at 199/410, B-1, Darshanpurwa, Kanpur, Uttar Pradesh – 208012, India.

For information on the Company's activities, market, growth, technology and managerial competence, please see the chapters "Our Management", "Our Business" and "Our Industry" beginning on pages 130, 105 and 98 respectively of this Prospectus.

### CHANGE IN REGISTERED OFFICE

Since inception our registered office is located at 199/410, B-1, Darshanpurwa, Kanpur, Uttar Pradesh – 208012, India. Therefore, there is no change in our registered office.

### KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

| Year  | Event  |
|-------|--|
| 1994* | Mandalya Puraskar 1993-94 for excellent & successful Management of SSI unit.   |
| 1995* | National Awards to Small Scale Entrepreneurs-1994.   |
| 1997  | National Awards to Small Scale Entrepreneurs-1996.   |
| 1997  | A manufacture unit established in Tirupur  |
| 2000  | Upgraded our Winch process (Cold Bleach) in room temperature   |
| 2002  | Jet Products certified as "Safe for Skin" by Textile Committee (Govt. of India).   |
| 2002  | Jet Products certified as "Safe for Skin" by Facility for Ecological and Analytical Testing (FEAT), ECO Lab, IIT Kanpur. |
| 2002  | Production of Skin friendly undergarments was started  |
| 2002  | State Export Award, Small Scale Industries & Export Promotion Department, Govt. of U.P.                                  |
| 2003  | National Award for Excellence in Quality Products 2001   |
| 2004  | Jet Products certified as Anti-Bacterial by Bombay Textile Research Association.   |
| 2004  | Production of Anti-bacterial Undergarments was started   |
| 2004  | Lycot Australia brand was introduced.  |
| 2005  | National Award-2003 for Research & Development in MSME.  |
| 2005  | State Export Award, Small Scale Industries & Export Promotion Department, Govt. of U.P.                                  |
| 2005  | Jet Products certified once again as Anti-Bacterial by Bombay Textile Research Association.                              |
| 2005  | IS/ISO 9001:2000 Quality Management Systems Certification by Bureau of Indian Standards.                                 |
| 2008  | International Quality Crown Award, London 2008 in recognition of outstanding commitment to quality and excellence.       |
| 2008  | National Award-2007 for Quality Products in Micro & Small Enterprises.   |



|      |  |
|------|--|
| 2008 | Rajiv Gandhi National Quality Awards, 2007.  |
| 2009 | Rajiv Gandhi National Quality Awards, 2008.  |
| 2010 | National Award-2009 for Quality Products in Micro & Small Enterprises.   |
| 2010 | Thermopack and upgraded Knitting machines were installed.  |
| 2011 | National Record 2011 in Limca Book of Records for only one unit in MSME sector having six national awards in various fields and one International Quality Crown Award. |
| 2012 | Dr. Ram Manohar Lohia Small Business Promotion Award.  |
| 2012 | Honor Certificate of “Well-known Brand in Asia” from Asia Brand Attestation System (ABAS) Experts Committee.   |
| 2012 | New Winch Machine having a capacity of 1 ton of cloth processing was installed   |
| 2013 | National Award-2011 for Quality Products in Micro & Small Enterprises.   |
| 2014 | 12 more Knitting machines were installed and mini steam boilers for hosiery cloth calendaring were replaced with steamers for production enhancements.                 |

*Note: These awards were received by the firm “Jet Knitwears Company”.*

## OUR MAIN OBJECTS

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

- To acquire and take over the possession of the business and the undertaking with all its movable and immovable assets (including actionable claims) and all other assets, rights, benefits, titles, interests, approvals, registrations, permits, facilities, concessions, sanctions, privileges, licenses, debts belonging to or held by the parties hereto in connection with the business carried on by them in partnership under the name and style of ‘JET KNITWEARS COMPANY’ as aforesaid and to undertake and discharge all the liabilities in respect of any debt or obligation incurred or any contract entered into by, to, with or on behalf of the aforesaid partnership and goodwill, if any, of such business.
- To carry on the business of manufacturers, importers and exporters, wholesale and retail dealers of and in men’s, women’s and children’s hosiery goods, clothing and wearing apparel of every kind, nature and description including vests, underwear, brassiers, socks, stockings, sweaters, laces and similar material.
- To manufacture, bleach, dye, print and sell knitwears made from cotton, rayon, nylon, nylon wool, silk, synthetic fibers, staple fibers and other materials and generally to carry on the business of hosiery knitting mill proprietors in all their branches.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

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

| Date of Shareholders’ Approval | Amendment   |
|--------------------------------|---|
| March 30, 1998                 | The Initial authorized Share Capital of Rs. 25,00,000 (Rupees Twenty-Five Lakh only) consisting of 2,50,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity Shares of face value of Rs.10/- each. |
| March 05, 1999                 | The authorized Share Capital of Rs. 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 60,00,000 (Rupees Sixty Lakhs only) consisting of 6,00,000 Equity Shares of face value of Rs.10/- each.              |
| January 05, 2002               | The authorized Share Capital of Rs. 60,00,000 (Rupees Sixty Lakhs only)   |



|                |   |
|----------------|---|
|                | consisting of 6,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 75,00,000 (Rupees Seventy-Five Lakhs only) consisting of 7,50,000 Equity Shares of face value of Rs.10/- each.   |
| March 17, 2003 | The authorized Share Capital of Rs. 75,00,000 (Rupees Seventy-Five Lakhs only) consisting of 7,50,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 1,25,00,000 (Rupees One Crore Twenty-Five Lakhs only) consisting of 12,50,000 Equity Shares of face value of Rs.10/- each.              |
| March 28, 2009 | The authorized share capital of Rs. 1,25,00,000 (Rupees One Crore Twenty-Five Lakhs only) consisting of 12,50,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 1,75,00,000 (Rupees One Crore Seventy-Five Lakhs only) consisting of 17,50,000 Equity Shares of face value of Rs.10/- each. |
| July 16, 2012  | The authorized share capital of Rs. 1,75,00,000 (Rupees One Crore Seventy-Five Lakhs only) consisting of 17,50,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 2,00,00,000 (Rupees Two Crores only) consisting of 20,00,000 Equity Shares of face value of Rs.10/- each.                  |
| March 09, 2015 | The authorized share capital of Rs. 2,00,00,000 (Rupees Two Crore only) consisting of 20,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs.6,50,00,000 (Rupees Six Crore Fifty Lakhs only) consisting of 65,00,000 Equity Shares of face value of Rs.10/- each.                           |
| April 01, 2015 | The name of our Company was changed to Jet Knitwears Limited vide fresh certificate of incorporation.   |

#### **HOLDING COMPANY OF OUR COMPANY**

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

#### **SUBSIDIARY COMPANY OF OUR COMPANY**

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

#### **INJUNCTIONS OR RESTRAINING ORDERS**

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

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled “Financial Statements” beginning on page 163 of this Prospectus.

#### **SHAREHOLDERS AGREEMENTS**

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

#### **OTHER AGREEMENTS**

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business and Agreement dated June 01, 2015 with Managing Director for his appointment as on the date of filing of this Prospectus.

#### **RESTRICTIVE COVENANTS IN LOAN AGREEMENTS**

Our Company has received Credit facilities from Axis Bank Ltd vide Sanction letter dated November 17, 2015. Axis Bank has issued us No Objection Certificate in relation to our IPO vide letter dated August 22, 2016.





Following are certain restrictive conditions given by Axis Bank Ltd for sanction of Credit facilities:

- (i) All the assets charged to the bank are to be insured for full value covering all risks with usual bank clause and a copy of the Insurance policy should be furnished to the bank.
- (ii) A monthly statement of stock / book debts must be submitted to the bank by 15<sup>th</sup> of subsequent month or whenever there is substantial change in book debt position.
- (iii) Security creation is to be completed in all respects within 60 days of first disbursement.
- (iv) Inspection of securities/books of the borrower would be carried at quarterly intervals or as per calendar decided by the bank. Cost of inspection to be borne by the borrower.
- (v) Bank will have the right to examine at all times the Company's books of accounts and to have the Company's factories inspected, from time to time, by officer(S) of the Bank and/or qualified auditors and/or technical experts and/or management consultants of the Bank's choice. Cost of such inspection shall be borne by the Company.
- (vi) Basis of Valuation: - Book Debts: At realizable value with financing restricted to book debts not older than 90 days.
- (vii) The borrower should undertake not to divert working capital funds for long term purposes.
- (viii) The borrower will maintain net working capital equal to or above the levels furnished in its projections for working capital finance. In event of difference of opinion arising as to what constitute current assets and current liabilities, the Bank's decision will be final and binding on the borrower.
- (ix) Company to ensure core gearing as on March 31, 2016 shall not exceed 2.00 times.
- (x) Company to maintain Current ratio at minimum 1.25 times as on March 31, 2016.
- (xi) Company to close Current Account with State Bank of India before disbursement of enhanced limits.
- (xii) In case the proposed IPO is shelved for any reason whatsoever, then the Company shall defer its expansion plan.

Apart from the above specific covenants the bank has also imposed general terms and conditions on Our Company.

Details of borrowing and charges of Axis Bank Ltd:

| Date of charge creation/modification | Charge amount secured, interest & tenure   | Charge holder | Facilities                                 | *Security  |
|--------------------------------------|--|---------------|--|--|
| December 22, 2015                    | <b>Amount:</b><br>Rs. 11.20 Crores<br><br><b>Interest:</b><br><u>For CC:-</u><br>Bank Rate + 1.15% p.a.<br><br><u>For WCDL:-</u><br>Bank Rate + 0.90% p.a.<br><br><u>For Term Loan:-</u><br>Bank Rate + 1.65% p.a.<br><b>Tenure:</b><br><u>For CC and WCDL:-</u><br>1 year from the date of Sanction<br><u>For Term Loan:-</u><br>8 months (residual tenure), last installment was in June, 2016 | Axis Bank Ltd | Cash Credit (CC) of 11.00 Crores           | Hypothecation charge over entire current assets of the company both present and the future.                          |
|                                      |  |               | WCDL (sub limit of CC) of Rs. 10.00 Crores | Same as for CC limit.  |
|                                      |  |               | *Term Loan I of Rs. 0.20 Crores.           | Hypothecation charge over entire moveable fixed assets of the company both present and the future (except vehicles). |





|  |  |  |   |
|--|--|--|---|
|  |  |  | <p><b>Collateral Securities:</b></p> <p>Equitable Mortgage of factory land &amp; building situated at part of plot no. 57-A, Co-operative Industrial Estate, Dada Nagar, Kanpur, U.P. admeasuring 2360 Sqr Yards and 57-A4, Co-operative Industrial Estate, Dada Nagar, Kanpur, U.P. admeasuring 1070.20 Sqr. Mts, owned by Mr. Balram Kumar Narula, Mr. Anil Kumar Narula, Mr. Rohit Narula, Mrs. Kanchan Narula, Mrs. Sandhya Narula, Mr. Saurabh Narula, Mr. Vaibhav Narula &amp; Mr. Rakesh Kumar Narula.</p> <p>Equitable Mortgage of commercial land &amp; building situated at property no. 119/410-B(1) on plot no.3, Block -F, Scheme no. 1, Darshanpurwa, Kanpur, U.P. admeasuring 638 Sqr. Yards owned by legal heirs of deceased Mr. Satish Kumar Narula viz. Mrs. Sandhya Narula, Mr. Gaurav Narula, Mr. Saurabh Narula, Mr. Vaibhav Narula and Mr. Rakesh Kumar Narula.</p> <p><b>Guarantee:</b></p> <p>Personal guarantee of:</p> <ul style="list-style-type: none"> <li>i) Mr. Balram Kumar Narula</li> <li>ii) Mr. Anil Kumar Narula</li> <li>iii) Mr. Rakesh Kumar Narula</li> <li>iv) Mr. Rohit Narula</li> <li>v) Mrs. Kanchan Narula</li> <li>vi) Mr. Gaurav Narula</li> <li>vii) Mr. Vaibhav Narula</li> <li>viii) Mr. Saurabh Narula</li> <li>ix) Mrs. Sandhya Narula</li> </ul> |
|--|--|--|---|

\*The Security details including both Primary and Collateral were modified by the company vide letter no AXISB/SME/LKO/2015-16/515 issued by Axis bank on December 19, 2015. The above security details are as per modified agreement.

#The last and final installment for the Term Loan I of Rs. 0.20 Crores as mentioned above was paid in the month of June, 2016.

## UNSECURED LOANS

Details of Unsecured Loans outstanding as on March 31, 2016 are as under:

| Sr. No. | Name of Lenders      | Interest Rate | Period  | Amount* (In Rs.) |
|---------|----------------------|---------------|---------|------------------|
| 1       | Shashi Prabha Taneja | Nil           | 3 years | 36,68,645        |
| 2       | Mandhu Sabbarwal     | 15.00%        | 3 years | 12,76,943        |
| 3       | Meena Narula         | 15.00%        | 3 years | 10,21,974        |
| 4       | Kanchan Narula       | 15.00%        | 3 years | 9,06,085         |
| 5       | H.P. Taneja          | Nil           | 3 years | 6,69,295         |
| 6       | Radhika Narula       | 15.00%        | 3 years | 4,53,755         |
| 7       | Sandhya Narula       | 15.00%        | 3 years | 3,85,589         |
| 8       | Jyoti Narula         | 15.00%        | 3 years | 3,20,191         |



|     |                             |        |         |                    |
|-----|-----------------------------|--------|---------|--------------------|
| 9   | Satish Kumar Narula H.U.F.  | 15.00% | 3 years | 2,83,212           |
| 10  | Rakesh Kumar Narula H.U.F.  | 15.00% | 3 years | 2,82,968           |
| 11  | Saurabh Narula              | 15.00% | 3 years | 2,79,064           |
| 12  | Ankur Narula H.U.F.         | 15.00% | 3 years | 2,70,779           |
| 13  | Gaura Kumar Narula H.U.F.   | 15.00% | 3 years | 2,69,163           |
| 13. | Rohit Narula H.U.F.         | 15.00% | 3 years | 2,60,800           |
| 14. | Gaurav Narula               | 15.00% | 3 years | 2,13,148           |
| 15. | Usha Narula                 | 15.00% | 3 years | 2,02,538           |
| 16. | Balram Kumar Narula H.U.F.  | 15.00% | 3 years | 1,91,705           |
| 17. | Ruchi Narula                | 15.00% | 3 years | 1,87,174           |
| 18. | Vaibhav Narula              | 15.00% | 3 years | 1,77,814           |
| 19. | Anil Kumar Narula H.U.F.    | 15.00% | 3 years | 1,26,181           |
| 20. | Ankur Narula                | 15.00% | 3 years | 1,25,000           |
| 21. | Rohit Narula                | 15.00% | 3 years | 1,10,000           |
| 22. | Shashi Kumar Sabbarwal      | 15.00% | 3 years | 97,408             |
| 23. | Prashant Narula             | 15.00% | 3 years | 86,646             |
| 24. | Bhushan Kumar Narula H.U.F. | 15.00% | 3 years | 62,664             |
|     | <b>Total</b>                |        |         | <b>1,19,28,741</b> |

*\*Including interest accrued.*

#### **STRATEGIC/ FINANCIAL PARTNERS**

Our Company has no strategic and financial partners as on the date of filing of this Prospectus.

#### **RATING**

Our Company has not received any rating valid at present as on the date of this Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS**

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

#### **NUMBER OF SHAREHOLDERS**

Our Company has Twenty-Nine (29) shareholders on date of this Prospectus.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

We are required to have not less than 3 directors and not more than 15 directors, subject to Section 149 of Companies Act, 2013. We currently have 6 (Six) Directors on our Board.

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

| Sr. No. | Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN   | Date of Appointment / Change in Current Designation   | Other Directorships   |
|---------|--|---|---|
| 1.      | <b>Name:</b> Mr. Balram Kumar Narula<br><b>Age:</b> 65 years<br><b>Father's Name:</b> Late Mr. Faquir Chand Narula<br><b>Designation:</b> Managing Director<br><b>Address:</b> H. No.-125/67-C, Block-K, Govind Nagar, Kanpur-208006 (U.P.)<br><b>Term:</b> 5 years<br><b>Nationality:</b> Indian<br><b>Occupation:</b> Business<br><b>DIN:</b> 00274566                     | Appointed as Director on April 10, 2009<br>#Appointed as Managing Director on June 01, 2015   | <ul style="list-style-type: none"> <li>Venus Knitwears Company Pvt. Ltd.</li> <li>Jet Knit Indclus Pvt. Ltd.</li> </ul> |
| 2.      | <b>Name:</b> Mr. Anil Kumar Narula<br><b>Age:</b> 60 years<br><b>Father's Name:</b> Late Mr. Faquir Chand Narula<br><b>Designation:</b> Whole-Time Director<br><b>Address:</b> H. No.-125/67-C Block-K, Govind Nagar, Kanpur-208006 (U.P.)<br><b>Term:</b> 5 Years (Retire by Rotation)<br><b>Nationality:</b> Indian<br><b>Occupation:</b> Business<br><b>DIN:</b> 00274462 | Appointed as Director on April 02, 1996<br>Appointment as Whole-Time Director on May 15, 2015 | <ul style="list-style-type: none"> <li>Front Line Exports Pvt Ltd.</li> </ul>   |
| 3.      | <b>Name:</b> Mr. Rakesh Kumar Narula<br><b>Age:</b> 58 years<br><b>Father's Name:</b> Late Mr. Faquir Chand Narula<br><b>Designation:</b> Whole-Time Director<br><b>Address:</b> H. No.-125/67-C Block-K,  | Appointed as Director on April 02, 1996<br>Appointment as Whole-Time Director on              | <ul style="list-style-type: none"> <li>Front Line Exports Pvt Ltd.</li> </ul>   |



|    |  |                    |  |
|----|--|--------------------|--|
|    | <p>Govind Nagar, Kanpur-208006 (U.P.)</p> <p><b>Tenure:</b> 5 years (Retire by Rotation)</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00274483</p>  | May 15, 2015       |  |
| 4. | <p><b>Name:</b> Mr. Ashok Chandra Bajpai</p> <p><b>Age:</b> 65 years</p> <p><b>Father's name:</b> Late Ram Kumar Bajpai</p> <p><b>Designation:</b> Independent &amp; Non-Executive Director</p> <p><b>Address:</b> J-28 Vishwa Bank Colony, Barra, Naubasta, Kanpur-208001 (U.P.)</p> <p><b>Term:</b> 5 years</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 05358863</p>     | August 01, 2015    | <ul style="list-style-type: none"> <li>• Shray Offset Pvt. Ltd.</li> </ul> |
| 5. | <p><b>Name:</b> Mr. Ramesh Chandra</p> <p><b>Age:</b> 78 years</p> <p><b>Father's name:</b> Late Mr. Babu Lal Gupta</p> <p><b>Designation:</b> Independent &amp; Non-Executive Director</p> <p><b>Address:</b> 201, Krishna Appartment, 113/104-A, Swarup Nagar, Kanpur-208002 (U.P.)</p> <p><b>Term:</b> 5 years</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00111716</p> | August 01, 2015    | <ul style="list-style-type: none"> <li>• TRV Infra Pvt. Ltd.</li> </ul>    |
| 6. | <p><b>Name:</b> Mrs. Dinesh Parashar</p> <p><b>Age:</b> 66 years</p> <p><b>Husband's Name:</b> Mr. Prem Narayan Parashar</p> <p><b>Designation:</b> Independent &amp; Non-Executive Director</p> <p><b>Address:</b> B-227, Nr. The Omex Forest, Sector 92, Maharishi Nagar, Gautam Buddha Nagar, Noida-201304 (U.P.)</p>   | September 01, 2015 | NIL  |



|   |  |  |
|---|--|--|
| <b>Term:</b> 5 Years<br><b>Nationality:</b> Indian<br><b>Occupation:</b> Business<br><b>DIN:</b> 07270662 |  |  |
|---|--|--|

*\*Mr. Balram Kumar Narula was appointed as Managing Director on June 01, 2015 as per the company records including the letter of appointment but one of the forms (Form MR-1) filed to ROC contained the date September 30, 2015. The company is in process to rectify the same.*

#### BRIEF BIOGRAPHIES OF OUR DIRECTORS



**Mr. Balram Kumar Narula**, aged 66 Years, is the Promoter and Managing Director of our Company. He founded Jet Knitwears Pvt. Ltd. in the year 1996 for the sole purpose of providing exposure of Premium Quality undergarments in a market having very low quality. Our Company under his guidance achieved the quality products benchmarking by winning 11 National Awards from the Government of India, including the most coveted First Prize in Undergarment category in India. With a rich experience of more than 45 years in Manufacturing and Marketing of Undergarments, a premium brand “LYCOT AUSTRALIA” was introduced in 2008 which is a highly admired brand with products ranging from undergarments to garments for all age groups. As a responsible citizen he is involved in various social causes and charity work which has earned him great distinction in the society.

➤ He has served the following associations:

- Designated Member, Indian Industries Association, Kanpur, Uttar Pradesh
- Patron, Indian Industries Association, Kanpur, Uttar Pradesh for the year 2012-13
- Member, Executive Committee, Indian Industries Association, Kanpur, Uttar Pradesh for the year 2010-11
- Ex- Vice President of ASSOCHAM, Uttar Pradesh for the year 2010
- Ex-Member, Shram Bandhu, Kanpur, Uttar Pradesh Government for the year 2008-09
- Ex- Chairman, State Taxation VAT Committee of ASSOCHAM, Uttar Pradesh for the year 2008
- Member, Uttar Pradesh Trade Tax Advisory Committee, Kanpur, Uttar Pradesh Government for 2004-07
- Patron, Kanpur Udyog Vyapar Mandal, Kanpur

➤ He has served the following in the Indian Hosiery Industry:

- Joint Secretary (North India Region), since 2015 in Federation of Hosiery Manufacturers Association, West Bengal
- Chairman, Textile Working Group (Central Executive Committee) of Indian Industries Association, Lucknow, Uttar Pradesh for 2013-15
- Ex-President and Founder Member, Uttar Pradesh Hosiery Manufacturers Association
- Ex-President and Founder Member, Uttar Pradesh Hosiery Udyog Vyapar Mandal
- Advisor, Kanpur Hosiery and Readymade Market Report (Monthly Magazine) published from Kanpur, Uttar Pradesh
- Member, LMC ATDC, Apparel Export Promotion Council, Kanpur, Uttar Pradesh



**Mr. Anil Kumar Narula**, aged 60 Years, is the Promoter and Whole-time Director of our Company. He has done his post- graduation in M.Com. He is a businessman having rich experience of more than 35 years in the marketing and manufacturing of Hosiery Undergarments. He is managing Tirupur Manufacturing Unit of the Company. He is the Member of South India Hosiery Manufacturers Association. He serves his social responsibilities by being an active member of UNICEF (A Body for Child Welfare) and Tirupura Seva Samiti (An Association doing Welfare Work for Poor People).



**Mr. Rakesh Kumar Narula**, aged 58 Years, is the Promoter and Whole-time Director of our Company. He has done his graduation in commerce from DAV College, Kanpur. He is a businessman having rich experience of more than 30 years in hosiery manufacturing specializing in Sales and Production. He has wide experience in stitching, bleaching and knitting.



**Mr. Ashok Chandra Bajpai**, aged 65 years is the Non- Executive & Independent Director of Our Company. He has completed his graduation in Bachelor of Science from Kanpur University. He worked for 35 years in Commercial Tax Department serving in various posts from Assistant Commissioner to Additional Commissioner and finally Member Tribunal at Commercial Tax Department of Uttar Pradesh. He is associated with our Company as a Director since August 01, 2015. Currently, he also holds the position of President at both Retired Commercial Tax Officers Association and Three Terms Officer's Association, Kanpur.



**Mr. Ramesh Chandra**, aged 78 years is the Non- Executive & Independent Director of Our Company. He is an ex-officer of Indian Air force and is a veteran of 1965 and 1971 War with Pakistan. After taking volunteer retirement in 1973, he joined Customs and Central Excise department and retired as Superintendent. Later he entered into legal profession in Kanpur Court and in Allahabad High Court.

He also holds profiles in corporate sector. In the year 1999, he became Whole Time Director of International Electron Devices Limited and helped setup a unit in Kanpur. He has also been part of TRV Infra Pvt Ltd for a short period. Currently, he holds the position of Vice President of Indian Industries Association Lucknow (Central).



**Mrs. Dinesh Parashar**, aged 66 years is the Non-Executive & Independent Director of our company. She currently holds the position of Chairperson at Satyavati Adarsh Sikha Gram Samiti, and certain other positions at a High School. She has been awarded as "*siksha, seva, sanskriti ki murtimaan prateek*" in March, 2013. She is also involved in many other social welfare activities.



## CONFIRMATIONS

As on the date of this Prospectus:

1. Apart from Mr. Balram Kumar Narula, Mr. Anil Kumar Narula and Mr. Rakesh Kumar Narula who are related as Brothers, none of the Directors of the Company are related to each other.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment
4. None of the above mentioned Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.
6. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority. For further details, refer Chapter titled "Outstanding Litigation and Material Developments" beginning on the page 207 of this Prospectus.

## REMUNERATION / COMPENSATION OF DIRECTORS

Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act and other applicable laws and regulations. Except Mr. Balram Kumar Narula, Mr. Anil Kumar Narula and Mr. Rakesh Kumar Narula who have been paid Gross Remuneration of Rs. 5.40 Lakhs each during Fiscal Year 2015-16, none of our Directors had received any remuneration/compensation during preceding financial year.

## REMUNERATION / COMPENSATION OF RELATIVES OF DIRECTORS / PROMOTERS

Following is the details of Relatives of Directors / Promoters employed in the company and their remuneration paid in FY 2015-16:

| Name            | Relation with the Management | Designation                         | Remuneration (Rs. in Lakhs) |
|-----------------|------------------------------|-------------------------------------|-----------------------------|
| Rohit Narula    | Son of Kanchan Narula        | President Marketing                 | 4.80                        |
| Gaurav Narula   | Son of Sandhya Narula        | President Production                | 3.60                        |
| Saurabh Narula  | Son of Sandhya Narula        | President Sales                     | 3.50                        |
| Vaibhav Narula  | Son of Sandhya Narula        | Vice President Production (Kanpur)  | 3.40                        |
| Prashant Narula | Son of Anil Kumar Narula     | Vice President Production (Tirupur) | 3.60                        |

## REMUNERATION / COMPENSATION OF PROMOTERS OTHER THAN DIRECTORS

All the Promoters of our Company are employees of our Company and Promoters that are not Directors have been paid remunerations, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act and other applicable laws and regulations. Following are the details of Remuneration paid to the Promoters who are not the Directors of the Company in the FY 2015-16: -



| Name           | Designation                        | Remuneration (Rs. in Lakhs) |
|----------------|------------------------------------|-----------------------------|
| Kanchan Narula | Senior Executive - Housekeeping    | 3.60                        |
| Sandhya Narula | Executive - Designing              | 3.60                        |
| Usha Narula    | Senior Executive – Quality Control | 3.60                        |
| Jyoti Narula   | Executive - Administration         | 3.60                        |

#### SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

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

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

| Sr. No. | Name of the Director     | No. of Equity Shares | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---------|--------------------------|----------------------|-------------------------------------|--------------------------------------|
| 1.      | Mr. Balram Kumar Narula  | 1,53,820             | 5.33                                | 3.77                                 |
| 2.      | Mr. Anil Kumar Narula    | 3,04,760             | 10.16                               | 7.46                                 |
| 3.      | Mr. Rakesh Kumar Narula  | 2,34,860             | 7.83                                | 5.75                                 |
| 4.      | Mr. Ashok Chandra Bajpai | Nil                  | Nil                                 | Nil                                  |
| 5.      | Mr. Ramesh Chandra       | Nil                  | Nil                                 | Nil                                  |
| 6.      | Mrs. Dinesh Parashar     | Nil                  | Nil                                 | Nil                                  |

#### INTERESTS OF DIRECTORS

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

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

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

Except as stated in the chapter “Our Management” and ‘Related Party Transactions’ beginning on page 130 and 161 respectively of this Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

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





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

#### PROPERTY INTEREST

Except as stated/referred to in the heading titled “Land & Properties” beginning on page 113 of this Prospectus, our Directors has not entered into any contract, agreement or arrangements during the preceding two years from the date of this Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

#### CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

| Name                     | Date of event      | Nature of event       | Reason  |
|--------------------------|--------------------|-----------------------|---|
| Mr. Ankur Narula         | April 30, 2015     | Resignation           | Resignation as Director                             |
| Mr. Rohit Narula         | April 30, 2015     | Resignation           | Resignation as Director                             |
| Mrs. Sandhya Narula      | April 30, 2015     | Resignation           | Resignation as Director                             |
| Mrs. Jyoti Narula        | April 30, 2015     | Resignation           | Resignation as Director                             |
| Mrs. Usha Narula         | April 30, 2015     | Resignation           | Resignation as Director                             |
| Mrs. Kanchan Narula      | April 30, 2015     | Resignation           | Resignation as Director                             |
| Mr. Rakesh Kumar Narula  | May 15, 2015       | Change in Designation | Designation changed to Whole Time Director          |
| Mr. Anil Kumar Narula    | May 15, 2015       | Change in Designation | Designation changed to Whole Time Director          |
| Mr. Balram Kumar Narula  | June 01, 2015      | Change in Designation | Designation changed to Managing Director            |
| Mr. Ashok Chandra Bajpai | August 01, 2015    | Appointment           | Appointment as Non-Executive & Independent Director |
| Mr. Ramesh Chandra       | August 01, 2015    | Appointment           | Appointment as Non-Executive & Independent Director |
| Mrs. Dinesh Parashar     | September 01, 2015 | Appointment           | Appointment as Non-Executive & Independent Director |

#### BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Extra-Ordinary General Meeting of our Company held on August 07, 2016 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company’s bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs.50 Crores.

#### CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.



We have a Board constituted in compliance with the Companies Act, 2013 and as per the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently, our Board has 6 (Six) Directors. We have 1 (one) Managing Director, 2 (two) Whole-Time Directors and 3 (three) Independent & Non- Executive Directors. The constitution of our Board is in compliance with the Companies Act, 2013.

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

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

**A) Audit Committee**

Our Company has constituted an audit committee (“**Audit Committee**”), as per the provisions of Section 177 of the Companies Act, 2013 and as per the applicable provisions of SEBI Regulations vide resolution passed in the meeting of the Board of Directors held on April 04, 2015.

The terms of reference of Audit Committee complies with the requirements of the Companies Act, 2013. The committee presently comprises the following three (3) directors.

**Composition of Audit Committee:**

| Name of the Director    | Status   | Nature of Directorship                |
|-------------------------|----------|---------------------------------------|
| Mr. Ramesh Chandra      | Chairman | Non- Executive & Independent Director |
| Mrs. Dinesh Parashar    | Member   | Non- Executive & Independent Director |
| Mr. Balram Kumar Narula | Member   | Managing Director                     |

The Company Secretary of the Company acts as the Secretary to the Audit committee.

**Role of the audit committee:**

1. Overseeing the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Directors Responsibility Statement to be included in the Board’s report in terms of clause (2AA) of section 217 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.



- f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  9. Discussion with internal auditors on any significant findings and follow up there on.
  10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
  13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  15. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.

**Powers of the Audit Committee:**

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

**B) Stakeholders Relationship Committee**

Our Company constituted a Shareholder Grievance Redressal Committee to redress the complaints of the shareholders vide resolution passed in the meeting of the Board of Directors held on April 04, 2015. The same was reconstituted as Stakeholders Relationship Committee ("*Stakeholders Relationship Committee*") under the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held on July 05, 2016.

**Composition of Stakeholders Relationship Committee**

| Name of the Director     | Status   | Nature of Directorship                |
|--------------------------|----------|---------------------------------------|
| Mr. Ashok Chandra Bajpai | Chairman | Non- Executive & Independent Director |
| Mrs. Dinesh Parashar     | Member   | Non- Executive & Independent Director |
| Mr. Rakesh Kumar Narula  | Member   | Whole Time Director                   |

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

1. Redressal of shareholders'/investors' complaints;
2. Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. Non-receipt of declared dividends, balance sheets of the Company; and
5. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**C) Nomination and Remuneration Committees**

Our Company has constituted a Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and as per the applicable provisions of SEBI Regulations vide resolution passed in the Meeting of the Board of Directors held on April 04, 2015. The committee presently comprises the following three (3) directors.

**Composition of Nomination and Remuneration Committee**

| Name of the Director     | Status   | Nature of Directorship               |
|--------------------------|----------|--------------------------------------|
| Mr. Ramesh Chandra       | Chairman | Non-Executive & Independent Director |
| Mr. Ashok Chandra Bajpai | Member   | Non-Executive & Independent Director |
| Mrs. Dinesh Parashar     | Member   | Non-Executive & Independent Director |

The Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee.

**The terms of reference of the Nomination and Remuneration Committee are:**

- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);



- To be authorized at its duly constituted meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;

Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

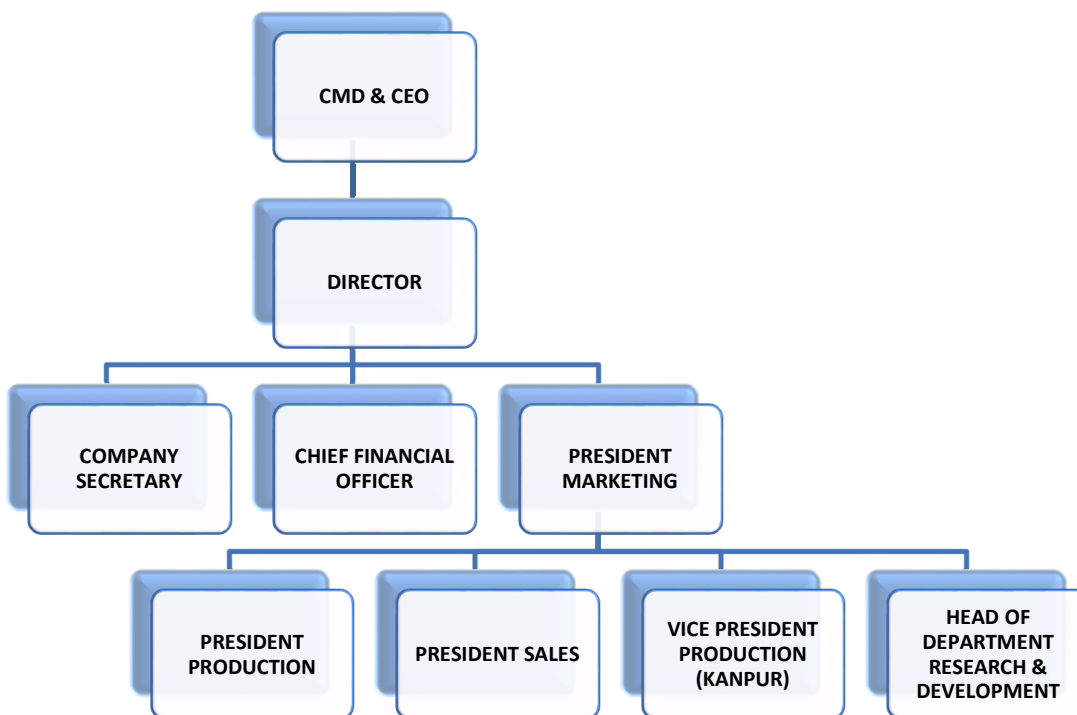
#### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchange.

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

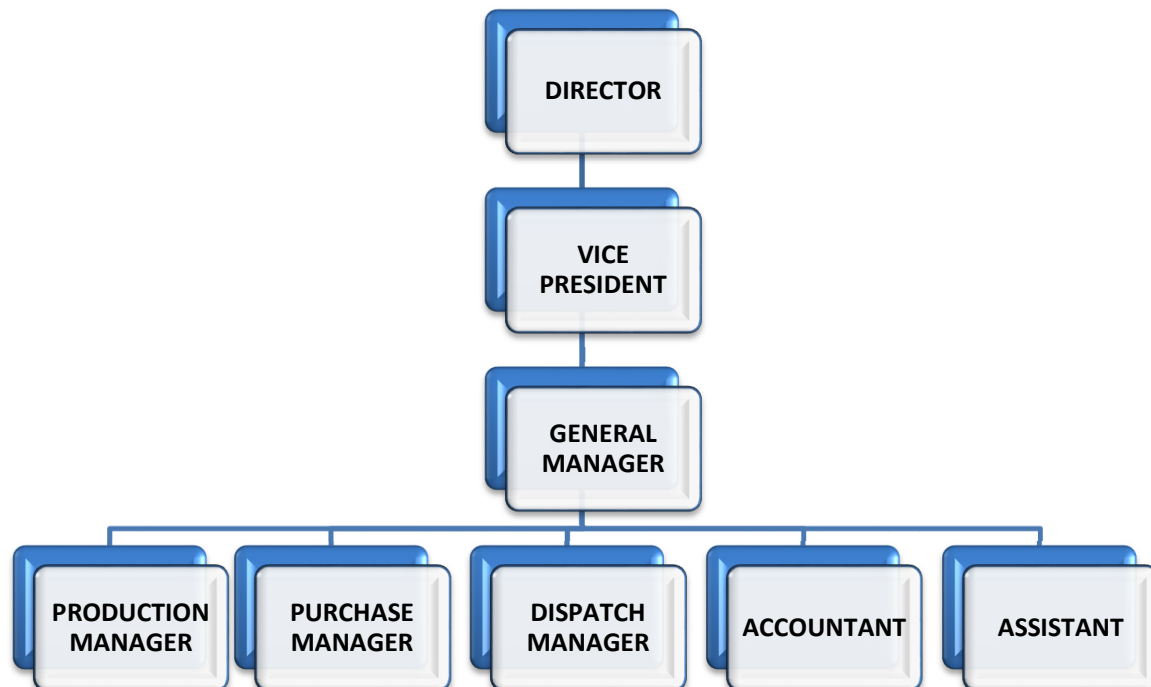
#### **ORGANISATIONAL STRUCTURE**

##### **Kanpur Unit:**





**Tirupur Unit:**





## KEY MANAGERIAL PERSONNEL

**Mr. Balram Kumar Narula**, aged 66 Years, is the Promoter and Managing Director of our Company. He founded Jet Knitwears Pvt. Ltd. in the year 1996 for the sole purpose of providing exposure of Premium Quality undergarments in a market having very low quality. Our Company under his guidance achieved the quality products benchmarking by winning 11 National Awards from the Government of India, including the most coveted First Prize in Undergarment category in India. With a rich experience of more than 45 years in Manufacturing and Marketing of Undergarments, a premium brand “LYCOT AUSTRALIA” was introduced in 2008 which is a highly admired brand with products ranging from undergarments to garments for all age groups. As a responsible citizen he is involved in various social causes and charity work which has earned him great distinction in the society.

➤ He has served the following associations:

- a) Designated Member, Indian Industries Association, Kanpur, Uttar Pradesh
- b) Patron, Indian Industries Association, Kanpur, Uttar Pradesh for the year 2012-13
- c) Member, Executive Committee, Indian Industries Association, Kanpur, Uttar Pradesh for the year 2010-11
- d) Ex- Vice President of ASSOCHAM, Uttar Pradesh for the year 2010
- e) Ex-Member, Shram Bandhu, Kanpur, Uttar Pradesh Government for the year 2008-09
- f) Ex- Chairman, State Taxation VAT Committee of ASSOCHAM, Uttar Pradesh for the year 2008
- g) Member, Uttar Pradesh Trade Tax Advisory Committee, Kanpur, Uttar Pradesh Government for 2004-07
- h) Patron, Kanpur Udyog Vyapar Mandal, Kanpur

➤ He has served the following in the Indian Hosiery Industry:

- a) Joint Secretary (North India Region), since 2015 in Federation of Hosiery Manufacturers Association, West Bengal
- b) Chairman, Textile Working Group (Central Executive Committee) of Indian Industries Association, Lucknow, Uttar Pradesh for 2013-15
- c) Ex-President and Founder Member, Uttar Pradesh Hosiery Manufacturers Association
- d) Ex-President and Founder Member, Uttar Pradesh Hosiery Udyog Vyapar Mandal
- e) Advisor, Kanpur Hosiery and Readymade Market Report (Monthly Magazine) published from Kanpur, Uttar Pradesh
- f) Member, LMC ATDC, Apparel Export Promotion Council, Kanpur, Uttar Pradesh

### **Mr. Ankur Narula** (*Chief Financial Officer*)

Mr. Ankur Narula, aged 37 years, is the Chief Financial Officer of our Company. He has an experience of more than 9 years in finance and manufacturing of Hosiery Undergarments. He has done his Bachelor of Business from La Trobe University, Australia. Apart from the knowledge in finance he also has IT knowledge in implementation of ERP Solution, in designing applications for advertisements and branding, etc.

### **Mr. Yogi Srivastava** (*Company Secretary & Compliance Officer*)

Mr. Yogi Srivastava aged 33 years, is the Company Secretary & Compliance Officer of the Company. He has done B. Com from Kanpur University. He is an associate member of the Institute of the Company Secretaries of India. He had joined the Company on August 18, 2016. Since he had joined the Company in FY 2016-17, therefore no remuneration has been paid to him during Financial Year 2015-16.

## RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

There is no family relationship between the Key Managerial Personnel of our Company except that Mr. Balram Kumar Narula and Mr. Ankur Narula are related to each other as father and son.



## **FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL**

There is no family relationship between the key managerial personnel and Director of our Company except that Mr. Balram Kumar Narula and Mr. Ankur Narula are related to each other as father and son. All of Key Managerial Personnel are permanent employees of our company.

## **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

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

## **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

None of the KMPs holds any Equity shares of our Company as on the date of this Prospectus except the following:

| <b>Sr. No.</b> | <b>Name of the shareholder</b> | <b>No. of shares held</b> |
|----------------|--------------------------------|---------------------------|
| 1.             | Mr. Balram Kumar Narula        | 1,53,820                  |
| 2.             | Mr. Ankur Narula               | 59,190                    |

## **BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL**

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

## **LOANS TO KEY MANAGERIAL PERSONNEL**

No loans and advances given to the Key Managerial Personnel as on the date of this Prospectus.

## **INTEREST OF KEY MANAGERIAL PERSONNEL**

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

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

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

## **CHANGES IN KEY MANAGERIAL PERSONNEL DURING LAST THREE (3) YEARS**

The changes in the key managerial personnel in the last three years are as follows:

| <b>Name of Managerial Personnel</b> | <b>Designation</b>                     | <b>Date of Event</b> | <b>Reason</b>  |
|-------------------------------------|--|----------------------|--|
| Mr. Balram Kumar Narula             | Managing Director                      | June 01, 2015        | Appointment as Managing Director                           |
| Ms. Parul Gupta                     | Company Secretary & Compliance Officer | September 01, 2015   | Appointment as Company Secretary & Compliance Officer      |
| Mr. Ankur Narula                    | Chief Financial Officer                | September 01, 2015   | Appointment as Chief Financial Officer                     |
| Ms. Parul Gupta                     | Company Secretary & Compliance Officer | April 20, 2016       | Resigned from being Company Secretary & Compliance Officer |





|                     |   |                 |   |
|---------------------|---|-----------------|---|
| Mr. Yogi Srivastava | Company Secretary &<br>Compliance Officer | August 18, 2016 | Appointment as<br>Company Secretary &<br>Compliance Officer |
|---------------------|---|-----------------|---|

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

#### **ESOP/ESPS SCHEME TO EMPLOYEES**

Presently, our company does not have any ESOP/ESPS Scheme for employees.

#### **PAYMENT OR BENEFIT TO OUR OFFICERS**

Except as disclosed in the heading titled “Related Party Disclosure” in the section titled “Financial Statements beginning on page 163 of this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.



## OUR PROMOTERS AND PROMOTER GROUP

### OUR INDIVIDUAL PROMOTERS

1. Mr. Balram Kumar Narula
2. Mr. Anil Kumar Narula
3. Mr. Rakesh Kumar Narula
4. Mrs. Usha Narula
5. Mrs. Jyoti Narula
6. Mrs. Kanchan Narula
7. Mrs. Sandhya Narula

### DETAILS OF OUR INDIVIDUAL PROMOTERS

#### 1. Mr. Balram Kumar Narula



Mr. Balram Kumar Narula, aged 66 Years, is the Promoter and Managing Director of our Company. He founded Jet Knitwears Pvt. Ltd. in the year 1996 for the sole purpose of providing exposure of Premium Quality undergarments in a market having very low quality. Our Company under his guidance achieved the quality products benchmarking by winning 11 National Awards from the Government of India, including the most coveted First Prize in Undergarment category in India. With a rich experience of more than 45 years in Manufacturing and Marketing of Undergarments, a premium brand “LYCOT AUSTRALIA” was introduced in 2008 which is a highly admired brand with products ranging from undergarments to garments for all age groups. As a responsible citizen he is involved in various social causes and charity work which has earned him great distinction in the society.

➤ He has served the following associations:

- a) Designated Member, Indian Industries Association, Kanpur, Uttar Pradesh
- b) Patron, Indian Industries Association, Kanpur, Uttar Pradesh for the year 2012-13
- c) Member, Executive Committee, Indian Industries Association, Kanpur, Uttar Pradesh for the year 2010-11
- d) Ex- Vice President of ASSOCHAM, Uttar Pradesh for the year 2010
- e) Ex-Member, Shram Bandhu, Kanpur, Uttar Pradesh Government for the year 2008-09
- f) Ex- Chairman, State Taxation VAT Committee of ASSOCHAM, Uttar Pradesh for the year 2008
- g) Member, Uttar Pradesh Trade Tax Advisory Committee, Kanpur, Uttar Pradesh Government for 2004-07
- h) Patron, Kanpur Udyog Vyapar Mandal, Kanpur

➤ He has served the following in the Indian Hosiery Industry:

- a) Joint Secretary (North India Region), since 2015 in Federation of Hosiery Manufacturers Association, West Bengal
- b) Chairman, Textile Working Group (Central Executive Committee) of Indian Industries Association, Lucknow, Uttar Pradesh for 2013-15
- c) Ex-President and Founder Member, Uttar Pradesh Hosiery Manufacturers Association
- d) Ex-President and Founder Member, Uttar Pradesh Hosiery Udyog Vyapar Mandal
- e) Advisor, Kanpur Hosiery and Readymade Market Report (Monthly Magazine) published from Kanpur, Uttar Pradesh
- f) Member, LMC ATDC, Apparel Export Promotion Council, Kanpur, Uttar Pradesh



| Particulars              | Details   |
|--------------------------|---|
| Permanent Account Number | AAGPN3562Q  |
| Passport No.             | E4042903  |
| Bank Account Details     | State Bank of India<br>Account No. 10500752425<br>Address: KDA Compound, Moti Jheel,<br>Kanpur, Uttar Pradesh |

## 2. Mr. Anil Kumar Narula



**Mr. Anil Kumar Narula**, aged 60 Years, is the Promoter and Whole-time Director of our Company. He has done his post- graduation in M.Com. He is a businessman having rich experience of more than 35 years in the marketing and manufacturing of Hosiery Undergarments. He is managing Tirupur Manufacturing Unit of the Company. He is the Member of South India Hosiery Manufacturers Association. He serves his social responsibilities by being an active member of UNICEF (A Body for Child Welfare) and Tirupura Seva Samiti (An Association doing Welfare Work for Poor People).

| Particulars              | Details   |
|--------------------------|---|
| Permanent Account Number | AAOPN3158Q  |
| Passport No.             | H4499954  |
| Bank Account Details     | State Bank of India<br>Account No. 10500760322<br>Address: KDA Compound, Moti Jheel,<br>Kanpur, Uttar Pradesh |

## 3. Mr. Rakesh Kumar Narula



**Mr. Rakesh Kumar Narula**, aged 58 Years, is the Promoter and Whole-time Director of our Company. He has done his graduation in commerce from DAV College, Kanpur. He is a businessman having rich experience of more than 30 years in hosiery manufacturing specializing in Sales and Production. He has wide experience in stitching, bleaching and knitting.

| Particulars              | Details   |
|--------------------------|---|
| Permanent Account Number | AAGPN1548J  |
| Passport No.             | J6924467  |
| Bank Account Details     | State Bank of India<br>Account No. 10500749626<br>Address: KDA Compound, Moti Jheel,<br>Kanpur, Uttar Pradesh |



#### 4. Mrs. Usha Narula



**Mrs. Usha Narula**, aged 59 Years, is the Promoter of our Company. She is the wife of Mr. Balram Kumar Narula. She has experience of more than 10 years in designing, quality control and customer care in our Company.

| Particulars              | Details   |
|--------------------------|---|
| Permanent Account Number | AAGPN1550J  |
| Aadhaar No.              | 238961922607  |
| Bank Account Details     | State Bank of India<br>Account No. 10500780361<br>Address: KDA Compound, Moti Jheel,<br>Kanpur, Uttar Pradesh |

#### 5. Mrs. Jyoti Narula



**Mrs. Jyoti Narula**, aged 46 Years, is the Promoter of our Company. She is the wife of Mr. Rakesh Kumar Narula. She has experience of more than 5 years in administration work as well as handling public relations in our Company.

| Particulars              | Details   |
|--------------------------|---|
| Permanent Account Number | AAIPN2373H  |
| Aadhaar No.              | 486048948190  |
| Bank Account Details     | State Bank of India<br>Account No. 10500780372<br>Address: KDA Compound, Moti Jheel,<br>Kanpur, Uttar Pradesh |



#### 6. Mrs. Kanchan Narula



**Mrs. Kanchan Narula**, aged 58 Years, is the Promoter of our Company. She is the wife of Late Shri. Bhushan Kumar Narula. She has an experience of 6 years. She has good knowledge of Housekeeping and Maintenance of the industrial units and warehouses. She has experience of managing the general administration of our Company.

| Particulars              | Details   |
|--------------------------|---|
| Permanent Account Number | AAGPN1549K  |
| Aadhaar No.              | 744738538854  |
| Bank Account Details     | State Bank of India<br>Account No. 10500780383<br>Address: KDA Compound, Moti Jheel,<br>Kanpur, Uttar Pradesh |

#### 7. Mrs. Sandhya Narula



**Mrs. Sandhya Narula**, aged 52 Years, is the Promoter of our Company. She is the wife of Late Shri. Satish Kumar Narula. She has experience of more than 5 years in designing, stitching and packing of hosiery undergarments as well as handling the cutting & stitching laborers of our hosiery business.

| Particulars              | Details   |
|--------------------------|---|
| Permanent Account Number | AAIPN0734C  |
| Aadhaar No.              | 823968801105  |
| Bank Account Details     | State Bank of India<br>Account No. 10500780394<br>Address: KDA Compound, Moti Jheel,<br>Kanpur, Uttar Pradesh |



## OUR PROMOTER GROUP

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

### 1. Individuals

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

| Relationship   | Mr. Balram Kumar Narula   | Mr. Anil Kumar Narula   | Mr. Rakesh Kumar Narula   | Mrs. Usha Narula  | Mrs. Jyoti Narula   | Mrs. Kachan Narula   | Mrs. Sandhya Narula   |
|----------------|---|---|---|---|---|--|---|
| Father         | Late Sh. Fakir Chand Narula   | Late Sh. Fakir Chand Narula   | Late Sh. Fakir Chand Narula   | Late Sh Harbansh Lal Taneja   | Suresh Taneja   | Late Inder Singh Lamba   | Sai Das Arora   |
| Mother         | Late Avinash Rani   | Late Avinash Rani   | Late Avinash Rani   | Late Smt Prakashwati  | Raj Rani Taneja   | Late Suhagwati Lamba   | Late Raj Rani Arora   |
| Spouse         | Usha Narula   | Geeta Narula  | Jyoti Narula  | Balram Kumar Narula   | Rakesh Kumar Narula   | Late Bhushan Kumar Narula  | Late Sh. Satish Kumar Narula  |
| Brother        | Anil Kumar Narula<br>Rakesh Kumar Narula<br>Harsh Vardhan Narula<br>Late Bhushan Kumar Narula<br>Late Sh. Satish Kumar Narula | Balram Kumar Narula<br>Rakesh Kumar Narula<br>Harsh Vardhan Narula<br>Late Bhushan Kumar Narula<br>Late Sh. Satish Kumar Narula | Balram Kumar Narula<br>Anil Kumar Narula<br>Harsh Vardhan Narula<br>Late Bhushan Kumar Narula<br>Late Sh. Satish Kumar Narula | Harjinder Pal Taneja<br>Suresh Taneja<br>Pushp Raj Taneja                                     | Rajan Taneja, Narendra Taneja   | Manjeet Lamba<br>Sunil Lamba   | Harish Arora<br>Late Anil Arora   |
| Sister         | Madhu Sabbharwal  | Madhu Sabbharwal  | Madhu Sabbharwal  | Karuna Pathela<br>Late Chander Kanta Kalra  | -   | Bala Nanda   | Ravi Sachdeva<br>Vibha Mukhi  |
| Children       | Ankur Narula<br>Radhika Narula  | Prashant Narula<br>Sneha Narula   | Aditya Narula<br>Arooja Narula  | Ankur Narula<br>Radhika Narula  | Aditya Narula<br>Arooja Narula  | Rohit Narula<br>Ruchi Kapoor<br>Neelu Bhalla   | Gaurav Narula<br>Saurabh Narula<br>Vaibhav Narula   |
| Spouse Father  | Late Sh Harbansh Lal Taneja   | Rishi Lal Grover  | Suresh Taneja   | Late Sh. Fakir Chand Narula   | Late Sh. Fakir Chand Narula   | Late Sh. Fakir Chand Narula  | Late Sh. Fakir Chand Narula   |
| Spouse Mother  | Late Smt Prakashwati  | Shanti Devi   | Raj Rani Taneja   | Late Avinash Rani   | Late Avinash Rani   | Late Avinash Rani  | Late Avinash Rani   |
| Spouse Brother | Harjinder Pal Taneja<br>Suresh Taneja<br>Pushp Raj Taneja   | Late Harish Grover<br>Pramod Grover<br>Ramesh Grover  | Rajan Taneja, Narendra Taneja   | Anil Kumar Narula<br>Rakesh Kumar Narula<br>Harsh Vardhan Narula<br>Late Bhushan Kumar Narula | Balram Kumar Narula<br>Anil Kumar Narula<br>Harsh Vardhan Narula<br>Late Bhushan Kumar Narula | Balram Kumar Narula<br>Anil Kumar Narula<br>Rakesh Kumar Narula<br>Harsh Vardhan Narula<br>Late Sh. Satish Kumar | Balram Kumar Narula<br>Anil Kumar Narula<br>Rakesh Kumar Narula<br>Harsh Vardhan Narula<br>Late Bhushan Kumar |



|               |  |                |   |                              |                              |                  |                  |
|---------------|--|----------------|---|------------------------------|------------------------------|------------------|------------------|
|               |  |                |   | Late Sh. Satish Kumar Narula | Late Sh. Satish Kumar Narula | Narula           | Narula           |
| Spouse Sister | Karuna Pathela<br>Late Chander Kanta Kalra | Tara Manchanda | - | Madhu Sabbharwal             | Madhu Sabbharwal             | Madhu Sabbharwal | Madhu Sabbharwal |

**2. Companies and proprietorship firms forming part of our Promoter Group are as follows:**

| Relationship with promoters  | Mr. Balram Kumar Narula  | Mr. Anil Kumar Narula  | Mr. Rakesh Kumar Narula  | Mrs. Usha Narula   | Mrs. Jyoti Narula  | Mrs. Kachan Narula   | Mrs. Sandhya Narula  |
|--|--|--|--|--|--|--|--|
| Any company in which 10% or more of the 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 | <ul style="list-style-type: none"> <li>Frontline Exports Pvt Ltd</li> <li>Venus Knitwears Company Pvt Ltd</li> </ul>   | <ul style="list-style-type: none"> <li>Frontline Exports Pvt Ltd</li> <li>Venus Knitwears Company Pvt Ltd</li> </ul>   | <ul style="list-style-type: none"> <li>Frontline Exports Pvt Ltd</li> <li>Venus Knitwears Company Pvt Ltd</li> </ul>   | <ul style="list-style-type: none"> <li>Frontline Exports Pvt Ltd</li> <li>Venus Knitwears Company Pvt Ltd</li> </ul>   | <ul style="list-style-type: none"> <li>Frontline Exports Pvt Ltd</li> <li>Venus Knitwears Company Pvt Ltd</li> </ul>   | <ul style="list-style-type: none"> <li>Frontline Exports Pvt Ltd</li> <li>Venus Knitwears Company Pvt Ltd</li> </ul>   | <ul style="list-style-type: none"> <li>Frontline Exports Pvt Ltd</li> <li>Venus Knitwears Company Pvt Ltd</li> </ul>   |
| Any company in which a company (mentioned above) holds 10% of the total holding  | -  | -  | -  | -  | -  | -  | -  |
| Any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total holding   | <ul style="list-style-type: none"> <li>Balram Kumar Narula HUF</li> <li>Rakesh Kumar Narula HUF</li> <li>Anil Kumar Narula HUF</li> <li>Bhushan Kumar Narula HUF</li> <li>Satish Kumar Narula HUF</li> </ul> | <ul style="list-style-type: none"> <li>Balram Kumar Narula HUF</li> <li>Rakesh Kumar Narula HUF</li> <li>Anil Kumar Narula HUF</li> <li>Bhushan Kumar Narula HUF</li> <li>Satish Kumar Narula HUF</li> </ul> | <ul style="list-style-type: none"> <li>Balram Kumar Narula HUF</li> <li>Rakesh Kumar Narula HUF</li> <li>Anil Kumar Narula HUF</li> <li>Bhushan Kumar Narula HUF</li> <li>Satish Kumar Narula HUF</li> </ul> | <ul style="list-style-type: none"> <li>Balram Kumar Narula HUF</li> <li>Rakesh Kumar Narula HUF</li> <li>Anil Kumar Narula HUF</li> <li>Bhushan Kumar Narula HUF</li> <li>Satish Kumar Narula HUF</li> </ul> | <ul style="list-style-type: none"> <li>Balram Kumar Narula HUF</li> <li>Rakesh Kumar Narula HUF</li> <li>Anil Kumar Narula HUF</li> <li>Bhushan Kumar Narula HUF</li> <li>Satish Kumar Narula HUF</li> </ul> | <ul style="list-style-type: none"> <li>Balram Kumar Narula HUF</li> <li>Rakesh Kumar Narula HUF</li> <li>Anil Kumar Narula HUF</li> <li>Bhushan Kumar Narula HUF</li> <li>Satish Kumar Narula HUF</li> </ul> | <ul style="list-style-type: none"> <li>Balram Kumar Narula HUF</li> <li>Rakesh Kumar Narula HUF</li> <li>Anil Kumar Narula HUF</li> <li>Bhushan Kumar Narula HUF</li> <li>Satish Kumar Narula HUF</li> </ul> |



## OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, Bank Account Number and Passport Number/Aadhar Number of the Promoter (*PAN & Bank Account Number in case of Corporate Promoter*) will be submitted to the NSE Emerge Platform, where the securities of our Company are proposed to be listed at the time of submission of this Prospectus.

## COMMON PURSUITS OF OUR PROMOTER GROUP

All of our Group Companies have objects similar to that of our Company's business. Currently, we do not have any non-compete agreement/arrangement with any of our Group Companies. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

## INTEREST OF THE PROMOTERS

### *Interest in the promotion of Our Company*

Our promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by them as well as their relatives and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner.

### *Interest in the property of Our Company*

Our Promoters do not have any interest in any property acquired by our Company in last two years or proposed to be acquired by our Company.

### *Interest as Member of our Company*

As on the date of this Prospectus, our Promoters hold 16,42,040 Equity Shares of our Company and is therefore interested to the extent of his shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company our Promoter does not hold any other interest in our Company.

### *Payment Amounts or Benefit to Our Promoters during the Last Two Years*

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Statements' and 'Capital Structure' on pages 130, 163 and 50 respectively of this Prospectus. Further as on the date of this Prospectus, there is no bonus or profit sharing plan for our Promoters.

## CONFIRMATIONS

For details on litigations and disputes pending against the Promoters and defaults made by them including violations of securities laws, please refer to the section titled "*Outstanding Litigation and Material Developments*" on page 207 of this Prospectus. Our Promoters have not been declared as willful defaulters by the RBI or any other governmental authority.

## RELATED PARTY TRANSACTIONS

Except as disclosed in the "*Related Party Transactions*" beginning on page 161 of this Prospectus, our Company has not entered into any related party transactions with our Promoters.





## OUR GROUP ENTITIES

Below mentioned are the details of Companies / Entities promoted by the Promoters of our Company. No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

### **A. Our Group Entities includes:**

1. Venus Knitwears Company Private Limited
2. Front Line Exports Private Limited
3. Jet Knit Indclus Private Limited

### **B. Other Group Entities:**

1. Balram Kumar Narula HUF
2. Rakesh Kumar Narula HUF
3. Anil Kumar Narula HUF
4. Bhushan Kumar Narula HUF
5. Satish Kumar Narula HUF

### **A. Our Group Entities includes:**

The details of our Group Entities are provided below:

#### **1. VENUS KNITWEARS COMPANY PRIVATE LIMITED**

##### **Corporate Information**

Venus Knitwears Company Private Limited having Permanent Account Number (PAN) as AAACV4750B was incorporated on April 11, 1988 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U17112UP1988PTC009523. The Registered Office of the Company is situated at 125/67-C, K- Block, Govind Nagar, Kanpur, Uttar Pradesh – 208006. The Main Objects of the Company is to carry on the business of manufacture, import, export, wholesale, and retail of men, women and children's hosiery goods, clothing and wearing apparel of every kind and to manufacture, bleach, dye, print and sell knitwear made from cotton, rayon, silk, etc. and business of hosiery knitting mill.

##### **Board of Directors**

| Name                | Designation |
|---------------------|-------------|
| Balram Kumar Narula | Director    |
| Kanchan Narula      | Director    |
| Usha Narula         | Director    |
| Sandhya Narula      | Director    |
| Jyoti Narula        | Director    |



### Shareholders holding over 5% as on June 30, 2016

| Sr. No. | Name                                      | No. of Shares held | Percentage (%) |
|---------|---|--------------------|----------------|
| 1.      | Shri Balram Kumar Narula                  | 27,500             | 5.50%          |
| 2.      | Late Shri Satish Kumar Narula             | 48,100             | 9.62%          |
| 3.      | Shri Anil Kumar Narula                    | 77,500             | 15.50%         |
| 4.      | Shri Rakesh Kumar Narula                  | 78,900             | 15.78%         |
| 5.      | Touch Wood Agencies (P) Ltd.              | 50,000             | 10.00%         |
| 6.      | J.Singh Trading & Investment (P) Ltd.     | 30,000             | 6.00%          |
| 7.      | Performance Trading & Investment (P) Ltd. | 30,000             | 6.00%          |
|         | <b>Total</b>                              | <b>3,42,000</b>    | <b>68.41 %</b> |

### Financial Information\*

(Rs. In Lakhs)

| Particulars                                      | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|--|----------------|----------------|----------------|
| Equity Capital                                   | 49.99          | 49.99          | 49.99          |
| Reserve (Excluding Revaluation Reserve)          | 19.17          | 19.28          | 19.23          |
| Total Income                                     | 0.00           | 0.11           | 0.00           |
| Profit after Tax                                 | (0.11)         | 0.05           | (0.23)         |
| Earnings Per Share (Basic) (Rs.)                 | 0.00           | 0.00           | 0.00           |
| Earnings Per Share (Diluted) (Rs.)               | 0.00           | 0.00           | 0.00           |
| Net worth  | 69.16          | 69.27          | 69.22          |
| Net Asset Value per Share of face value Rs. 10/- | 13.83          | 13.86          | 13.85          |

\*Note: The Board of Directors of Venus Knitwears Company Pvt Ltd have not approved the Financials for FY 2015-16 till date.

## 2. FRONT LINE EXPORTS PRIVATE LIMITED

### Corporate Information

Front Line Exports Private Limited having Permanent Account Number (PAN) as AAACF1042N was incorporated on August 13, 1990 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U74899DL1990PTC041316. The Registered Office of the Company is situated at 226 Guru Nanak Motor Market Kashmiri Gate, Delhi - 110020. The Main Object of the company is: to carry on the business of acting as import and export house for import and export of materials, commodities, goods, and articles whether raw, semi-manufactured or manufactured to all parts of the world; to act as buyers, sellers, dealers, importers, exporters, distributors, agents, brokers, stockiest, liaison agent, commission agent of engineering goods, bicycles, automobile goods, etc.



### Board of Directors

| Name                | Designation |
|---------------------|-------------|
| Anil Kumar Narula   | Director    |
| Rakesh Kumar Narula | Director    |
| Geeta Narula        | Director    |
| Gaurav Narula       | Director    |

### Shareholders holding over 5% as on June 30, 2016

| Sr. No. | Name                | No. of Shares held | Percentage (%) |
|---------|---------------------|--------------------|----------------|
| 1.      | Pradeep Kumar       | 450                | 6.90%          |
| 2.      | Arvind Agarwal      | 450                | 6.90%          |
| 3.      | Rama Kant Bansal    | 400                | 6.13%          |
| 4.      | Kiran Singh         | 350                | 5.37%          |
| 5.      | Anju Gupta          | 350                | 5.37%          |
| 6.      | Sangeeta Setia      | 500                | 7.67%          |
| 7.      | Sanjay Upadhyay     | 500                | 7.67%          |
| 8.      | Manohar Saptrishi   | 500                | 7.67%          |
| 9.      | Saurabh Narula      | 450                | 6.90%          |
| 10.     | Rohit Narula        | 600                | 9.20%          |
| 11.     | Rakesh Kumar Narula | 500                | 7.67%          |
| 12.     | Anil Kumar Narula   | 500                | 7.67%          |
| 13.     | Gaurav Narula       | 500                | 7.67%          |
|         | <b>Total</b>        | <b>6,050</b>       | <b>92.79%</b>  |

### Financial Information\*

(Rs. In Lakhs)

| Particulars                             | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|---|----------------|----------------|----------------|
| Equity Capital                          | 6.52           | 6.52           | 6.52           |
| Reserve (Excluding Revaluation Reserve) | 37.99          | 35.40          | 32.94          |
| Total Income                            | 74.46          | 78.96          | 64.21          |
| Profit after Tax                        | 2.59           | 2.46           | 1.93           |
| Earnings Per Share (Basic) (Rs.)        | 39.72          | 37.73          | 29.60          |



| Particulars                                       | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|---|----------------|----------------|----------------|
| Earnings Per Share (Diluted) (Rs.)                | 39.72          | 37.73          | 29.60          |
| Net worth   | 44.51          | 41.92          | 39.46          |
| Net Asset Value per Share of face value Rs. 100/- | 682.67         | 642.94         | 605.21         |

\*Note: The Board of Directors of Front Line Exports Pvt Ltd have not approved the Financials for FY 2015-16 till date.

### 3. JET KNIT INDCLUS PRIVATE LIMITED

#### Corporate Information

Jet Knit Indclus Private Limited having Permanent Account Number (PAN) as AACCCJ5174B was incorporated on January 28, 2011 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U18204UP2011PTC043331. The Registered Office of the Company is situated at 119/410-B-1, Darshan Purwa, Kanpur, Uttar Pradesh- 208012. The Main Object of the company is to carry on the business of manufacturing hosiery/woven garments of every kind and description including knitting, processing, printing, finishing, cutting, stitching and packing etc including providing all types of modern/upgraded facilities to the members of hosiery industry/cluster as well as other small scale hosiery manufacturers of the industry.

#### Board of Directors

| Name                | Designation |
|---------------------|-------------|
| Geeta Narula        | Director    |
| Balram Kumar Narula | Director    |
| Sandhya Narula      | Director    |
| Jyoti Narula        | Director    |
| Suman Dehar         | Director    |
| Madhu Sabbarwal     | Director    |

#### Shareholders holding over 5% as on June 30, 2016

| Sr. No. | Name                         | No. of Shares held | Percentage (%) |
|---------|------------------------------|--------------------|----------------|
| 1.      | M/s. Jet Knitwears Pvt. Ltd. | 4,500              | 33.58%         |
|         | <b>Total</b>                 | <b>4,500</b>       | <b>33.58%</b>  |

#### Financial Information\*

(Rs. In Lakhs)

| Particulars                             | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|---|----------------|----------------|----------------|
| Equity Capital                          | 1.34           | 1.34           | 1.00           |
| Reserve (Excluding Revaluation Reserve) | 0.00           | 0.00           | 0.00           |
| Total Income                            | 0.00           | 0.00           | 0.00           |



| Particulars  | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|--|----------------|----------------|----------------|
| Profit after Tax                                       | 0.00           | 0.00           | 0.00           |
| Earnings Per Share (Basic) (Rs.)                       | 0.00           | 0.00           | 0.00           |
| Earnings Per Share (Diluted) (Rs.)                     | 0.00           | 0.00           | 0.00           |
| Net worth  | 1.34           | 1.34           | 1.00           |
| Net Asset Value per Share of face value Rs. 10/- (Rs.) | 10.00          | 10.00          | 10.00          |

\*Note: The Board of Directors of Jet Knit Indclus Pvt Ltd have not approved the Financials for FY 2015-16 till date.

#### Other Group Entities:

##### 1. BALRAM KUMAR NARULA HUF

Balram Kumar Narula HUF was created on April 01, 1982 and is situated at 125/67-C, K Block, Govind Nagar, Kanpur, Uttar Pradesh- 208006. The Permanent Account Number (PAN) of the HUF is AADHB9020N.

#### Members of Balram Kumar Narula HUF:

| Sr. No. | Particulars         | Status      |
|---------|---------------------|-------------|
| 1.      | Balram Kumar Narula | Karta       |
| 2.      | Usha Narula         | Co-Parcener |
| 3.      | Ankur Narula        | Co-Parcener |
| 4.      | Namita Narula       | Co-Parcener |

#### Financial Information of the HUF for last 3 years\*:

(Rs. In Lakhs)

| Particulars                          | For the Year ended |                |                |
|--------------------------------------|--------------------|----------------|----------------|
|                                      | March 31, 2015     | March 31, 2014 | March 31, 2013 |
| Income from Business or Profession   | 0.87               | 0.00           | 0.00           |
| Income from Interest & Other Sources | 2.68               | 3.99           | 3.51           |
| <b>Gross Total Income</b>            | <b>3.55</b>        | <b>3.99</b>    | <b>3.51</b>    |
| Tax Payable                          | 0.00               | 0.00           | 0.00           |

\*Note: The HUF has not filed the ITR for FY 2015-16 till date.



## 2. RAKESH KUMAR NARULA HUF

Rakesh Kumar Narula HUF was created on February 15, 2000 and is situated at 125/67-C, K Block, Govind Nagar, Kanpur, Uttar Pradesh- 208006. The Permanent Account Number (PAN) of the HUF is AAGHR2368A.

### Members of Rakesh Kumar Narula HUF:

| Sr. No. | Particulars         | Status      |
|---------|---------------------|-------------|
| 1.      | Rakesh Kumar Narula | Karta       |
| 2.      | Jyoti Narula        | Co-Parcener |
| 3.      | Aditya Narula       | Co-Parcener |
| 4.      | Arooja Narula       | Co-Parcener |

### Financial Information of the HUF for last 3 years\*:

(Rs. In Lakhs)

| Particulars                          | For the Year ended |                |                |
|--------------------------------------|--------------------|----------------|----------------|
|                                      | March 31, 2015     | March 31, 2014 | March 31, 2013 |
| Income from Business or Profession   | 0.76               | 0.00           | 0.00           |
| Income from Interest & Other Sources | 2.25               | 3.98           | 3.45           |
| <b>Gross Total Income</b>            | <b>3.01</b>        | <b>3.98</b>    | <b>3.45</b>    |
| Tax Payable                          | 0.00               | 0.00           | 0.00           |

\*Note: The HUF has not filed the ITR for FY 2015-16 till date.

## 3. ANIL KUMAR NARULA HUF

Anil Kumar Narula HUF was created on February 22, 2000 and is situated at 125/67-C, K Block, Govind Nagar, Kanpur, Uttar Pradesh- 208006. The Permanent Account Number (PAN) of the HUF is AADHA4798L.

### Members of Anil Kumar Narula HUF:

| Sr. No. | Particulars       | Status      |
|---------|-------------------|-------------|
| 1.      | Anil Kumar Narula | Karta       |
| 2.      | Geeta Narula      | Co-Parcener |
| 3.      | Prashant Narula   | Co-Parcener |
| 4.      | Sneha Narula      | Co-Parcener |



**Financial Information of the HUF for last 3 years\*:**

(Rs. In Lakhs)

| Particulars                          | For the Year ended |                |                |
|--------------------------------------|--------------------|----------------|----------------|
|                                      | March 31, 2015     | March 31, 2014 | March 31, 2013 |
| Income from Business or Profession   | 1.30               | 0.00           | 0.00           |
| Income from Interest & Other Sources | 2.39               | 3.95           | 3.47           |
| <b>Gross Total Income</b>            | <b>3.69</b>        | <b>3.95</b>    | <b>3.47</b>    |
| Tax Payable                          | 0.00               | 0.00           | 0.00           |

\*Note: The HUF has not filed the ITR for FY 2015-16 till date.

**4. BHUSHAN KUMAR NARULA HUF**

Bhushan Kumar Narula HUF was created on December 01, 1982 and is situated at 125/67-C, K Block, Govind Nagar, Kanpur, Uttar Pradesh- 208006. The Permanent Account Number (PAN) of the HUF is AAEBH8130J.

**Members of Bhushan Kumar Narula HUF:**

| Sr. No. | Particulars    | Status      |
|---------|----------------|-------------|
| 1.      | Rohit Narula   | Karta       |
| 2.      | Kanchan Narula | Co-Parcener |
| 3.      | Ruchi Kapoor   | Co-Parcener |
| 4.      | Neelu Bhalla   | Co-Parcener |

**Financial Information of the HUF for last 3 years\*:**

(Rs. In Lakhs)

| Particulars               | For the Year ended |                |                |
|---------------------------|--------------------|----------------|----------------|
|                           | March 31, 2015     | March 31, 2014 | March 31, 2013 |
| Income from Other Sources | 0.47               | 2.36           | 1.85           |
| <b>Gross Total Income</b> | <b>0.47</b>        | <b>2.36</b>    | <b>1.85</b>    |
| Tax Payable               | 0.00               | 0.00           | 0.00           |

\*Note: The HUF has not filed the ITR for FY 2015-16 till date.



## 5. SATISH KUMAR NARULA HUF

Satish Kumar Narula HUF was created on February 15, 2000 and is situated at 125/67-C, K Block, Govind Nagar, Kanpur, Uttar Pradesh- 208006. The Permanent Account Number (PAN) of the HUF is AAKHS0575E.

### Members of Satish Kumar Narula HUF:

| Sr. No. | Particulars    | Status      |
|---------|----------------|-------------|
| 1.      | Gaurav Narula  | Karta       |
| 2.      | Sandhya Narula | Co-Parcener |
| 3.      | Saurabh Narula | Co-Parcener |
| 4.      | Vaibhav Narula | Co-Parcener |

### Financial Information of the HUF for last 3 years\*:

(Rs. In Lakhs)

| Particulars                          | For the Year ended |                |                |
|--------------------------------------|--------------------|----------------|----------------|
|                                      | March 31, 2015     | March 31, 2014 | March 31, 2013 |
| Income from Interest & Other Sources | 2.75               | 4.03           | 3.23           |
| <b>Gross Total Income</b>            | <b>2.75</b>        | <b>4.03</b>    | <b>3.23</b>    |
| Tax Payable                          | 0.00               | 0.00           | 0.00           |

\*Note: The HUF has not filed the ITR for FY 2015-16 till date.

## CONFIRMATION

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

## INTERESTS OF OUR GROUP COMPANIES

None of our Group Companies are interested in the promotion of our Company except as disclosed in the section titled "Financial Statements" beginning on page 163 of this Prospectus and to the extent of their shareholding in our Company. Our Group Companies do not have any other interest in our Company, including in relation to property or land acquired by our Company.

## SICK COMPANIES / WINDING UP

No Promoter Group Entities listed above have been declared as a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985. There is no winding up proceedings against any of the Promoter Group Entities.





## LITIGATION

For details on litigations and disputes pending against the Promoters and Promoter Group Entities and defaults made by them, please refer to the chapter titled, 'Outstanding Litigations and Material Developments' beginning on page 207 of this Prospectus.

## DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS

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

| Sr. No. | Name of the Promoters | Name of Concern       | Date of Disassociation | Reason                 |
|---------|-----------------------|-----------------------|------------------------|------------------------|
| 1.      | Mrs. Sandhya Narula   | Jet Knitwears Limited | April 30, 2015         | Due to personal reason |
| 2.      | Mrs. Jyoti Narula     | Jet Knitwears Limited | April 30, 2015         | Due to personal reason |
| 3.      | Mrs. Usha Narula      | Jet Knitwears Limited | April 30, 2015         | Due to personal reason |
| 4.      | Mrs. Kanchan Narula   | Jet Knitwears Limited | April 30, 2015         | Due to personal reason |

## SALES/PURCHASES BETWEEN OUR COMPANY AND GROUP ENTITIES

For further details, please refer to chapter titled 'Related Party Transactions' beginning on page 161 of this Prospectus.

## COMMON PURSUITS

All of our Group Entities have objects similar to that of our Company's business. Currently we do not have any non-compete agreement/arrangement with any of our Group Entities. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.



## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure 5 of restated financial statement under the section titled, '*Financial Statements*' beginning on page 163 of this Prospectus.



## **DIVIDEND POLICY**

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

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

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

We have not declared dividend in any Financial Year.



## SECTION V – FINANCIAL INFORMATION

### STANDALONE FINANCIAL INFORMATION AS RESTATED

To,  
The Board of Directors  
**Jet Knitwears Limited**  
119/410-B-1 DarshanPurwa  
Kanpur-208012  
Uttar Pradesh  
India

Dear Sirs,

Re.: Public Issue of Equity Shares of **Jet Knitwears Limited**.

We have examined the financial information comprising of Summary Statement of Asset & Liabilities, as restated, as at 31<sup>st</sup> March 2016, 2015, 2014, 2013 and 2012, Summary Statement of Profit and Loss, as restated for the year ended 31<sup>st</sup> March 2016, 2015, 2014, 2013 and 2012 also the Summary Statement of Cash Flows, as restated and for the year ended 31<sup>st</sup> March 2016, 2015, 2014, 2013 and 2012 (together referred to as Summary of Restated Financial Statements) of Jet Knitwears Limited (the 'company') annexed to this report and initialed by us for identification purpose, for the purpose of inclusion in the offer document. This financial information has been prepared by the management and approved by the Board of Directors of the company for the purpose of disclosure in the offer document being issued by the Company in connection with the proposed Initial Public Offering ('IPO') of equity shares.

This financial information has been prepared in accordance with the requirement of:

- i) Restated Financials have been prepared in accordance with 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.
- ii) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulation, 2009 (the 'SEBI Regulations') as amended from time to time in pursuance of provisions of The Securities and Exchange Board of India Act, 1992 and related amendments.

This financial information has been extracted by the management from the Audited Financial Statements of the company for the year ended 31<sup>st</sup> March 2016, 2015, 2014, 2013 and 2012.

We have examined such financial information in accordance with the requirements of;

- i) The (Revised) Guidance note on 'Report in Company Prospectuses' issued by the Institute of Chartered Accountants of India ('ICAI'); and
- ii) The term of reference from the company requesting us to carry out work in connection with the offer document being issued by the company relating to proposed IPO.



**A. Financial information as per the summary statements of the company:**

1. We have examined the attached Summary of Restated Financial Statements (refer Annexure 1, 2 and 3). This Summary of Restated Financial Statements of the company have been arrived at after making such adjustments and regroupings to the Audited Financial Statements of the company which are appropriate and are more fully described in the Statement of Notes to Summary Restated Financial Statements of the company in Annexure 4 and 5 subject to *non-compliance of AS-15 as described in point (a) to Annexure No.5 in respect of provision of gratuity by the company.*
2. The Summary of Restated Financial Statements of the company for the year ended 31<sup>st</sup> March 2016, 2015, 2014, 2013 and 2012 including the adjustment and regroupings discussed above, have been extracted from the audited financial statements of the company as at and for year ended 31<sup>st</sup> March 2015, 2014, 2013 and 2012 which have been audited by M/s Sushil Gupta & Company (Firm Registration No. 001233C) and the financial year ended March 31, 2016 have been audited by M/s Pankaj Khanna and Associates (Firm Registration No. 002144C) accordingly reliance has been placed by us on the financial information examined by them for the said years.
3. Based on our examination of this Summary of Restated Financial Statements of the company, we state that:
  - a) The Summary of Restated Financial Statements of the Company have to be read in conjunction with the Statement of Significant Accounting Policies and Statement of Notes to Restated Financial Statements of the company, in Annexure 4 and 5 respectively;
  - b) There are no changes in accounting policies adopted by the company for the year ended 31 March 2016, 2015, 2014, 2013 and 2012 which would require adjustment in the Restated Financial Statements of the company;
  - c) The restated Profit/(Loss) have been arrived at after making such adjustments and regrouping as, in our opinion, are appropriate in the year to which they relate as described in the statement of Notes to Restated Financial Statements of the Company given.
  - d) There are no qualification in the auditors' report for the year ended 31<sup>st</sup> March 2016, 2015, 2014, 2013 and 2012 which require adjustment in the Restated Financial Statements of the Company; and
  - e) There are no extra-ordinary items which need to be disclosed separately in the Summary of Restated Financial Statements of the Company.

**B. Other financial information:**

1. We have examined the following 'Other Financial Information' of the company for the years ended 31 March 2016, 2015, 2014, 2013 and 2012, proposed to be included in the offer document, as prepared by the management and approved by the Board of Directors and annexed to this report:
  - i) Statement of Significant Accounting Policies, as restated (Annexure 4);
  - ii) Statement of Notes to Summary of Restated Financial Statements of the company (Annexure 5);
  - iii) Statement of Reconciliation of Restated Profit/(Loss) to Profit/(Loss) as per Audited Financial Statements (Annexure 6);
  - iv) Statement of Share Capital, as restated (Annexure 7);
  - v) Statement of Reserve and Surplus, as restated (Annexure 8);
  - vi) Statement of Long Term Borrowings as restated (Annexure 9);
  - vii) Statement of Deferred Tax Asset /(Liabilities) (net), as restated (Annexure 10);
  - viii) Statement of Short Term Borrowings, as restated (Annexure 11);
  - ix) Statement of Trade Payables, as restated (Annexure 12);



- x) Statement of Other Current Liabilities, as restated ( Annexure13);
  - xi) Statement of Short Term Provisions, as restated ( Annexure 14 );
  - xii) Statement of Fixed Assets, as restated ( Annexure 15);
  - xiii) Statement of Non-Current Investments, as restated (Annexure 16);
  - xiv) Statements of Deferred Tax Assets, as restated (Annexure 17)
  - xv) Statements of Current Investments, as restated (Annexure 18);
  - xvi) Statements of Inventories, as restated ( Annexure19);
  - xvii) Statement of Trade Receivables, as restated ( Annexure 20);
  - xxviii) Statement of Cash and Bank Balances, as restated ( Annexure 21);
  - xix) Statement of Short Term Loans & Advances, as restated( Annexure 22);
  - xx) Statement of Revenue from Operations, as restated (Annexure 23);
  - xxi) Statement of Other Income, as restated (Annexure 24);
  - xxii) Statement of Raw Material Consumed, as restated (Annexure 25);
  - xxiii) Statement of Change in Inventory of Finished Goods, Work-in-Process and Stock in Trade, as restated ( Annexure 26);
  - xxiv) Statement of Employee Benefit Expenses, as restated ( Annexure 27);
  - xxv) Statement of Finance Cost, as restated ( Annexure 28);
  - xxvi) Statement of Depreciation and Amortization, as restated (Annexure 29);
  - xxvii) Statement of Other Expenses, as restated ( Annexure 30);
  - xxviii) Statement of Tax Expense, as restated (Annexure 31);
  - xxix) Statement of Capitalization as at 31<sup>st</sup> March, 2015 ( Annexure 32);
  - xxx) Statement of Tax Shelter, as restated ( Annexure 33) and
  - xxxi) Statement of Accounting Ratios , as restated ( Annexure 34)
2. In our opinion, the 'Financial information as per the Restated Financial Statements of the Company' and 'other financial information' mentioned above for year ended 31 March 2016, 2015, 2014, 2013 and 2012 have been prepared in accordance with Part 1 of The Companies Act, 2013 and the relevant provisions of the SEBI Regulations.
3. This report should not be in any way constructed as a re-issuance or re-dating of any of the previous audit reports issued by M/s Sushil Gupta & Co. (Firm Registration No. 001233C) or M/s Pankaj Khanna & Associates (Firm Registration No. 002144C) nor should it be constructed as new opinion on any of the Financial Statements referred to therein.
4. This report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed IPO of the equity shares of the company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **RPMD & Associates.**

**Chartered Accountants**

**ICAI Firm's Reg. No. 005961C**

**Rahul Jain**

**(Partner)**

**M. No. 518352**

Place: Delhi

Date: September 15, 2016



# Annexure-1

## SUMMARY OF STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lakhs)

| Particulars                               | Annexure | As at 31st March |                |                |                |                |
|---|----------|------------------|----------------|----------------|----------------|----------------|
|   |          | 2016<br>Amount   | 2015<br>Amount | 2014<br>Amount | 2013<br>Amount | 2012<br>Amount |
| <b>EQUITY AND LIABILITIES</b>             |          |                  |                |                |                |                |
| Share Capital                             | 7        | 300.02           | 300.02         | 166.90         | 166.90         | 166.90         |
| Reserves & Surplus                        | 8        | 377.26           | 339.97         | 110.06         | 90.36          | 73.67          |
| Share Application Money Pending Allotment |          |                  |                |                |                |                |
| <b>Sub Total</b>                          |          | <b>677.28</b>    | <b>639.99</b>  | <b>276.96</b>  | <b>257.26</b>  | <b>240.57</b>  |
| <b>Non-Current Liabilities</b>            |          |                  |                |                |                |                |
| Long Term Borrowings                      | 9        | 159.85           | 205.50         | 408.99         | 345.98         | 308.15         |
| Deferred Tax Liabilities                  | 10       | 0.00             | 2.74           | 5.58           | 6.22           | 6.90           |
| Other Long Term Liabilities               |          |                  |                |                |                |                |
| <b>Sub Total</b>                          |          | <b>159.85</b>    | <b>208.25</b>  | <b>414.57</b>  | <b>352.21</b>  | <b>315.04</b>  |
| <b>Current Liabilities</b>                |          |                  |                |                |                |                |
| Short Term Borrowings                     | 11       | 1021.90          | 773.87         | 811.04         | 772.43         | 711.88         |
| Trade Payables                            | 12       | 276.22           | 363.88         | 270.67         | 324.37         | 290.55         |
| Other Current Liabilities                 | 13       | 19.48            | 17.45          | 20.17          | 18.36          | 14.21          |
| Short Term Provisions                     | 14       | 26.49            | 21.90          | 10.09          | 9.51           | 4.90           |
| <b>Sub Total</b>                          |          | <b>1344.08</b>   | <b>1177.10</b> | <b>1111.97</b> | <b>1124.68</b> | <b>1021.54</b> |
| <b>Total</b>                              |          | <b>2181.21</b>   | <b>2025.34</b> | <b>1803.50</b> | <b>1734.15</b> | <b>1577.15</b> |
| <b>ASSETS</b>                             |          |                  |                |                |                |                |
| <b>Non-Current Assets</b>                 |          |                  |                |                |                |                |
| <b>Fixed Assets</b>                       |          |                  |                |                |                |                |
| Tangible Assets                           | 15       | 216.37           | 255.69         | 259.37         | 231.71         | 237.48         |
| Intangible Assets                         |          | 0.00             | 0.00           | 0.00           | 0.00           | 0.00           |
| Non-Current Investments                   | 16       | 0.45             | 0.45           | 0.45           | 0.00           | 0.00           |
| Long Term Loans & Advances                |          | 0.00             | 0.00           | 0.00           | 0.00           | 0.00           |
| Deferred Tax Asset                        | 17       | 2.45             | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Sub Total</b>                          |          | <b>219.27</b>    | <b>256.14</b>  | <b>259.82</b>  | <b>231.71</b>  | <b>237.48</b>  |
| <b>Current Assets</b>                     |          |                  |                |                |                |                |
| Current Investments                       | 18       | 0.00             | 7.04           | 6.49           | 0.00           | 0.00           |
| Inventories                               | 19       | 591.51           | 754.23         | 597.90         | 807.48         | 789.49         |
| Trade Receivables                         | 20       | 990.25           | 838.11         | 723.42         | 540.32         | 426.54         |
| Cash & Bank Balances                      | 21       | 249.33           | 61.29          | 111.80         | 41.85          | 29.89          |
| Short Term Loans & Advances               | 22       | 130.84           | 108.52         | 104.08         | 112.79         | 93.75          |
| Other Current Assets                      |          | 0.00             | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Sub Total</b>                          |          | <b>1961.94</b>   | <b>1769.20</b> | <b>1543.68</b> | <b>1502.44</b> | <b>1339.67</b> |
| <b>Total</b>                              |          | <b>2181.21</b>   | <b>2025.34</b> | <b>1803.50</b> | <b>1734.15</b> | <b>1577.15</b> |



## Annexure-2

### SUMMARY STATEMENT OF PROFIT & LOSS AS RESTATED

(Rs. in Lakhs)

| Particulars  | Annexure | For The Year Ended as on 31st March |                |                |                |                |
|--|----------|-------------------------------------|----------------|----------------|----------------|----------------|
|  |          | 2016                                | 2015           | 2014           | 2013           | 2012           |
|  |          | Amount                              | Amount         | Amount         | Amount         | Amount         |
| <b>Revenue</b>   |          |                                     |                |                |                |                |
| Revenue From Operation Of Product Manufactured (Gross)   | 23       | 3854.94                             | 3731.83        | 3848.95        | 3746.94        | 3123.82        |
| Less: Excise Duty  |          | 0.00                                | 0.00           | 0.00           | -195.67        | -223.42        |
| Revenue From Operations (Net)                            |          | 3854.94                             | 3731.83        | 3848.95        | 3551.27        | 2900.40        |
| Other Income   | 24       | 1.72                                | 0.77           | 2.30           | 10.68          | 3.08           |
| <b>Total</b>   |          | <b>3856.66</b>                      | <b>3732.60</b> | <b>3851.25</b> | <b>3561.96</b> | <b>2903.47</b> |
| <b>Expenses</b>  |          |                                     |                |                |                |                |
| Cost Of Raw Material Consumed                            | 25       | 2385.36                             | 2584.15        | 2416.04        | 2427.94        | 2091.69        |
| Change In Inventory Of Finished Goods And WIP            | 26       | 162.52                              | -150.67        | 206.44         | -26.47         | -286.15        |
| Employee Benefit Expenses                                | 27       | 68.29                               | 32.91          | 25.93          | 22.44          | 17.53          |
| Finance Cost   | 28       | 122.90                              | 133.17         | 129.29         | 128.70         | 120.16         |
| Depreciation and Amortisation                            | 29       | 55.60                               | 56.28          | 45.68          | 45.97          | 40.57          |
| Other Expenses   | 30       | 1003.40                             | 1027.46        | 998.47         | 937.84         | 897.50         |
| <b>Total</b>   |          | <b>3798.08</b>                      | <b>3683.30</b> | <b>3821.85</b> | <b>3536.42</b> | <b>2881.30</b> |
| Profit Before Exceptional & Extra Ordinary Items and Tax |          | 58.58                               | 49.30          | 29.40          | 25.54          | 22.17          |
| Exceptional and Extra Ordinary Items                     |          | 0.00                                | 0.00           | 0.00           | 0.00           | 0.00           |
| Profit on Sale Of Investments                            |          | 0.00                                | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Profit Before Tax</b>                                 |          | <b>58.58</b>                        | <b>49.30</b>   | <b>29.40</b>   | <b>25.54</b>   | <b>22.17</b>   |
| <b>Tax</b>   |          |                                     |                |                |                |                |
| Current Income Tax                                       | 31       | 26.49                               | 21.90          | 10.09          | 9.51           | 4.90           |
| Dividend Tax   |          | 0.00                                | 0.00           | 0.00           | 0.00           | 0.00           |
| Deferred Tax   |          | -5.20                               | -2.84          | -0.64          | -0.67          | 1.76           |
| Wealth Tax   |          | 0.00                                | 0.00           | 0.26           | 0.00           | 0.00           |
| MAT Tax Entitlement                                      |          | 0.00                                | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Net Profit As Restated</b>                            |          | <b>37.29</b>                        | <b>30.23</b>   | <b>19.69</b>   | <b>16.69</b>   | <b>15.51</b>   |





### Annexure-3

#### SUMMARY OF CASH FLOW STATEMENT AS RESTATED

(Rs. in Lakhs)

| S.N.     | Particulars   | As at 31st March |                |                |                |                 |
|----------|---|------------------|----------------|----------------|----------------|-----------------|
|          |   | 2016             | 2015           | 2014           | 2013           | 2012            |
|          |   | Amount           | Amount         | Amount         | Amount         | Amount          |
|          |   |                  |                |                |                |                 |
| <b>A</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |                  |                |                |                |                 |
|          | Net Profit After Tax , As Restated  | 37.29            | 30.23          | 19.69          | 16.69          | 15.51           |
|          | Adjustments For:  |                  |                |                |                |                 |
|          | Extraordinary Items   | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | Deferred Tax  | (5.20)           | (2.84)         | (0.64)         | (0.67)         | 1.76            |
|          | Depreciation and Amortization   | 55.60            | 56.28          | 45.68          | 45.97          | 40.57           |
|          | (Profit) /Loss On Sale Of Fixed Assets  | 0.00             | 0.00           | 0.00           | 0.00           | 0.27            |
|          | Interest Costs  | 122.90           | 133.17         | 129.29         | 128.70         | 120.16          |
|          | Non-Operating Income  | (1.72)           | (0.62)         | (0.46)         | 0.00           | 0.00            |
|          | Bad Debts Written Off   | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | Profit On Sale Of Investments   | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          |   |                  |                |                |                |                 |
|          | Operating Profit Before Working Capital Changes                                     | 208.87           | 216.23         | 193.56         | 190.69         | 178.27          |
|          | Adjustments For:  |                  |                |                |                |                 |
|          | Current Assets  | (11.74)          | (275.47)       | 35.20          | (150.81)       | (170.13)        |
|          | Current Liabilities   | 162.39           | 53.32          | (13.28)        | 98.53          | 149.82          |
|          | Short Term Provisions   | 4.59             | 11.81          | 0.57           | 4.61           | 0.60            |
|          | Non-Current Assets  | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | Non-Current Liabilities   | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | Appropriation/Adjustments in Reserves   | 0.00             | 0.00           | 0.00           | 0.00           | 0.00            |
|          | CASH GENERATED FROM OPERATING ACTIVITIES BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS | 364.12           | 5.89           | 216.05         | 143.02         | 158.56          |
|          |   |                  |                |                |                |                 |
|          | <b>CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>                                 | <b>364.12</b>    | <b>5.89</b>    | <b>216.05</b>  | <b>143.02</b>  | <b>158.56</b>   |
|          |   |                  |                |                |                |                 |
|          |   |                  |                |                |                |                 |
| <b>B</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  |                  |                |                |                |                 |
|          | Purchase Of Fixed Assets  | (20.08)          | (52.59)        | (79.41)        | (40.20)        | (105.11)        |
|          | Sale of Fixed Assets  | 3.80             | 0.00           | 6.07           | 0.00           | 0.55            |
|          | Increase In Investments   | 7.04             | (0.55)         | (6.94)         | 0.00           | 0.00            |
|          |   |                  |                |                |                |                 |
|          | <b>CASH GENERATED FROM INVESTING ACTIVITIES (B)</b>                                 | <b>(9.24)</b>    | <b>(53.15)</b> | <b>(80.28)</b> | <b>(40.20)</b> | <b>(104.56)</b> |
|          |   |                  |                |                |                |                 |
|          |   |                  |                |                |                |                 |



|          |   |                 |                |                |                |                |
|----------|---|-----------------|----------------|----------------|----------------|----------------|
| <b>C</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>            |                 |                |                |                |                |
|          | Increase In Share Capital (Including Share Premium)   | 0.00            | 332.80         | 0.00           | 0.00           | 0.00           |
|          | Dividend  | 0.00            | 0.00           | 0.00           | 0.00           | 0.00           |
|          | Bank Loans  | (45.65)         | (203.49)       | 63.01          | 37.84          | 61.01          |
|          | Interest Paid During The Year                         | (122.90)        | (133.17)       | (129.29)       | (128.70)       | (120.16)       |
|          | Non-Operating Revenue                                 | 1.72            | 0.62           | 0.46           | 0.00           | 0.00           |
|          | <b>CASH GENERATED FROM FINANCING ACTIVITIES ( C )</b> | <b>(166.83)</b> | <b>(3.24)</b>  | <b>(65.82)</b> | <b>(90.86)</b> | <b>(59.15)</b> |
|          |   |                 |                |                |                |                |
|          | <b>NET CASH FLOW DURING THE YEAR(A+B+C)</b>           | <b>188.04</b>   | <b>(50.51)</b> | <b>69.95</b>   | <b>11.96</b>   | <b>(5.15)</b>  |
|          |   |                 |                |                |                |                |
|          | <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>      | <b>188.04</b>   | <b>(50.51)</b> | <b>69.95</b>   | <b>11.96</b>   | <b>(5.15)</b>  |



## **ANNEXURE -4-STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AS RESTATED**

### **a) SIGNIFICANT ACCOUNTING POLICIES**

#### **a. ACCOUNTING CONVENTION**

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, as applicable to a going concern in accordance with generally accepted accounting principles in India, mandatory accounting standards prescribed in the Companies (Accounting Standard) Rules, 2006 issued by the Central Standards and in accordance with the relevant provisions of the Companies Act, 1956 to the extent applicable (For the Financial Years 2011-12 to 2013-14) and of the Companies Act, 2013 ( For the Financial Year 2014-15 and 2015-16) to the extent applicable.. The financial statements are presented in Indian Rupees rounded off to the nearest rupee. The accounting is on the basis of going concern concept. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

#### **b. USE OF ESTIMATES**

The preparation of financial statements in confirmation with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Management believes that the estimates made in preparation of financial statements are prudent and reasonable. Actual results could differ from those estimated. Difference between the actual results and estimates are recognized in the period in which results are known/ materialized.

#### **c. INVENTORIES**

Inventories have been valued as under:

Raw materials- At cost

Work in progress - At raw material cost plus conversion cost

Finished goods- At lower of cost or estimated realizable value

Consumable stores & tools- At cost

The valuation of inventory has been made as per the requirement of AS-2 prescribed under the companies (accounting standards) rules, 2006.

#### **d. FIXED ASSETS**

1. Fixed assets are stated at their original cost of acquisition or construction and subsequent thereto less accumulated depreciation (except land)
2. Cost comprises of purchase price and all expenses directly attributable to the acquisition or construction of the asset.
3. Additions to fixed assets are normally accounted on cost basis ( net of CENVAT and VAT credits) including the cost of installation , pre-operative expenses, identifiable trial run expenses where incurred, eligible adjustment of accounts of foreign exchange fluctuation . pre-operative and identifiable trail run expenses incurred by the company up to the date eligible assets are put to use for commercial production are allocated to them in the proportion to their cost.
4. The building under construction is transferred to building on the date of completion of construction as certified by the management.



**e. DEPRECIATION**

1. Up to 31st March 2014, depreciation was charged at the rates prescribed in Schedule XIV to the Companies Act, 1956. Effective from 1st April 2014, the Company has charged depreciation based on the revised remaining useful life of assets as per the requirements of Schedule II to the Companies Act, 2013.
- b) Addition/Deletion to fixed asset during the year is being depreciated on pro-rata basis with respect to the period of use.

**f. RECOGNITION OF INCOME**

The company has recognized all incomes on accrual basis on accrual basis of accounting as per the provisions of Accounting Standard 9 – “Revenue Recognition” prescribed under Companies (Accounting Standards) Rules, 2006.

Sales are recognized on transfer of significant risk and rewards to the customer that usually takes place on dispatch of goods to the customer from the factory / storage area.

**g. EXPENSES**

The Company has recognized all expenses on accrual basis of accounting.

**h. FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currency are recorded in terms of the Accounting standard 11 ( Revised 2003) – “ The effects of changes in Foreign Exchange Rates “ prescribed under The Companies ( Accounting Standards ) Rules, 2006 at the exchange rates prevailing on the dates of the transaction . Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the period is recognized in the Profit & Loss Account.

**i. INVESTMENTS**

Long Term Investments are stated at cost as per the requirements of Accounting Standard – 13, “Accounting for Investments “, prescribed under the Companies 9 Accounting Standards) Rules, 2006. The Borrowing Cost as per Accounting Standard -16 to the qualifying assets has been capitalized. Provision for diminution in the value of long – term investment is made only if such decline is other than temporary in the opinion of the management.

**j. PROVISION FOR RETIREMENT BENEFITS**

1. Periodical contributions made to the concerned authorities towards Provident Fund Employees Welfare Fund and ESI are charged to Revenue on accrual basis.
2. The company has not provided for its liability towards gratuity. No actuarial valuation has been done for ascertainment of the company’s prospective liability towards gratuity.

**k. BORROWING COSTS**

The company has not capitalized any borrowing cost as per AS-16 “Borrowing Cost”.



## **I. EARNING PER SHARE**

The basic earning per equity shares are computed by dividing the net profit or loss attributable to the equity share holders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for driving basic earnings per share.

## **m. TAXATION**

Income tax comprises current tax, deferred tax.

### ***Current Taxes***

Provision for Current tax is recognized in accordance with the provisions of the Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

### ***Deferred Tax***

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets are realized in the future. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance Sheet data.

## **n. IMPAIRMENT OF ASSETS**

In accordance with the provisions of AS-28 “Impairment of Assets” prescribed under The Companies (Accounting Standards) Rules, 2006, the carrying amounts of the company’s assets are reviewed at each balance sheet date to determine whether there is any impairment. But there is no impairment done in case of the company.

## **o. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an economy benefit will arise, the asset and related income are recognized in the period in which change occurs.

## **p. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method as set out in the Accounting Standard 3 on cash flow statement prescribed under the Companies (Accounting Standards) Rules, 2006, whereby net profit after tax is adjusted for the effects of the transactions of non-cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.



## ANNEXURE -5- STATEMENT OF NOTES TO RESTATED FINANCIAL STATEMENTS OF THE COMPANY

### a) RETIREMENT BENEFITS

The company has not provided for its liability towards gratuity. No actuarial valuation has been done for ascertainment of the company's prospective liability towards gratuity.

### b) BORROWING COST

The company has not capitalized any borrowing cost as per AS-16 "Borrowing Cost".

### c) SEGMENT REPORTING

The Company is primarily engaged in one Business Segment (Manufacturing of Hosiery Goods) and mainly one Geographical Segment (India). The ratio of export sales to the total turnover is insignificant and hence does not qualify to be a reportable segment as envisaged in the Accounting Standard 17 – "Segment Reporting" prescribed under The Companies ( Accounting Standard ) Rules , 2006.

### d) RELATED PARTY DISCLOSURES

Related Party relationships / transactions (excluding reimbursements) Warranting disclosures under AS 18 – "Related Party Disclosures "Prescribed under The Companies (Accounting Standards) Rules, 2006 are as under:

| S. N o. | Name of Related Party   | Nature of Relationship   | Nature of Transaction | 2015 -16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---------|-------------------------|--------------------------|-----------------------|----------|---------|---------|---------|---------|
| 1       | LATE BHUSHAN NARULA HUF | DIRECTOR IS KARTA OF HUF | REMUNERATION          |          | -       | -       | -       | 2.43    |
|         |                         |                          | OFFICE RENT           |          | -       | -       | -       | -       |
|         |                         |                          | INTEREST              | 0.08     | 0.35    | 0.33    | 0.29    | 1.66    |
| 2       | BALRAM KUMAR NARULA HUF | DIRECTOR IS KARTA OF HUF | INTEREST              | 0.03     | 2.64    | 2.46    | 1.97    | 1.73    |
| 3       | BALRAM KUMAR NARULA     | DIRECTOR                 | REMUNERATION          | 5.40     | 4.80    | 4.80    | 4.80    | 3.24    |
|         |                         |                          | OFFICE RENT           | 0.17     | 0.02    | 0.02    | 0.02    | 0.02    |
| 4       | RAKESH KUMAR NARULA     | DIRECTOR                 | REMUNERATION          | 5.40     | 4.80    | 4.80    | 4.80    | 3.24    |
|         |                         |                          | OFFICE RENT           | 0.23     | 0.05    | 0.05    | 0.05    | 0.05    |
|         |                         |                          | INTEREST              |          | 2.21    | 2.06    | 1.73    | 1.35    |
| 5       | ANIL KUMAR              | DIRECTOR                 | REMUNERATION          | 5.40     | 4.80    | 4.80    | 4.80    | 3.24    |



|    |                       |   |              |      |      |      |      |      |
|----|-----------------------|---|--------------|------|------|------|------|------|
|    | NARULA                |   | OFFICE RENT  | 0.17 | 0.02 | 0.02 | 0.02 | 0.02 |
| 6  | ANIL KUMAR NARULA HUF | DIRECTOR IS KARTA OF HUF                  | INTEREST     | 0.32 | 2.35 | 2.19 | 1.72 | 1.36 |
| 7  | ANKUR NARULA          | CHIEF FINANCIAL OFFICER (SON OF DIRECTOR) | REMUNERATION | 4.80 | 4.20 | 4.20 | 4.20 | 2.52 |
|    |                       |   | INTEREST     | -    | 1.18 | 1.10 | 0.74 | 0.39 |
| 8  | ROHIT NARULA          | PRESIDENT MARKETING (BROTHER OF DIRECTOR) | REMUNERATION | 4.80 | 4.20 | 4.20 | 4.20 | 2.52 |
|    |                       |   | RENT         | 0.05 | -    | -    | -    | -    |
| 9  | SMT. KANCHAN NARULA   | WIFE OF DIRECTOR'S BROTHER                | REMUNERATION | 3.60 | 3.00 | 3.00 | 3.00 | 2.28 |
|    |                       |   | OFFICE RENT  | 0.12 | 0.02 | 0.02 | 0.02 | 0.02 |
|    |                       |   | INTEREST     | 0.93 | 2.91 | 2.72 | 1.88 | 1.65 |
| 10 | SMT. USHA NARULA      | WIFE OF DIRECTOR                          | REMUNERATION | 3.60 | 3.60 | 3.60 | 3.60 | 2.28 |
|    |                       |   | INTEREST     | 0.17 | 0.97 | 0.91 | 0.41 | 0.35 |
| 11 | SMT. SANDHYA NARULA   | WIFE OF DIRECTOR'S BROTHER                | REMUNERATION | 3.60 | 2.16 | 2.16 | 2.16 | 2.16 |
|    |                       |   | OFFICE RENT  | 0.29 | 0.05 | 0.05 | 0.05 | 0.05 |
|    |                       |   | INTEREST     | 0.27 | 1.88 | 1.87 | 1.85 | 1.63 |
| 12 | SMT. JYOTI NARULA     | WIFE OF DIRECTOR                          | REMUNERATION | 3.60 | 3.00 | 3.00 | 3.00 | 2.16 |
|    |                       |   | INTEREST     | 0.26 | 1.09 | 1.02 | 0.51 | 0.44 |
| 13 | GAURAV NARULA HUF     | KARTA IS NEPHEW OF DIRECTOR               | INTEREST     | 0.14 | 1.17 | 1.09 | 0.79 | 0.42 |
| 14 | RADHIKA NARULA        | DAUGHTER OF DIRECTOR                      | INTEREST     | 0.60 | 0.53 | 0.47 | 0.41 | 0.36 |
| 15 | RUCHI NARULA          | DAUGHTER OF DIRECTOR                      | INTEREST     | 0.25 | 0.22 | 0.19 | 0.17 | 0.15 |



|    |                      |  |          |      |      |      |      |      |
|----|----------------------|--|----------|------|------|------|------|------|
| 16 | SATISH NARULA HUF    | DIRECTOR'S HUF                                 | INTEREST | 0.37 | 2.67 | 2.50 | 2.20 | 1.77 |
| 17 | SAURABH NARULA       | PRESIDENT SALES (NEPHEW OF DIRECTOR)           | SALARY   | 3.50 | -    | -    | -    | -    |
|    |                      |  | INTEREST | 0.37 | 2.14 | 2.00 | 1.79 | 1.40 |
| 18 | SASHI SABBHARWAL     | BROTHER IN LAW OF DIRECTOR                     | INTEREST | 0.13 | 0.11 | 0.10 | 0.09 | 0.08 |
| 19 | SMT. GEETA NARULA    | WIFE OF DIRECTOR                               | INTEREST | 0.07 | 0.39 | 0.56 | 0.26 | 0.40 |
| 20 | MADHU SABBHARWAL     | SISTER OF DIRECTOR                             | INTEREST | 1.69 | 1.49 | 1.31 | 1.15 | 1.02 |
| 21 | MEENA NARULA         | WIFE OF DIRECTOR'S BROTHER                     | INTEREST | 1.35 | 1.19 | 1.05 | 0.92 | 0.81 |
| 22 | SHRI GAURAV NARULA   | SON OF DIRECTOR                                | SALARY   | 3.60 | 3.00 |      |      |      |
|    |                      |  | INTEREST | 0.39 | 2.22 | 2.18 | 2.18 | 1.92 |
| 23 | VAIBHAV NARULA       | VICE PRESIDENT PRODUCTION (NEPHEW OF DIRECTOR) | SALARY   | 3.40 | 2.40 | -    | -    | -    |
|    |                      |  | INTEREST | 0.23 | 1.39 | 1.30 | 1.14 | 1.01 |
| 24 | PRASHANT NARULA      | VICE PRESIDENT PRODUCTION (SON OF DIRECTOR)    | SALARY   | 3.60 | -    | -    | -    | -    |
|    |                      |  | INTEREST | 0.11 | 0.85 | -    | -    | -    |
| 25 | SHASHI PRABHA TANEJA | MOTHER IN LAW OF DIRECTOR                      | INTEREST | -    | 0.85 | -    | 4.85 | 4.27 |
| 26 | H.P. TANEJA          | MOTHER IN LAW                                  | INTEREST | -    | 0.85 | -    | 2.73 | 2.41 |





|    |                               |                              |                      |       |       |       |       |       |
|----|-------------------------------|------------------------------|----------------------|-------|-------|-------|-------|-------|
|    |                               | OF DIRECTOR                  |                      |       |       |       |       |       |
| 27 | BULBUL NARULA                 | DAUGHTER OF DIRECTOR         | INTEREST             | -     | -     | -     | -     | -     |
| 28 | RAKESH KUMAR NARULA HUF       | DIRECTOR IS KARTA OF HUF     | INTEREST             | 0.36  | -     | -     | -     | -     |
| 29 | ANKUR KUMAR NARULA HUF        | KARTA IS SON OF DIRECTOR     | INTEREST             | 0.16  | -     | -     | -     | -     |
| 30 | ROHIT NARULA HUF              | KARTA IS BROTHER OF DIRECTOR | INTEREST             | 0.16  | 1.17  | 1.08  | 0.75  | 0.39  |
| 31 | JET KNIT INDCLUS PVT. LTD.    | ASSOCIATE                    | LOAN GIVEN/REPAYMENT | -     | -     | -     | 2.75  | 3.45  |
| 32 | VENUS KNITWEARS CO. PVT. LTD. | ASSOCIATE                    | LOAN GIVEN/REPAYMENT | -     | 22.17 | 0.55  | 1.15  | 2.30  |
|    |                               |                              | LOAN REPAYMENT/TAKEN | -     | -     | -     | 25.52 | 1.00  |
| 33 | FRONTLINE EXPORTS PVT. LTD.   | ASSOCIATE COMPANY            | JOB CHARGES PAID     | 74.02 | 74.46 | 78.97 | 64.21 | 33.53 |

\* Shri Ankur Narula, Shri Rohit Narula, Smt. Kanchan Narula, Smt. Usha Narula, Smt. Sandhya Narula, Smt. Jyoti Narula was director upto F.Y.2014-15 and the remuneration paid to them from F.Y.2011-12 to F.Y. 2014-15 was in the nature of Director's Remuneration.

Related party relations are identified by the company and relied upon by the auditors.

#### e) EARNING PER SHARE ( EPS )

Pursuant to the Accounting Standard – 20 , “ Earning Per Share “ , issued by the Institute of Chartered Accountants of India , the value of EPS is calculated as below:

| Particulars   | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---|---------|---------|---------|---------|---------|
| <b>BASIC EARNING PER SHARE</b>                                |         |         |         |         |         |
| Net Profit attributable to equity shareholders (Rs. In Lakhs) | 37.29   | 30.23   | 19.69   | 16.69   | 15.51   |
| Weighted average number of equity shares                      | 3000200 | 1690883 | 1669000 | 1669000 | 1669000 |
| Basic Earnings Per Share (In Rs.)                             | 1.24    | 1.79    | 1.18    | 1.00    | 0.93    |



| <b>DILUTED EARNING PER SHARE</b>   |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| Net Profit attributable to equity shares (Rs. In Lakhs)                      | 37.29   | 30.23   | 19.69   | 16.69   | 15.51   |
| Weighted average number of equity shares (including potential equity shares) | 3000200 | 1690883 | 1669000 | 1669000 | 1669000 |
| Diluted Earnings Per Share (In Rs.)  | 1.24    | 1.79    | 1.18    | 1.00    | 0.93    |

#### f) TAXATION

##### Income Tax

The Company has paid tax on the basis of applicable rates to it.

##### Deferred tax

Pursuant to accounting standards for taxes on income AS-22 deferred tax liabilities at the end of the year is as follows:

| Particulars   | 2015-16  | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---|----------|---------|---------|---------|---------|
| Deferred tax liability/(asset) on Account of depreciation                                 | (245480) | 274499  | 558271  | 622339  | 689515  |
| Less: deferred tax asset on account Of provision for leave encashment, Gratuity and Bonus | NIL      | NIL     | NIL     | NIL     | NIL     |
| Net deferred tax liability/(asset)  | (245480) | 274499  | 558271  | 622339  | 689515  |

#### g) Sundry creditors

The company has not received any intimation from suppliers regarding their status under the micro, small and medium enterprises development act, 2006 and hence disclosures, if any relating to amounts unpaid as at the yearend together with interest paid/ payable as required under the said act have not been given.

#### h) Contingent Liabilities

As on 31st March, 2016, the company had Contingent Liability of Rs. 15.01 lakhs. Details of contingent liabilities are as follows:

| Particulars | Amount as on 31st March, 2016 |
|-------------|-------------------------------|
| Income Tax  | 1.82                          |
| Service Tax | 4.35                          |
| TDS Demand  | 8.84                          |

i) Additional information pursuant to the provisions of paragraphs 5 of part II of schedule III to the companies act, 2013 is as under in respect of payment to Auditors.

(Rs. In Lakhs)

| Particulars      | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|------------------|---------|---------|---------|---------|---------|---------|
| Audit Fees       | 0.25    | 0.25    | 0.18    | 0.18    | 0.18    | 0.12    |
| As Reimbursement | -       | -       | -       | -       | -       | -       |



**j) Details of Directors Remuneration**

Remuneration of directors (including managing directors) is as under:

(Rs. In Lakhs)

| Sl. No. | Name & Designation                         | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---------|--|---------|---------|---------|---------|---------|
| 1       | Mr Balram Narula (Chairman & Mg. Director) | 5.40    | 4.80    | 4.80    | 4.80    | 3.24    |
| 2       | Mr. Anil Narula (Director)                 | 5.40    | 4.80    | 4.80    | 4.80    | 3.24    |
| 3       | Mr. Rakesh Narula                          | 5.40    | 4.80    | 4.80    | 4.80    | 3.24    |
| 4       | Late Bhushan Narula                        | -       | -       | -       | -       | 2.43    |

The total remuneration as stated above is within the maximum permissible limits prescribed under section 197 of Companies Act 2013.

**k) Foreign Exchange Earnings and Outgo**

(Rs. In Lakhs)

| Expenditure in Foreign Exchange                     | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---|---------|---------|---------|---------|---------|
| - CIF value of Raw Material                         | NIL     | NIL     | NIL     | NIL     | NIL     |
| - Capital Goods                                     | NIL     | NIL     | NIL     | NIL     | NIL     |
| - Others  | NIL     | NIL     | NIL     | NIL     | NIL     |
| Foreign Exchange Earned (FOB Value of Export Sales) | NIL     | NIL     | 19.57   | 16.89   | 28.52   |

**Annexure -6**

**STATEMENT OF RECONCILIATION OF RESTATED PROFITS AS PER AUDITED FINANCIAL STATEMENTS**

**Rs. in Lakhs**

| Particulars  | As at 31st March |              |              |              |              |
|--|------------------|--------------|--------------|--------------|--------------|
|  | 2016             | 2015         | 2014         | 2013         | 2012         |
|  | Amount           | Amount       | Amount       | Amount       | Amount       |
| Profit After Tax (as per Audited Financial Statements) | 41.03            | 39.77        | 18.10        | 21.52        | 15.51        |
| Reinstated Adjustments:                                |                  |              |              |              |              |
| Prior Period Expenses                                  | 6.45             | -3.23        | 1.59         | -4.82        | 0.00         |
| Preliminary Expenses Written off                       | -10.19           | -6.32        | 0.00         | 0.00         | 0.00         |
| <b>Profit After Tax as Reinstated</b>                  | <b>37.29</b>     | <b>30.23</b> | <b>19.69</b> | <b>16.69</b> | <b>15.51</b> |



Annexure -7

STATEMENT OF SHARE CAPITAL, AS RESTATED

Rs. in Lakhs except Share data

| Particulars                                     | As at 31 March |               |                |               |                |               |                |               |                |               |
|---|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|   | 2016           |               | 2015           |               | 2014           |               | 2013           |               | 2012           |               |
|   | Number         | Amount        | Number         | Amount        | Number         | Amount        | Number         | Amount        | Number         | Amount        |
| <b>Authorised Share Capital</b>                 |                |               |                |               |                |               |                |               |                |               |
| Equity Shares Of Rs 10 Each                     | 6500000        | 650.00        | 6500000        | 650.00        | 2000000        | 200.00        | 1750000        | 175.00        | 1750000        | 175.00        |
| <b>Total</b>                                    | <b>6500000</b> | <b>650.00</b> | <b>6500000</b> | <b>650.00</b> | <b>2000000</b> | <b>200.00</b> | <b>1750000</b> | <b>175.00</b> | <b>1750000</b> | <b>175.00</b> |
| <b>Issued Subscribed &amp; Fully Paid</b>       |                |               |                |               |                |               |                |               |                |               |
| Equity Shares Of Rs 10 Each                     | 3000200        | 300.02        | 3000200        | 300.02        | 1669000        | 166.90        | 1669000        | 166.90        | 1669000        | 166.90        |
| <b>Total</b>                                    | <b>3000200</b> | <b>300.02</b> | <b>3000200</b> | <b>300.02</b> | <b>1669000</b> | <b>166.90</b> | <b>1669000</b> | <b>166.90</b> | <b>1669000</b> | <b>166.90</b> |
| <b>Reconciliation Of Equity Share Capital</b>   |                |               |                |               |                |               |                |               |                |               |
| Balance At The Beginning Of The Year            | 3000200        | 300.02        | 1669000        | 166.90        | 1669000        | 166.90        | 1669000        | 166.90        | 1669000        | 166.90        |
| Add: Share Issued During The Year               | 0              | 0.00          | 1331200        | 133.12        | 0              | 0.00          | 0              | 0.00          | 0              | 0.00          |
| Balance At The End Of The Year                  | 3000200        | 300.02        | 3000200        | 300.02        | 1669000        | 166.90        | 1669000        | 166.90        | 1669000        | 166.90        |
| <b>Shareholders Holding More Than 5% Shares</b> | <b>Number</b>  | <b>%</b>      | <b>Number</b>  | <b>%</b>      | <b>Number</b>  | <b>%</b>      | <b>Number</b>  | <b>%</b>      | <b>Number</b>  | <b>%</b>      |
| Equity Shares of Rs 10 Each                     |                |               |                |               |                |               |                |               |                |               |
| BALRAM KUMAR NARULA                             | 153820         | 5.12          | 153820         | 5.12          | -              | -             | -              | -             | -              | -             |
| ANIL KUMAR NARULA                               | 304760         | 10.15         | 304760         | 10.15         | 83600          | 5.00          | 83600          | 5.00          | 83600          | 5.00          |
| RAKESH KUMAR NARULA                             | 234860         | 7.82          | 234860         | 7.82          | 83700          | 5.01          | 83700          | 5.01          | 83700          | 5.01          |
| KANCHAN NARULA                                  | 285160         | 9.50          | 285160         | 9.50          | 156000         | 9.34          | 156000         | 9.34          | 156000         | 9.34          |
| USHA NARULA                                     | 227480         | 7.58          | 227480         | 7.58          | 145000         | 8.68          | 145000         | 8.68          | 145000         | 8.68          |
| SANDHYA NARULA                                  | 253960         | 8.46          | 253960         | 8.46          | 226000         | 13.54         | 226000         | 13.54         | 226000         | 13.54         |
| JYOTI NARULA                                    | 182000         | 6.06          | 182000         | 6.06          | 141000         | 8.44          | 141000         | 8.44          | 141000         | 8.44          |



## Annexure - 8

### STATEMENT OF RESERVE & SURPLUS, AS RESTATED

Rs. in Lakhs

| Particulars  | As at 31st March |               |               |              |              |
|--|------------------|---------------|---------------|--------------|--------------|
|  | 2016             | 2015          | 2014          | 2013         | 2012         |
|  | Amount           | Amount        | Amount        | Amount       | Amount       |
| <b>Securities Premium Reserve</b>                    |                  |               |               |              |              |
| Balance At The Beginning Of The Year                 | 199.68           | 0.00          | 0.00          | 0.00         | 0.00         |
| Additions Made During The Year                       | 0.00             | 199.68        | 0.00          | 0.00         | 0.00         |
| <b>Balance At The End Of The Year</b>                | <b>199.68</b>    | <b>199.68</b> | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>  |
| <b>Surplus In The Statement Of Profit &amp; Loss</b> |                  |               |               |              |              |
| Balance At The Beginning Of The Year                 | 140.29           | 110.06        | 90.36         | 73.67        | 58.16        |
| Add: Profit For The Year                             | 37.29            | 30.23         | 19.69         | 16.69        | 15.51        |
| Less: Appropriation & Tax Adjustment                 | 0.00             | 0.00          | 0.00          | 0.00         | 0.00         |
| <b>Balance At The End Of The Year</b>                | <b>377.26</b>    | <b>339.97</b> | <b>110.06</b> | <b>90.36</b> | <b>73.67</b> |

## Annexure-9

### STATEMENT OF LONG TERM BORROWINGS, AS RESTATED

Rs. in Lakhs

| Particulars                               | As at 31st March |               |               |               |               |
|---|------------------|---------------|---------------|---------------|---------------|
|   | 2016             | 2015          | 2014          | 2013          | 2012          |
|   | Amount           | Amount        | Amount        | Amount        | Amount        |
| Term Loan From Bank And Other Institution |                  |               |               |               |               |
| Term Loan                                 | 0.00             | 44.08         | 52.13         | 25.46         | 41.65         |
| Vehicle Loan                              | 6.38             | 25.17         | 23.64         | 19.74         | 23.94         |
| FDR Loan                                  | 0.00             | 6.27          | 6.23          | 0.00          | 0.00          |
| Axis Bank                                 | 7.59             | 0.00          | 0.00          | 0.00          | 0.00          |
| Unsecured Loans From Related Parties      | 119.29           | 104.81        | 302.28        | 276.67        | 218.87        |
| Unsecured Loans From Others               | 26.59            | 25.18         | 24.70         | 24.12         | 23.69         |
| <b>Total</b>                              | <b>159.85</b>    | <b>205.50</b> | <b>408.99</b> | <b>345.98</b> | <b>308.15</b> |



**Details of Repayment, Rate of Interest and Security Details in respect of Term Loans as at 31.03.2015**

| Name of the Bank    | Repayment Schedule          | Rate of Interest | Security  |
|---------------------|-----------------------------|------------------|---|
| State Bank of India | Quarterly EMI of Rs 150000* | 14%              | First charge on Fixed Assets & Equitable Mortgage of 125/k/67C on Plot No-13, Block-K, Scheme No-1, Govind Nagar, Kanpur                  |
| State Bank of India | Monthly EMI of Rs 250000    | 12%              | Fist Charge on Fixed Assets and Equitable Mortgage on premises no.119/410-B(1) on Plot No.-3, Block-F, Scheme No-1, Darshan Purwa, Kanpur |
| State Bank of India | Monthly EMI of Rs 16311     | 11%              | Car   |
| State Bank of India | Monthly EMI of Rs 13918     | 10%              | Car   |
| Bank of Baroda      | Monthly EMI of Rs 8323      | 12%              | Car   |
| Bank of Baroda      | Monthly EMI of Rs 21868     | 11%              | Car   |
| State Bank of India | Monthly EMI of Rs 10809     | 11%              | Car   |

\* Term Loan of 1.50 Lacs was completely paid off in July 2015.

**Annexure-10**

**STATEMENT OF DEFFERD TAX LIABILITIES, AS RESTATED**

**Rs. in Lakhs**

| Particulars                    | As at 31st March |             |             |             |             |
|--------------------------------|------------------|-------------|-------------|-------------|-------------|
|                                | 2016             | 2015        | 2014        | 2013        | 2012        |
|                                | Amount           | Amount      | Amount      | Amount      | Amount      |
| Deferred Tax Liability/(Asset) | 0.00             | 2.74        | 5.58        | 6.22        | 6.90        |
| <b>Total</b>                   | <b>0.00</b>      | <b>2.74</b> | <b>5.58</b> | <b>6.22</b> | <b>6.90</b> |

**Annexure-11**

**STATEMENT OF SHORT TERM BORROWINGS AS RESTATED**

**Rs. in Lakhs**

| Particulars                       | As at 31st March |               |               |               |               |
|-----------------------------------|------------------|---------------|---------------|---------------|---------------|
|                                   | 2016             | 2015          | 2014          | 2013          | 2012          |
|                                   | Amount           | Amount        | Amount        | Amount        | Amount        |
| Loans From State Bank of India    | 0.00             | 765.40        | 810.50        | 1.23          | 0.00          |
| Loans From State Bank of India    | 0.00             | 7.05          | 0.00          | 0.00          | 7.71          |
| Loans From Bank of Baroda Tirupur | 0.00             | 0.00          | 0.54          | 0.00          | 0.00          |
| Loans From Bank of Baroda Kanpur  | 0.00             | 1.42          | 0.00          | 771.20        | 704.16        |
| State Bank of India SLC           | 0.00             | 0.00          | 0.00          | 0.00          | 0.00          |
| Axis Bank                         | 1021.90          | 0.00          | 0.00          | 0.00          | 0.00          |
| <b>Total</b>                      | <b>1021.90</b>   | <b>773.87</b> | <b>811.04</b> | <b>772.43</b> | <b>711.88</b> |



## Annexure-12

### STATEMENT OF TRADE PAYABLE AS RESTATED

Rs. in Lakhs

| Particulars            | As at 31st March |               |               |               |               |
|------------------------|------------------|---------------|---------------|---------------|---------------|
|                        | 2016             | 2015          | 2014          | 2013          | 2012          |
|                        | Amount           | Amount        | Amount        | Amount        | Amount        |
|                        |                  |               |               |               |               |
| Sundry Creditors       | 138.54           | 217.83        | 143.99        | 131.06        | 150.22        |
| Other Creditors        | 89.99            | 100.02        | 113.68        | 151.92        | 128.89        |
| Advance From Customers | 47.69            | 46.03         | 13.01         | 41.39         | 11.45         |
| <b>Total</b>           | <b>276.22</b>    | <b>363.88</b> | <b>270.67</b> | <b>324.37</b> | <b>290.55</b> |

Note: The above balances are subject to Confirmations

## Annexure-13

### STATEMENT OF OTHER CURRENT LIABILITIES

Rs. in Lakhs

| Particulars                 | As at 31st March |              |              |              |              |
|-----------------------------|------------------|--------------|--------------|--------------|--------------|
|                             | 2016             | 2015         | 2014         | 2013         | 2012         |
|                             | Amount           | Amount       | Amount       | Amount       | Amount       |
| Boiler Expenses Payable     | 0.00             | 0.00         | 0.06         | 0.00         | 0.00         |
| Salary Payable              | 2.14             | 2.00         | 3.69         | 3.17         | 0.80         |
| Wages Payable               | 0.79             | 1.06         | 0.87         | 0.97         | 0.94         |
| ESI Payable                 | 0.16             | 0.14         | 0.14         | 0.15         | 0.12         |
| Bonus Payable               | 2.82             | 1.22         | 1.16         | 1.13         | 1.09         |
| Power & Fuel Payable        | 1.02             | 0.81         | 0.81         | 1.65         | 0.37         |
| TDS Payable                 | 3.94             | 5.71         | 5.22         | 4.80         | 4.39         |
| Telephone Charges Payable   | 0.28             | 0.35         | 0.39         | 0.39         | 0.26         |
| Electricity Expense Payable | 0.45             | 0.20         | 0.32         | 0.27         | 0.26         |
| EPF Payable                 | 0.60             | 0.67         | 0.62         | 0.54         | 0.44         |
| Vat Payable                 | 4.96             | 3.54         | 5.38         | 4.39         | 4.40         |
| Stipend Payable             | 0.35             | 0.32         | 0.34         | 0.27         | 0.30         |
| Rent Payable                | 0.53             | 0.39         | 0.38         | 0.22         | 0.49         |
| Service Payable             | 0.00             | 0.00         | 0.00         | 0.14         | 0.00         |
| Dehradun Vat                | 0.37             | 0.56         | 0.34         | 0.00         | 0.00         |
| CST Payable                 | 0.00             | 0.02         | 0.01         | 0.00         | 0.00         |
| Income Tax Payable          | 0.00             | 0.00         | 0.00         | 0.00         | 0.00         |
| Wealth Tax Payable          | 0.00             | 0.00         | 0.26         | 0.00         | 0.00         |
| Delhi Vat                   | 0.14             | 0.00         | 0.00         | 0.00         | 0.00         |
| Commission Payable          | 0.00             | 0.00         | 0.00         | 0.00         | 0.00         |
| Interest Payable            | 0.94             | 0.45         | 0.18         | 0.24         | 0.36         |
| <b>Total</b>                | <b>19.48</b>     | <b>17.45</b> | <b>20.17</b> | <b>18.36</b> | <b>14.21</b> |



**Annexure-14**

**STATEMENT OF SHORT TERM PROVISION AS RESTATED**

**Rs. in Lakhs**

| Particulars  | As at 31st March |              |              |             |             |
|--------------|------------------|--------------|--------------|-------------|-------------|
|              | 2016             | 2015         | 2014         | 2013        | 2012        |
|              | Amount           | Amount       | Amount       | Amount      | Amount      |
|              |                  |              |              |             |             |
| Current Tax  | 26.49            | 21.90        | 10.09        | 9.51        | 4.90        |
|              |                  |              |              |             |             |
| <b>Total</b> | <b>26.49</b>     | <b>21.90</b> | <b>10.09</b> | <b>9.51</b> | <b>4.90</b> |





**Annexure-15**

**STATEMENT OF FIXED ASSET AS RESTATED 2015-2016**

**Rs. in Lakhs**

| Particulars          | Gross         |              |              |               | Depreciation  |                   |             |                   |               | Impairment  |                   |             |             | Net           |               |
|----------------------|---------------|--------------|--------------|---------------|---------------|-------------------|-------------|-------------------|---------------|-------------|-------------------|-------------|-------------|---------------|---------------|
|                      | Opening       | Addition     | Deduction    | Closing       | Opening       | During The Period | Deduction   | Other Adjustments | Closing       | Opening     | During The period | Reversal    | Closing     | Closing       | Opening       |
|                      |               |              |              |               |               |                   |             |                   |               |             |                   |             |             |               |               |
| Building             | 13.91         | 0.00         | 0.00         | 13.91         | 7.15          | 0.44              | 0.00        | 0.00              | 7.59          | 0.00        | 0.00              | 0.00        | 0.00        | 6.32          | 6.77          |
| Plant & Machinery    | 289.20        | 5.97         | 8.37         | 286.80        | 128.50        | 18.26             | 4.66        | 0.00              | 142.10        | 0.00        | 0.00              | 0.00        | 0.00        | 144.70        | 160.70        |
| Computer Equipment   | 45.63         | 1.76         | 0.00         | 47.39         | 43.99         | 3.19              | 0.00        | 0.00              | 47.18         | 0.00        | 0.00              | 0.00        | 0.00        | 0.21          | 1.64          |
| Vehicle              | 167.81        | 7.88         | 4.14         | 171.55        | 99.52         | 25.42             | 4.06        | 0.00              | 120.88        | 0.00        | 0.00              | 0.00        | 0.00        | 50.67         | 68.29         |
| Other Equipment      | 37.99         | 4.18         | 0.00         | 42.16         | 23.28         | 6.72              | 0.00        | 0.00              | 30.00         | 0.00        | 0.00              | 0.00        | 0.00        | 12.16         | 14.71         |
| Furniture & Fixtures | 16.35         | 0.29         | 0.00         | 16.64         | 12.75         | 1.57              | 0.00        | 0.00              | 14.33         | 0.00        | 0.00              | 0.00        | 0.00        | 2.31          | 3.60          |
| <b>Total</b>         | <b>570.89</b> | <b>20.08</b> | <b>12.51</b> | <b>578.46</b> | <b>315.20</b> | <b>55.60</b>      | <b>8.72</b> | <b>0.00</b>       | <b>362.09</b> | <b>0.00</b> | <b>0.00</b>       | <b>0.00</b> | <b>0.00</b> | <b>216.37</b> | <b>255.69</b> |



**STATEMENT OF FIXED ASSET AS RESTATED 2014-2015**

**Rs. in Lakhs**

| Particulars          | Gross         |              |             |               | Depreciation  |                   |             |                   |               | Impairment  |                   |             |             | Net           |               |
|----------------------|---------------|--------------|-------------|---------------|---------------|-------------------|-------------|-------------------|---------------|-------------|-------------------|-------------|-------------|---------------|---------------|
|                      | Opening       | Addition     | Deduction   | Closing       | Opening       | During The Period | Deduction   | Other Adjustments | Closing       | Opening     | During The period | Reversal    | Closing     | Closing       | Opening       |
|                      |               |              |             |               |               |                   |             |                   |               |             |                   |             |             |               |               |
| Building             | 13.91         | 0.00         | 0.00        | 13.91         | 6.71          | 0.44              | 0.00        | 0.00              | 7.15          | 0.00        | 0.00              | 0.00        | 0.00        | 6.77          | 0.72          |
| Plant & Machinery    | 271.12        | 18.08        | 0.00        | 289.20        | 110.60        | 17.90             | 0.00        | 0.00              | 128.50        | 0.00        | 0.00              | 0.00        | 0.00        | 160.70        | 160.52        |
| Computer Equipment   | 43.23         | 2.40         | 0.00        | 45.63         | 37.00         | 6.99              | 0.00        | 0.00              | 43.99         | 0.00        | 0.00              | 0.00        | 0.00        | 1.64          | 6.22          |
| Vehicle              | 140.59        | 27.22        | 0.00        | 167.81        | 76.60         | 22.92             | 0.00        | 0.00              | 99.52         | 0.00        | 0.00              | 0.00        | 0.00        | 68.29         | 63.99         |
| Other Equipment      | 33.95         | 4.03         | 0.00        | 37.99         | 16.78         | 6.50              | 0.00        | 0.00              | 23.28         | 0.00        | 0.00              | 0.00        | 0.00        | 14.71         | 17.17         |
| Furniture & Fixtures | 15.49         | 0.87         | 0.00        | 16.35         | 11.23         | 1.53              | 0.00        | 0.00              | 12.75         | 0.00        | 0.00              | 0.00        | 0.00        | 3.60          | 4.26          |
| <b>Total</b>         | <b>518.29</b> | <b>52.59</b> | <b>0.00</b> | <b>570.89</b> | <b>258.92</b> | <b>56.28</b>      | <b>0.00</b> | <b>0.00</b>       | <b>315.20</b> | <b>0.00</b> | <b>0.00</b>       | <b>0.00</b> | <b>0.00</b> | <b>255.69</b> | <b>259.37</b> |



**STATEMENT OF FIXED ASSET AS RESTATED 2013-14**

**Rs. in Lakhs**

| Particulars          | Gross         |              |             |               | Depreciation  |                   |             |                   |               | Impairment  |                   |             |             | Net           |               |
|----------------------|---------------|--------------|-------------|---------------|---------------|-------------------|-------------|-------------------|---------------|-------------|-------------------|-------------|-------------|---------------|---------------|
|                      | Opening       | Addition     | Deduction   | Closing       | Opening       | During The Period | Deduction   | Other Adjustments | Closing       | Opening     | During The period | Reversal    | Closing     | Closing       | Opening       |
|                      |               |              |             |               |               |                   |             |                   |               |             |                   |             |             |               |               |
| Building             | 13.91         | 0.00         | 0.00        | 13.91         | 5.91          | 0.80              | 0.00        | 0.00              | 6.71          | 0.00        | 0.00              | 0.00        | 0.00        | 7.21          | 8.01          |
| Plant & Machinery    | 235.30        | 41.89        | 6.07        | 271.12        | 90.73         | 19.87             | 0.00        | 0.00              | 110.60        | 0.00        | 0.00              | 0.00        | 0.00        | 160.52        | 144.57        |
| Computer Equipment   | 41.82         | 1.41         | 0.00        | 43.23         | 33.34         | 3.66              | 0.00        | 0.00              | 37.00         | 0.00        | 0.00              | 0.00        | 0.00        | 6.22          | 8.47          |
| Vehicle              | 110.15        | 30.44        | 0.00        | 140.59        | 58.60         | 18.00             | 0.00        | 0.00              | 76.60         | 0.00        | 0.00              | 0.00        | 0.00        | 63.99         | 51.56         |
| Other Equipment      | 29.36         | 4.59         | 0.00        | 33.95         | 14.26         | 2.52              | 0.00        | 0.00              | 16.78         | 0.00        | 0.00              | 0.00        | 0.00        | 17.17         | 15.10         |
| Furniture & Fixtures | 14.40         | 1.08         | 0.00        | 15.49         | 10.41         | 0.82              | 0.00        | 0.00              | 11.23         | 0.00        | 0.00              | 0.00        | 0.00        | 4.26          | 4.00          |
| <b>Total</b>         | <b>444.95</b> | <b>79.41</b> | <b>6.07</b> | <b>518.29</b> | <b>213.24</b> | <b>45.68</b>      | <b>0.00</b> | <b>0.00</b>       | <b>258.92</b> | <b>0.00</b> | <b>0.00</b>       | <b>0.00</b> | <b>0.00</b> | <b>259.37</b> | <b>231.71</b> |



**STATEMENT OF FIXED ASSET AS RESTATED 2012-2013**

**Rs. in Lakhs**

| Particulars          | Gross         |             |           |               | Depreciation  |                   |           |                   |               | Impairment |                   |          |          | Net        |            |
|----------------------|---------------|-------------|-----------|---------------|---------------|-------------------|-----------|-------------------|---------------|------------|-------------------|----------|----------|------------|------------|
|                      | Opening       | Addition    | Deduction | Closing       | Opening       | During The Period | Deduction | Other Adjustments | Closing       | Opening    | During The period | Reversal | Closing  | Closing    | Opening    |
|                      |               |             |           |               |               |                   |           |                   |               |            |                   |          |          |            |            |
| Building             | 13.91         | 0           | 0         | 13.91         | 5.02          | 0.89              | 0         | 0                 | 5.91          | 0          | 0                 | 0        | 0        | 8          | 8.9        |
| Plant & Machinery    | 214.04        | 21.26       | 0         | 235.3         | 68.12         | 22.61             | 0         | 0                 | 90.73         | 0          | 0                 | 0        | 0        | 145        | 145.92     |
| Computer Equipment   | 39.29         | 2.53        | 0         | 41.82         | 28.58         | 4.76              | 0         | 0                 | 33.34         | 0          | 0                 | 0        | 0        | 8          | 10.71      |
| Vehicle              | 96.65         | 13.5        | 0         | 110.15        | 44.07         | 14.52             | 0         | 0                 | 58.6          | 0          | 0                 | 0        | 0        | 52         | 52.58      |
| Other Equipment      | 26.56         | 2.81        | 0         | 29.36         | 12            | 2.27              | 0         | 0                 | 14.26         | 0          | 0                 | 0        | 0        | 15         | 15         |
| Furniture & Fixtures | 14.3          | 0.11        | 0         | 14.4          | 9.48          | 0.93              | 0         | 0                 | 10.41         | 0          | 0                 | 0        | 0        | 4          | 4.82       |
| <b>Total</b>         | <b>404.75</b> | <b>40.2</b> | <b>0</b>  | <b>444.95</b> | <b>167.27</b> | <b>45.97</b>      | <b>0</b>  | <b>0</b>          | <b>213.24</b> | <b>0</b>   | <b>0</b>          | <b>0</b> | <b>0</b> | <b>232</b> | <b>237</b> |



**STATEMENT OF FIXED ASSET AS RESTATED 2011-2012**

**Rs. in Lakhs**

| Particulars          | Gross         |               |             |               | Depreciation  |                   |             |                   |               | Impairment  |                   |             |             | Net           |               |
|----------------------|---------------|---------------|-------------|---------------|---------------|-------------------|-------------|-------------------|---------------|-------------|-------------------|-------------|-------------|---------------|---------------|
|                      | Opening       | Addition      | Deduction   | Closing       | Opening       | During The Period | Deduction   | Other Adjustments | Closing       | Opening     | During The period | Reversal    | Closing     | Closing       | Opening       |
|                      |               |               |             |               |               |                   |             |                   |               |             |                   |             |             |               |               |
| Building             | 13.91         | 0.00          | 0.00        | 13.91         | 4.03          | 0.99              | 0.00        | 0.00              | 5.02          | 0.00        | 0.00              | 0.00        | 0.00        | 8.90          | 9.89          |
| Plant & Machinery    | 147.72        | 66.32         | 0.00        | 214.04        | 51.38         | 16.74             | 0.00        | 0.00              | 68.12         | 0.00        | 0.00              | 0.00        | 0.00        | 145.92        | 96.34         |
| Computer Equipment   | 36.03         | 3.26          | 0.00        | 39.29         | 22.24         | 6.35              | 0.00        | 0.00              | 28.58         | 0.00        | 0.00              | 0.00        | 0.00        | 10.71         | 13.79         |
| Vehicle              | 69.38         | 30.84         | 3.57        | 96.65         | 33.35         | 13.48             | 0.00        | -2.75             | 44.07         | 0.00        | 0.00              | 0.00        | 0.00        | 52.58         | 36.03         |
| Other Equipment      | 22.87         | 3.69          | 0.00        | 26.56         | 9.88          | 2.11              | 0.00        | 0.00              | 12.00         | 0.00        | 0.00              | 0.00        | 0.00        | 14.56         | 12.98         |
| Furniture & Fixtures | 13.30         | 1.00          | 0.00        | 14.30         | 8.57          | 0.91              | 0.00        | 0.00              | 9.48          | 0.00        | 0.00              | 0.00        | 0.00        | 4.82          | 4.73          |
| <b>Total</b>         | <b>303.21</b> | <b>105.11</b> | <b>3.57</b> | <b>404.75</b> | <b>129.45</b> | <b>40.57</b>      | <b>0.00</b> | <b>-2.75</b>      | <b>167.27</b> | <b>0.00</b> | <b>0.00</b>       | <b>0.00</b> | <b>0.00</b> | <b>237.48</b> | <b>173.76</b> |



#### Annexure-16

#### STATEMENT OF NON CURRENT INVESTMENTS, AS RESTATED

Rs. in Lakhs

| Particulars                          | As at 31st March |             |             |          |          |
|--------------------------------------|------------------|-------------|-------------|----------|----------|
|                                      | 2016             | 2015        | 2014        | 2013     | 2012     |
|                                      | Amount           | Amount      | Amount      | Amount   | Amount   |
|                                      |                  |             |             |          |          |
| Shares With Jet Knit Indclus Pvt Ltd | 0.45             | 0.45        | 0.45        | 0        | 0        |
| <b>Total</b>                         | <b>0.45</b>      | <b>0.45</b> | <b>0.45</b> | <b>0</b> | <b>0</b> |

#### Annexure-17

#### STATEMENT OF DEFFERED TAX ASSET, AS RESTATED

Rs. in Lakhs

| Particulars        | As at 31st March |             |             |             |             |
|--------------------|------------------|-------------|-------------|-------------|-------------|
|                    | 2016             | 2015        | 2014        | 2013        | 2012        |
|                    | Amount           | Amount      | Amount      | Amount      | Amount      |
|                    |                  |             |             |             |             |
| Deferred Tax Asset | 2.45             | 0.00        | 0.00        | 0.00        | 0.00        |
| <b>Total</b>       | <b>2.45</b>      | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> |

#### Annexure-18

#### STATEMENT OF CURRENT INVESTMENTS, AS RESTATED

Rs. in Lakhs

| Particulars  | As at 31st March |             |             |             |             |
|--------------|------------------|-------------|-------------|-------------|-------------|
|              | 2016             | 2015        | 2014        | 2013        | 2012        |
|              | Amount           | Amount      | Amount      | Amount      | Amount      |
|              |                  |             |             |             |             |
| FDR With SBI | 0.00             | 7.04        | 6.49        | 0.00        | 0.00        |
| <b>Total</b> | <b>0.00</b>      | <b>7.04</b> | <b>6.49</b> | <b>0.00</b> | <b>0.00</b> |

#### Annexure-19

#### STATEMENT OF INVENTORIES AS RESTATED

Rs. in Lakhs

| Particulars      | As at 31st March |        |        |        |        |
|------------------|------------------|--------|--------|--------|--------|
|                  | 2016             | 2015   | 2014   | 2013   | 2012   |
|                  | Amount           | Amount | Amount | Amount | Amount |
|                  |                  |        |        |        |        |
| Raw Material     | 21.70            | 20.93  | 16.23  | 19.38  | 27.85  |
| Work In Progress | 198.90           | 213.57 | 144.38 | 176.31 | 305.97 |
| Finished Goods   | 370.92           | 518.76 | 437.29 | 611.80 | 455.67 |



|                 |               |               |               |               |               |
|-----------------|---------------|---------------|---------------|---------------|---------------|
| Stores & Spares | 0.00          | 0.97          | 0.00          | 0.00          | 0.00          |
| <b>Total</b>    | <b>591.51</b> | <b>754.23</b> | <b>597.90</b> | <b>807.48</b> | <b>789.49</b> |

#### Annexure-20

#### STATEMENT OF TRADE RECEIVABLES, AS RESTATED

Rs. in Lakhs

| Particulars                    | As at 31st March |               |               |               |               |
|--------------------------------|------------------|---------------|---------------|---------------|---------------|
|                                | 2016             | 2015          | 2014          | 2013          | 2012          |
|                                | Amount           | Amount        | Amount        | Amount        | Amount        |
|                                |                  |               |               |               |               |
| <b>SECURED CONSIDERED GOOD</b> |                  |               |               |               |               |
| <b>Within Six Months</b>       |                  |               |               |               |               |
| Sundry Debtors                 | 981.15           | 822.18        | 705.21        | 522.13        | 408.64        |
|                                |                  |               |               |               |               |
| <b>Exceeding Six Months</b>    |                  |               |               |               |               |
| Sundry Debtors                 | 9.10             | 15.93         | 18.21         | 18.19         | 17.90         |
| <b>Total</b>                   | <b>990.25</b>    | <b>838.11</b> | <b>723.42</b> | <b>540.32</b> | <b>426.54</b> |

**Note:** The above balances are subject to Confirmations

#### Annexure-21

#### STATEMENT OF CASH & BANK BALANCES, AS RESTATED

Rs. in Lakhs

| Particulars     | As at 31st March |              |               |              |              |
|-----------------|------------------|--------------|---------------|--------------|--------------|
|                 | 2016             | 2015         | 2014          | 2013         | 2012         |
|                 | Amount           | Amount       | Amount        | Amount       | Amount       |
|                 |                  |              |               |              |              |
| Cash In Hand    | 112.35           | 48.79        | 98.17         | 38.60        | 23.38        |
|                 |                  |              |               |              |              |
| Current Account | 136.98           | 12.50        | 13.63         | 3.25         | 6.52         |
| <b>Total</b>    | <b>249.33</b>    | <b>61.29</b> | <b>111.80</b> | <b>41.85</b> | <b>29.89</b> |

#### Annexure-22

#### STATEMENT OF SHORT TERM LOANS & ADVANCES

Rs. in Lakhs

| Particulars               | As at 31st March |        |        |        |        |
|---------------------------|------------------|--------|--------|--------|--------|
|                           | 2016             | 2015   | 2014   | 2013   | 2012   |
|                           | Amount           | Amount | Amount | Amount | Amount |
|                           |                  |        |        |        |        |
| Security Deposit          | 13.88            | 14.75  | 15.30  | 11.54  | 10.79  |
| Duty Draw Back Receivable | 0.00             | 0.00   | 0.00   | 0.00   | 0.00   |



|                              |               |               |               |               |              |
|------------------------------|---------------|---------------|---------------|---------------|--------------|
| Loans & Advances to Others   | 0.00          | 0.00          | 0.00          | 0.00          | 0.00         |
| Prepaid Expenses             | 4.68          | 3.58          | 3.63          | 2.81          | 1.32         |
| Staff Advance                | 11.01         | 7.16          | 4.00          | 2.12          | 0.00         |
| Suppliers & Others           | 74.76         | 68.81         | 60.71         | 82.37         | 55.90        |
| TDS on SBI                   | 0.04          | 0.06          | 0.05          | 0.00          | 0.00         |
| Income Tax Advance           | 25.70         | 12.45         | 9.20          | 6.15          | 3.80         |
| Input Vat                    | 0.78          | 1.72          | 11.19         | 7.79          | 21.38        |
| PLA                          | 0.00          | 0.00          | 0.00          | 0.00          | 0.32         |
| Excise Duty on Capital Goods | 0.00          | 0.00          | 0.00          | 0.00          | 0.24         |
| <b>Total</b>                 | <b>130.84</b> | <b>108.52</b> | <b>104.08</b> | <b>112.79</b> | <b>93.75</b> |

### Annexure-23

#### STATEMENT OF REVENUE FROM OPERATIONS

Rs. in Lakhs

| Particulars               | For The Year Ended as on 31st March |                |                |                |                |
|---------------------------|-------------------------------------|----------------|----------------|----------------|----------------|
|                           | 2016                                | 2015           | 2014           | 2013           | 2012           |
|                           | Amount                              | Amount         | Amount         | Amount         | Amount         |
|                           |                                     |                |                |                |                |
| <b>Manufactured Goods</b> |                                     |                |                |                |                |
| Delhi Depot Sale          | 20.08                               | 40.06          | 36.91          | 28.39          | 32.93          |
| Export Sale               | 0.00                                | 0.00           | 19.57          | 16.89          | 28.52          |
| Sale                      | 3784.15                             | 3642.60        | 3778.84        | 3701.08        | 3061.94        |
| Tirpur Sale               | 3.08                                | 1.40           | 1.18           | 0.58           | 0.43           |
| Dehradun Depot Sale       | 47.63                               | 47.77          | 12.44          | 0.00           | 0.00           |
| Excise Duty Collected     | 0.00                                | 0.00           | 0.00           | -195.67        | -223.42        |
| <b>Total</b>              | <b>3854.94</b>                      | <b>3731.83</b> | <b>3848.95</b> | <b>3551.27</b> | <b>2900.40</b> |

### Annexure-24

#### STATEMENT OF OTHER INCOME AS RESTATED

Rs. in Lakhs

| Particulars                | For The Year Ended as on 31st March |        |        |        |        |
|----------------------------|-------------------------------------|--------|--------|--------|--------|
|                            | 2016                                | 2015   | 2014   | 2013   | 2012   |
|                            | Amount                              | Amount | Amount | Amount | Amount |
|                            |                                     |        |        |        |        |
| SBI Interest               | 0.31                                | 0.62   | 0.46   | 0.00   | 0.00   |
| Duty Drawback              | 0.00                                | 0.00   | 1.52   | 1.17   | 2.02   |
| Profit on Car Sale         | 0.00                                | 0.00   | 0.00   | 0.00   | 0.00   |
| Round Off                  | 0.03                                | 0.01   | 0.03   | 0.01   | 0.00   |
| Other Income               | 0.25                                | 0.15   | 0.16   | 0.01   | 0.00   |
| Dollar Rate Difference     | 0.00                                | 0.00   | 0.14   | 1.02   | 1.01   |
| Labour & Packaging Charges | 0.00                                | 0.00   | 0.00   | 0.00   | 0.00   |
| Bar Code Claim             | 0.00                                | 0.00   | 0.00   | 0.00   | 0.05   |





|                                  |             |             |             |              |             |
|----------------------------------|-------------|-------------|-------------|--------------|-------------|
| Insurance Claim Of Lucknow Depot | 0.00        | 0.00        | 0.00        | 8.47         | 0.00        |
| Interest                         | 1.13        | 0.00        | 0.00        | 0.00         | 0.00        |
| Bank Commission                  | 0.00        | 0.00        | 0.00        | 0.00         | 0.00        |
| <b>Total</b>                     | <b>1.72</b> | <b>0.77</b> | <b>2.30</b> | <b>10.68</b> | <b>3.08</b> |

#### Annexure-25

#### STATEMENT OF RAW MATERIAL CONSUMED

Rs. in Lakhs

| Particulars    | For The Year Ended as on 31st March |                |                |                |                |
|----------------|-------------------------------------|----------------|----------------|----------------|----------------|
|                | 2016                                | 2015           | 2014           | 2013           | 2012           |
|                | Amount                              | Amount         | Amount         | Amount         | Amount         |
| Opening        | 20.93                               | 16.23          | 19.38          | 27.85          | 22.73          |
| Add: Purchases | 2386.13                             | 2588.85        | 2412.90        | 2419.47        | 2096.80        |
| Less: Closing  | 21.70                               | 20.93          | 16.23          | 19.38          | 27.85          |
| <b>Total</b>   | <b>2385.36</b>                      | <b>2584.15</b> | <b>2416.04</b> | <b>2427.94</b> | <b>2091.69</b> |

#### Annexure-26

#### STATEMENT OF INVENTORY OF FINISHED GOODS, WIP AND STOCK IN TRADE

Rs. in Lakhs

| Particulars              | For The Year Ended as on 31st March |                |               |               |                |
|--------------------------|-------------------------------------|----------------|---------------|---------------|----------------|
|                          | 2016                                | 2015           | 2014          | 2013          | 2012           |
|                          | Amount                              | Amount         | Amount        | Amount        | Amount         |
| <b>Opening</b>           |                                     |                |               |               |                |
| Finished Goods           | 518.76                              | 437.29         | 611.80        | 455.67        | 272.51         |
| WIP                      | 213.57                              | 144.38         | 176.31        | 305.97        | 202.97         |
| <b>Closing</b>           |                                     |                |               |               |                |
| Finished Goods           | 370.92                              | 518.76         | 437.29        | 611.80        | 455.67         |
| WIP                      | 198.90                              | 213.57         | 144.38        | 176.31        | 305.97         |
| <b>Increase/Decrease</b> |                                     |                |               |               |                |
| Finished Goods           | 147.85                              | -81.47         | 174.51        | -156.12       | -183.16        |
| WIP                      | 14.67                               | -69.19         | 31.94         | 129.65        | -102.99        |
| <b>Total</b>             | <b>162.52</b>                       | <b>-150.67</b> | <b>206.44</b> | <b>-26.47</b> | <b>-286.15</b> |



#### Annexure-27

#### STATEMENT OF EMPLOYEE BENEFIT EXPENSE

Rs. in Lakhs

| Particulars   | For The Year Ended as on 31st March |              |              |              |              |
|---------------|-------------------------------------|--------------|--------------|--------------|--------------|
|               | 2016                                | 2015         | 2014         | 2013         | 2012         |
|               | Amount                              | Amount       | Amount       | Amount       | Amount       |
| Salary        | 54.25                               | 20.86        | 15.46        | 13.86        | 9.76         |
| Bonus         | 2.82                                | 1.22         | 1.16         | 1.13         | 1.09         |
| P.F           | 3.91                                | 4.26         | 3.56         | 3.36         | 2.77         |
| E.S.I         | 1.42                                | 1.23         | 1.14         | 1.30         | 1.01         |
| Staff Welfare | 5.89                                | 5.34         | 4.61         | 2.79         | 2.91         |
| <b>Total</b>  | <b>68.29</b>                        | <b>32.91</b> | <b>25.93</b> | <b>22.44</b> | <b>17.53</b> |

#### Annexure-28

#### STATEMENT OF FINANCE COST, AS RESTATED

Rs. in Lakhs

| Particulars                         | For The Year Ended as on 31st March |               |               |               |               |
|-------------------------------------|-------------------------------------|---------------|---------------|---------------|---------------|
|                                     | 2016                                | 2015          | 2014          | 2013          | 2012          |
|                                     | Amount                              | Amount        | Amount        | Amount        | Amount        |
| Interest On Cash Credit & Term Loan | 106.11                              | 99.31         | 94.29         | 95.84         | 89.47         |
| Other Interest                      | 10.04                               | 31.91         | 29.26         | 31.31         | 28.06         |
| Bank Charges                        | 6.75                                | 1.95          | 5.74          | 1.55          | 2.63          |
| <b>Total</b>                        | <b>122.90</b>                       | <b>133.17</b> | <b>129.29</b> | <b>128.70</b> | <b>120.16</b> |

#### Annexure-29

#### STATEMENT OF DEPRECIATION & AMORTIZATION EXPENSE AS RESTATED

Rs. in Lakhs

| Particulars                     | For The Year Ended as on 31st March |              |              |              |              |
|---------------------------------|-------------------------------------|--------------|--------------|--------------|--------------|
|                                 | 2016                                | 2015         | 2014         | 2013         | 2012         |
|                                 | Amount                              | Amount       | Amount       | Amount       | Amount       |
| Depreciation on Tangible Assets | 55.60                               | 56.28        | 45.68        | 45.97        | 40.57        |
| <b>Total</b>                    | <b>55.60</b>                        | <b>56.28</b> | <b>45.68</b> | <b>45.97</b> | <b>40.57</b> |



**Annexure-30**

**STATEMENT OF OTHER EXPENSE AS RESTATED**

**Rs. in Lakhs**

| Particulars                | For The Year Ended as on 31st March |        |        |        |        |
|----------------------------|-------------------------------------|--------|--------|--------|--------|
|                            | 2016                                | 2015   | 2014   | 2013   | 2012   |
|                            | Amount                              | Amount | Amount | Amount | Amount |
|                            |                                     |        |        |        |        |
| Power & Fuel               | 18.03                               | 14.85  | 15.98  | 12.96  | 8.53   |
| Repair & Maintenance       | 2.53                                | 4.95   | 1.77   | 3.34   | 3.73   |
| Freight                    | 36.95                               | 40.84  | 31.23  | 29.87  | 33.13  |
| Wages                      | 10.86                               | 13.92  | 12.75  | 0.00   | 0.00   |
| Manufacturing Expenses     | 511.18                              | 551.38 | 526.51 | 537.63 | 533.58 |
| Postage & Telegram         | 1.45                                | 1.53   | 1.13   | 1.30   | 1.19   |
| Telephone                  | 9.41                                | 8.28   | 6.91   | 7.85   | 8.56   |
| Stationery                 | 5.20                                | 4.84   | 4.72   | 3.91   | 4.90   |
| Rent                       | 23.30                               | 27.92  | 17.76  | 13.85  | 10.77  |
| Rates & Taxes              | 3.38                                | 2.07   | 1.06   | 1.22   | 3.61   |
| Audit Fees                 | 0.25                                | 0.25   | 0.18   | 0.18   | 0.18   |
| Directors Remuneration     | 16.20                               | 34.56  | 34.56  | 34.56  | 26.07  |
| Electric Expenses          | 13.22                               | 9.42   | 9.95   | 7.88   | 7.30   |
| Travelling Expenses        | 11.39                               | 12.60  | 9.60   | 14.29  | 9.33   |
| Legal Expenses             | 2.05                                | 1.51   | 0.23   | 0.80   | 0.81   |
| Insurance Expenses         | 4.37                                | 4.83   | 3.77   | 3.11   | 2.64   |
| Car & Scooter Expenses     | 22.55                               | 20.76  | 20.38  | 16.08  | 15.40  |
| Membership Fees            | 0.86                                | 0.30   | 0.48   | 0.67   | 0.61   |
| Delivery Van Expense       | 29.45                               | 34.52  | 31.38  | 30.18  | 23.94  |
| Factory Maintenance        | 1.29                                | 0.78   | 0.74   | 0.25   | 0.46   |
| Freight & Cartage Outward  | 13.62                               | 14.96  | 13.69  | 12.90  | 12.24  |
| I.S.O Expense              | 0.08                                | 0.76   | 0.14   | 0.07   | 0.04   |
| R&D Expense                | 0.33                                | 0.22   | 0.38   | 0.13   | 0.30   |
| Other Repair & Maintenance | 6.31                                | 6.47   | 3.37   | 2.06   | 0.98   |
| Stipend                    | 4.01                                | 3.74   | 3.48   | 3.41   | 1.23   |
| Output Vat                 | 0.03                                | 0.44   | 0.27   | 0.11   | 0.11   |
| Service Tax                | 1.37                                | 1.33   | 1.65   | 0.23   | 0.00   |
| Commission                 | 29.69                               | 9.47   | 14.28  | 10.83  | 15.56  |
| Computer Expenses          | 3.17                                | 3.64   | 4.88   | 3.23   | 2.70   |
| Discount & Brokerage       | 60.11                               | 54.03  | 85.53  | 76.12  | 72.80  |
| Fair & Exhibition Expenses | 0.90                                | 0.40   | 1.42   | 2.56   | 0.91   |
| Miscellaneous Expenses     | 72.34                               | 60.10  | 55.72  | 45.29  | 44.95  |
| Advertisement Expenses     | 51.77                               | 51.06  | 61.79  | 49.48  | 43.71  |
| Brand Promotion            | 23.39                               | 0.41   | 0.93   | 0.32   | 1.03   |
| Sales Promotion            | 0.33                                | 23.32  | 18.72  | 11.18  | 5.92   |
| Donation                   | 0.00                                | 0.00   | 0.00   | 0.00   | 0.00   |



|                                  |                |                |               |               |               |
|----------------------------------|----------------|----------------|---------------|---------------|---------------|
| Excise Duty                      | 0.00           | 0.00           | 0.48          | 0.00          | 0.00          |
| Preliminary Expenses Written Off | 12.03          | 7.02           | 0.00          | 0.00          | 0.00          |
| Loss On Sale Of Car              | 0.00           | 0.00           | 0.00          | 0.00          | 0.27          |
| Tax Deducted at Source           | 0.00           | 0.00           | 0.63          | 0.00          | 0.00          |
| Trade Tax                        | 0.00           | 0.00           | 0.00          | 0.00          | 0.00          |
| <b>Total</b>                     | <b>1003.40</b> | <b>1027.46</b> | <b>998.47</b> | <b>937.84</b> | <b>897.50</b> |

#### Annexure-31

#### STATEMENT OF TAX EXPENSE

Rs. in Lakhs

| Particulars              | For The Year Ended as on 31st March |              |             |             |             |
|--------------------------|-------------------------------------|--------------|-------------|-------------|-------------|
|                          | 2016                                | 2015         | 2014        | 2013        | 2012        |
|                          | Amount                              | Amount       | Amount      | Amount      | Amount      |
|                          |                                     |              |             |             |             |
| Current Tax              | 26.49                               | 21.90        | 10.09       | 9.51        | 4.90        |
| Deferred Tax Written Off | -5.20                               | -2.84        | -0.64       | -0.67       | 1.76        |
| <b>Total</b>             | <b>21.29</b>                        | <b>19.06</b> | <b>9.45</b> | <b>8.84</b> | <b>6.66</b> |

#### Annexure-32

#### CAPITALISATION STATEMENT

Rs. in Lakhs

| Particulars  | Pre Issue      | Post Issue      |
|--|----------------|-----------------|
|  |                |                 |
| <b>Borrowings</b>  |                |                 |
| Short Term   | 1021.90        | 1021.90         |
| Long Term (A)  | 159.85         | 159.85          |
| <b>Total Debt (B)</b>  | <b>1181.74</b> | <b>1181.74</b>  |
|  |                |                 |
| <b>Shareholders' Funds</b>   |                |                 |
| Share Capital  | 300.02         | 408.32          |
| Reserves & Surplus   | 377.26         | 691.33          |
| Less: Revaluation Reserve  | 0              | 0               |
| Less Miscellaneous Expenditure (to the extent not written off or adjusted) | 0              | 0               |
| <b>Total Shareholders' Funds (C)</b>                                       | <b>677.28</b>  | <b>1,099.65</b> |
|  |                |                 |
| <b>Long Term Borrowings/Equity Ratio (A/C)</b>                             | <b>0.24</b>    | <b>0.14</b>     |
| <b>Debt/Equity Ratio (B/C)</b>   | <b>1.74</b>    | <b>1.07</b>     |



### Annexure-33

#### STATEMENT OF TAX SHELTER

Rs. in Lakhs

| Particulars   | For The Year Ended as on 31st March |              |              |              |              |
|---|-------------------------------------|--------------|--------------|--------------|--------------|
|   | 2016                                | 2015         | 2014         | 2013         | 2012         |
|   | Amount                              | Amount       | Amount       | Amount       | Amount       |
| <b>Profit Before Current and Deferred Taxes as Restated (A)</b> | 58.58                               | 49.30        | 29.40        | 25.54        | 22.17        |
| Tax Rate %  | 30.90                               | 30.90        | 30.90        | 30.90        | 30.90        |
| Normal Notional Tax on Restated Profits                         | 18.10                               | 15.23        | 9.08         | 7.89         | 6.85         |
| Adjustments (Permanent Difference) :                            |                                     |              |              |              |              |
| On account of Profit/Loss on sale of assets                     | 0.00                                | 0.00         | 0.00         | 0.00         | 0.27         |
| Other Adjustments   | 0.00                                | 0.00         | 0.63         | 1.46         | 0.00         |
| Donation  | 0.00                                | 0.00         | 0.00         | 0.00         | 0.00         |
| Total (B)   | 0.00                                | 0.00         | 0.63         | 1.46         | 0.27         |
| Timing Difference :   |                                     |              |              |              |              |
| Difference Between Book Base and Tax Base of Fixed Assets       | 7.80                                | 9.46         | 2.35         | 2.70         | -6.81        |
| Preliminary Expenses  | 10.82                               | 6.32         | 0.00         | 0.00         | 0.00         |
| Total (C )  | 18.63                               | 15.78        | 2.35         | 2.70         | -6.81        |
| Net Adjustments (B+C)   | 18.63                               | 15.78        | 2.98         | 4.16         | -6.55        |
| Tax Shelter   | 5.76                                | 4.88         | 0.92         | 1.28         | -2.02        |
| <b>Taxable Income (A+B+C)</b>                                   | <b>77.21</b>                        | <b>65.07</b> | <b>32.38</b> | <b>29.69</b> | <b>15.63</b> |
| Tax as per Income Tax Return U/s 115JB (MAT)                    | 13.11                               | 10.60        | 4.09         | 5.14         | 0.00         |
| Total Tax Without MAT as per Return                             | 26.49                               | 29.57        | 10.00        | 9.18         | 4.83         |

### Annexure-34

#### STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

Rs. in Lakhs

| Particulars  | For The Year Ended as on 31st March |         |         |         |         |
|--|-------------------------------------|---------|---------|---------|---------|
|  | 2016                                | 2015    | 2014    | 2013    | 2012    |
|  | Amount                              | Amount  | Amount  | Amount  | Amount  |
| Net Worth, as Restated (A)   | 677.28                              | 639.99  | 276.96  | 257.26  | 240.57  |
| Net Profit After Tax and Extra Ordinary Items, as restated (B)       | 37.29                               | 30.23   | 19.69   | 16.69   | 15.51   |
| Weighted Average Number of Equity shares outstanding during the year | 3000200                             | 1690883 | 1669000 | 1669000 | 1669000 |
| For Basic Earnings Per Share (C )                                    | 1.24                                | 1.79    | 1.18    | 1.00    | 0.93    |
| For Diluted Earnings per Share (D)                                   | 1.24                                | 1.79    | 1.18    | 1.00    | 0.93    |
| No of Shares Outstanding at the end of the Year (E)                  | 3000200                             | 3000200 | 1669000 | 1669000 | 1669000 |
| Restated Basic Earnings Per share (B/C)                              | 1.24                                | 1.79    | 1.18    | 1.00    | 0.93    |
| Restated Diluted Earnings Per share (B/D)                            | 1.24                                | 1.79    | 1.18    | 1.00    | 0.93    |
| Return on Net Worth (%) (B/A)  | 5.51                                | 4.72    | 7.11    | 6.49    | 6.45    |
| Net Assets Value Per Share of Rs 10 each (A/E)                       | 22.57                               | 21.33   | 16.59   | 15.41   | 14.41   |



Notes:

**1. The Ratios have been computed as under:**

|   |   |      |
|---|---|------|
| Basic Earning Per Share                     | $\frac{\text{Net Profit After Tax and Extra Ordinary Items, as Restated}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$ |      |
| Diluted earnings Per Share                  | $\frac{\text{Net Profit After Tax and Extra Ordinary Items, as Restated}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$ |      |
| Return on Net Worth (%)                     | $\frac{\text{Net Profit After Tax and Extra Ordinary Items, as Restated}}{\text{Net Worth, As Restated}}$   | *100 |
| Net Assets Value Per<br>Share of Rs 10 each | $\frac{\text{Net Worth, As Restated}}{\text{Number of Shares Outstanding at the end of the year}}$  |      |



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

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 prepared in accordance with the Companies Act, 1956 and Companies Act, 2013 to the extent applicable and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in “Financial Statements” beginning on page 163 of this Prospectus beginning.

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

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in “Risk Factors” and “Forward-Looking Statements” beginning on pages 19 and 18 respectively, of this Prospectus.

### **BUSINESS OVERVIEW**

Our Company was incorporated as Jet Knitwears Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated April 02, 1996 in Kanpur, Uttar Pradesh. Subsequently, the name of our Company was changed to Jet Knitwears Limited vide fresh certificate of incorporation dated April 01, 2015. The company was incorporated to takeover the running business of partnership firm M/s Jet Knitwears Company along with all the assets and liabilities, approvals, permits, registrations, etc.

Our company is engaged in the business of manufacturing of intimate garments for men, women and children such as vests, briefs, brassiere, panties, socks, T-shirts and casual wears. The company markets its products through its own brands like “Lycot Australia”, “Jet”, “Jet Eco”, “Fresh-Long”, “Boski” and “Take-off”. We have set our footing in domestic market and have a strong retail presence through its own network for Sales, Marketing and Logistics serving to more than 5000 Retailers directly and also through a large number of Dealers and Wholesalers in North India.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

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

### **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 19 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Company's results of operations and financial performance.
- Performance of Company's competitors.
- Trained manpower.
- Significant developments in India's economic and fiscal policies.
- Significant developments in India's environmental regulations.



- Evolving customer needs and market trends.
- Orders from significant customers.
- Volatility in the Indian and global capital market;

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for years ended March 31, 2016, 2015, 2014, 2013 and 2012.

### Overview of Revenue & Expenditure

#### Revenues

Our Company's revenue is primarily generated from sale of manufactured goods:-

(Rs. In Lakhs)

| Particulars             | As at March 31  |                 |                 |                 |                 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                         | 2016            | 2015            | 2014            | 2013            | 2012            |
| <b>Income</b>           |                 |                 |                 |                 |                 |
| Revenue from Operations | 3,854.94        | 3,731.83        | 3,848.95        | 3,551.27        | 2,900.40        |
| Increase/Decrease in %  | 3.30%           | (3.04)%         | 8.38%           | 22.44%          | NA              |
| Other Income            | 1.72            | 0.77            | 2.30            | 10.68           | 3.08            |
| Increase/Decrease in %  | 123.38%         | (66.52)%        | (78.46)%        | 246.75%         | NA              |
| <b>Total Revenue</b>    | <b>3,856.66</b> | <b>3,732.60</b> | <b>3,851.25</b> | <b>3,561.95</b> | <b>2,903.48</b> |

The following is the Income mix in terms of value of total income of our Company for different services.

(Rs. In Lakhs)

| Particulars                         | As at March 31  |                 |                 |                 |                 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                     | 2016            | 2015            | 2014            | 2013            | 2012            |
| <b>Revenue from Operation</b>       |                 |                 |                 |                 |                 |
| Delhi Depot Sale                    | 20.08           | 40.06           | 36.91           | 28.39           | 32.93           |
| Export Sale                         | 0.00            | 0.00            | 19.57           | 16.89           | 28.52           |
| Sale                                | 3784.15         | 3642.60         | 3778.84         | 3701.08         | 3061.94         |
| Tirpur Sale                         | 3.08            | 1.40            | 1.18            | 0.58            | 0.43            |
| Dehradun Depot Sale                 | 47.63           | 47.77           | 12.44           | 0.00            | 0.00            |
| Excise Duty Collected               | 0.00            | 0.00            | 0.00            | (195.67)        | (223.42)        |
| <b>Total Revenue from Operation</b> | <b>3,854.94</b> | <b>3,731.83</b> | <b>3,848.95</b> | <b>3,551.27</b> | <b>2,900.40</b> |

The following is the Income mix in terms of percentage of total income of our Company for different services.

| Particulars                   | As at March 31 |        |        |         |         |
|-------------------------------|----------------|--------|--------|---------|---------|
|                               | 2016           | 2015   | 2014   | 2013    | 2012    |
| <b>Revenue from Operation</b> |                |        |        |         |         |
| Delhi Depot Sale              | 0.52%          | 1.07%  | 0.96%  | 0.80%   | 1.14%   |
| Export Sale                   | 0.00%          | 0.00%  | 0.51%  | 0.48%   | 0.98%   |
| Sale                          | 98.16%         | 97.61% | 98.18% | 104.22% | 105.57% |
| Tirpur Sale                   | 0.08%          | 0.04%  | 0.03%  | 0.02%   | 0.01%   |
| Dehradun Depot Sale           | 1.24%          | 1.28%  | 0.32%  | 0.00%   | 0.00%   |
| Excise Duty Collected         | 0.00%          | 0.00%  | 0.00%  | (5.51)% | (7.70)% |





|                                     |                |                |                |                |                |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total Revenue from Operation</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|

#### Other Income

Other operating revenue consists of Miscellaneous and Interest income.

(Rs. In Lakhs)

| Particulars               | As at March 31 |             |             |              |             |
|---------------------------|----------------|-------------|-------------|--------------|-------------|
|                           | 2016           | 2015        | 2014        | 2013         | 2012        |
| Miscellaneous income      | 0.28           | 0.16        | 1.84        | 10.68        | 3.08        |
| Interest Income           | 1.44           | 0.61        | 0.46        | -            | -           |
| <b>Total Other Income</b> | <b>1.72</b>    | <b>0.77</b> | <b>2.30</b> | <b>10.68</b> | <b>3.08</b> |

The following is the other income mix in terms of percentage of other income of our Company for other incomes:

| Particulars               | As at March 31 |                |                |                |                |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
|                           | 2016           | 2015           | 2014           | 2013           | 2012           |
| Miscellaneous income      | 16.28%         | 20.78%         | 80.00%         | 100.00%        | 100.00%        |
| Interest Income           | 83.72%         | 79.22%         | 20.00%         | -              | -              |
| <b>Total Other Income</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |

#### Trade Receivables

The following table presents the details of our Company's trade receivables:

| Particulars                                       | As at March 31 |               |               |               |               |
|---|----------------|---------------|---------------|---------------|---------------|
|   | 2016           | 2015          | 2014          | 2013          | 2012          |
| <b>Unsecured and Considered Good</b>              |                |               |               |               |               |
| Outstanding for a period not exceeding six months | 981.15         | 822.18        | 705.21        | 522.13        | 408.64        |
| As a % of total Trade receivables                 | 99.08%         | 98.10%        | 97.48%        | 96.64%        | 95.80%        |
| Outstanding for a period exceeding six months     | 9.10           | 15.93         | 18.21         | 18.18         | 17.90         |
| As a % of total Trade receivables                 | 0.92%          | 1.90%         | 2.52%         | 3.36%         | 4.20%         |
| Less: Provision for doubtful debts                | Nil            | Nil           | Nil           | Nil           | Nil           |
| As a % of total Trade receivables                 | 0.00%          | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| <b>Total –Trade receivables</b>                   | <b>990.25</b>  | <b>838.11</b> | <b>723.42</b> | <b>540.31</b> | <b>426.54</b> |
| Avg. Trade receivables                            | 914.18         | 780.77        | 631.87        | 483.43        | NA            |
| Trade receivables Turnover Ratio                  | 3.89           | 4.45          | 5.32          | 6.57          | 6.80          |
| Average Collection Period ( in days)              | 93.76          | 81.97         | 68.60         | 55.53         | 53.68         |



## **Expenditure**

Our Company's operating expenditure consists of following:-

- Material Consumed, Employees benefit expenses, Finance Cost, Depreciation & Amortization Expenses and Other Expenses.

## **RESULTS OF OPERATIONS**

### **Statement of profits and losses**

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(Rs. In Lakhs)

| Particulars   | For The Year Ended March 31, |                 |                 |                 |                 |
|---|------------------------------|-----------------|-----------------|-----------------|-----------------|
|   | 2016                         | 2015            | 2014            | 2013            | 2012            |
| <b>INCOME</b>   |                              |                 |                 |                 |                 |
| Revenue from Operations   |                              |                 |                 |                 |                 |
| Revenue   | 3,854.94                     | 3,731.83        | 3,848.94        | 3,551.27        | 2,900.40        |
| Increase/Decrease in %  | 3.30%                        | (3.04)%         | 8.38%           | 22.44%          | NA              |
| Other Income  | 1.72                         | 0.78            | 2.31            | 10.68           | 3.08            |
| Increase/Decrease in %  | 120.51%                      | (66.23)%        | (78.37)%        | 246.75%         | NA              |
| <b>Total Revenue</b>  | <b>3,856.66</b>              | <b>3,732.61</b> | <b>3,851.25</b> | <b>3,561.95</b> | <b>2,903.48</b> |
| <b>EXPENDITURE</b>  |                              |                 |                 |                 |                 |
| Cost of Materials Consumed & Changes in inventories of finished goods, work-in-progress and stock-in-trade. | 2,547.88                     | 2,433.48        | 2,622.48        | 2,401.47        | 1,805.54        |
| As a % of Total Revenue   | 66.06%                       | 65.20%          | 68.09%          | 67.42%          | 0.62%           |
| Employees benefit expenses  | 68.29                        | 32.91           | 25.93           | 22.44           | 17.53           |
| As a % of Total Revenue   | 1.77%                        | 0.88%           | 0.67%           | 0.63%           | 0.01%           |
| Finance costs   | 122.90                       | 133.17          | 129.29          | 128.70          | 120.16          |
| As a % of Total Revenue   | 3.19%                        | 3.57%           | 3.36%           | 3.61%           | 4.14%           |
| Depreciation and Amortisation Expenses  | 55.60                        | 56.28           | 45.68           | 45.97           | 40.57           |
| As a % of Total Revenue   | 1.44%                        | 1.51%           | 1.19%           | 1.29%           | 0.01%           |
| Other Expenses  | 1,003.40                     | 1,027.46        | 997.84          | 937.84          | 897.50          |
| As a % of Total Revenue   | 26.02%                       | 27.53%          | 25.93%          | 26.33%          | 30.91%          |
| <b>Total Expenditure</b>  | <b>3,798.10</b>              | <b>3,683.30</b> | <b>3,821.90</b> | <b>3,536.40</b> | <b>2,881.30</b> |
| As a % of Total Revenue   | 98.48%                       | 98.68%          | 99.24%          | 99.28%          | 0.99%           |
| <b>Profit before exceptional &amp; Extraordinary items and Tax</b>  | <b>58.59</b>                 | <b>49.31</b>    | <b>29.40</b>    | <b>25.53</b>    | <b>22.18</b>    |
| As a % of Total Revenue   | 0.02%                        | 0.01%           | 0.01%           | 0.01%           | 0.01%           |
| Exceptional Items   | 0.00                         | 0.00            | 0.00            | 0.00            | 0.00            |
| As a % of Total Revenue   | 0.00%                        | 0.00%           | 0.00%           | 0.00%           | 0.00%           |
| <b>Extraordinary Items</b>  | <b>0.00</b>                  | <b>0.00</b>     | <b>0.00</b>     | <b>0.00</b>     | <b>0.00</b>     |
| <b>Profit before tax</b>  | <b>58.58</b>                 | <b>49.31</b>    | <b>29.40</b>    | <b>25.53</b>    | <b>22.18</b>    |
| <b>PBT Margin</b>   | <b>1.52%</b>                 | <b>1.32%</b>    | <b>0.76%</b>    | <b>0.72%</b>    | <b>0.76%</b>    |
| <b>Tax expense :</b>  |                              |                 |                 |                 |                 |
| (i) Current tax   | 26.49                        | 21.90           | 10.09           | 9.51            | 4.90            |



|                                      |              |              |              |              |              |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| (ii) Deferred Tax Liability/(Assets) | (5.20)       | (2.84)       | (0.64)       | (0.67)       | 1.76         |
| <b>Total</b>                         | <b>21.29</b> | <b>19.06</b> | <b>9.45</b>  | <b>8.84</b>  | <b>6.66</b>  |
| As a % of Total Revenue              | 0.55%        | (0.34%)      | 0.25%        | 0.25%        | 0.23%        |
| <b>Profit for the year</b>           | <b>37.30</b> | <b>30.25</b> | <b>19.95</b> | <b>16.69</b> | <b>15.52</b> |
| <b>PAT Margin</b>                    | <b>0.97%</b> | <b>0.98%</b> | <b>0.52%</b> | <b>0.47%</b> | <b>0.54%</b> |

### **FISCAL YEAR ENDED MARCH 31, 2016 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2015**

#### **Income**

Total revenue increased to Rs. 124.05 Lacs or 3.32% from Rs. 3,732.61 lacs in the fiscal year ended March 31, 2015 to Rs. 3,856.66 lacs in the fiscal year ended March 31, 2016. The revenue has increased due to increase in quantity from 8,68,285 dzns to 8,96,050 dzns.

#### **Expenditure**

Total Expenditure increased by Rs. 114.80 Lacs, or 3.12%, from Rs. 3,683.30 Lacs in the fiscal year ended March 31, 2015 to Rs. 3,798.10 Lacs in the fiscal year ended March 31, 2016. Overall expenditure has increased mainly due to increase in cost of material consumed which is directly linked to our operations.

#### **Cost of Materials Consumed & Changes in inventories of finished goods, work-in-progress and stock-in-trade.**

The Expenses in terms of value and percentage increased by Rs. 114.40 Lacs and 4.70%, from Rs. 2,433.48 Lacs in the fiscal year ended March 31, 2015 to Rs. 2,547.88 Lacs in the fiscal year ended March 31, 2016. Overall Expenses has increased mainly due to increase in material consumption due to higher prices of yarns and clothes.

#### **Employee Benefit Expenses**

Employee benefit expenses in terms of value and percentage increased by Rs. 35.38 Lacs and 107.51% from Rs. 32.91 Lacs in the fiscal year ended March 31, 2015 to Rs. 68.29 Lacs in the fiscal year ended March 31, 2016. Overall employee cost has increased mainly due to increase in bonus to staff and staff welfare expenses.

#### **Finance Costs**

Finance Costs in terms of value and percentage decreased by Rs. 10.27 Lacs and 7.71% from Rs. 133.17 Lacs in the fiscal year ended March 31, 2015 to Rs. 122.90 Lacs in the fiscal year ended March 31, 2016. Finance Costs has decreased mainly due to decrease in Interest paid on unsecured loans, further the working capital facilities were shifted from State Bank of India to Axis Bank at a lower rate of interest.

#### **Depreciation & Amortization Expenses**

Depreciation in terms of value decreased by Rs. 0.68 Lacs or 1.20% from Rs 56.28 Lacs in the fiscal year ended March 31, 2015 to Rs. 55.60 Lacs in the fiscal year ended March 31, 2016. Decrease in Depreciation is marginal as no major assets were purchased during the year.

#### **Other Expenses**

Other Expenses in terms of value and percentage decreased by Rs. 24.06 Lacs and 2.34% from Rs. 1,027.46 Lacs in the fiscal year ended March 31, 2015 to Rs. 1,003.40 Lacs in the fiscal year ended March 31, 2016. Other Expenses has decreased mainly due to decrease in manufacturing & selling expenses.

#### **Profit before exceptional & extraordinary items and Tax**

Profit before exceptional & extraordinary items and Tax has increased by Rs. 9.28 Lacs and 18.80% from Rs. 49.31 Lacs in the fiscal year ended March 31, 2015 to Rs. 58.59 Lacs in the fiscal year ended March 31, 2016. Profit before exceptional & extraordinary items and Tax has increased due to increase in revenue from operations and decrease in finance costs incurred by the Company.



### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by Rs. 7.05 Lacs and 23.30% from profit of Rs. 30.25 Lacs in the fiscal year ended March 31, 2015 to profit of Rs. 37.30 Lacs in the fiscal year ended March 31, 2016. Net profit has increased due to increase in revenue from Operations.

### **FISCAL YEAR ENDED MARCH 31, 2015 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2014**

#### **Income**

Total revenue decreased by Rs. 118.64 Lacs or 3.08%, from Rs. 3,851.25 Lacs in the fiscal year ended March 31, 2014 to Rs. 3,732.61 Lacs in the fiscal year ended March 31, 2015. The revenue has decreased due to decrease in sales of products.

#### **Expenditure**

Total Expenditure decreased by Rs. 138.60 Lacs, or 3.63%, from Rs. 3,821.90 Lacs in the fiscal year ended March 31, 2014 to Rs. 3,683.30 Lacs in the fiscal year ended March 31, 2015. Overall expenditure has decreased mainly due to decrease in cost of material consumed by the Company corresponding to decrease in sales.

#### **Cost of Materials Consumed & Changes in inventories of finished goods, work-in-progress and stock-in-trade.**

The Expenses in terms of value and percentage decreased by Rs. 189.00 Lacs and 7.20%, from Rs. 2,622.48 Lacs in the fiscal year ended March 31, 2014 to Rs. 2,433.48 Lacs in the fiscal year ended March 31, 2015. Overall Expenses has decreased mainly due to reduction in cost of procurement.

#### **Employee Benefit Expenses**

Employee benefit expenses in terms of value and percentage increased by Rs. 6.98 Lacs and 26.92% from Rs. 25.93 Lacs in the fiscal year ended March 31, 2014 to Rs. 32.91 Lacs in the fiscal year ended March 31, 2015. Overall employee cost has increased mainly due to increase in no. of staff, general increment, corresponding increase in Employee Provident Fund, staff welfare expenses.

#### **Finance Costs**

Finance Costs in terms of value and percentage increased by Rs. 3.88 Lacs and 3.00% from Rs. 129.29 Lacs in the fiscal year ended March 31, 2014 to Rs. 133.17 Lacs in the fiscal year ended March 31, 2015. Finance Costs has increased mainly due to increase in Interest expenses on cash credit & term loans to banks & other interest paid on unsecured loans.

#### **Depreciation & Amortization**

Depreciation in terms of value increased by 10.60 Lacs or 23.20% from Rs 45.68 Lacs in the fiscal year ended March 31, 2014 to Rs. 56.28 Lacs in the fiscal year ended March 31, 2015. Increase in Depreciation was due to additions to fixed assets and change of method of deprecation as per Companies Act 2013.

#### **Other Expenses**

Other Expenses in terms of value and percentage increased by Rs. 29.62 Lacs and 2.97% from Rs. 997.84 Lacs in the fiscal year ended March 31, 2014 to Rs. 1,027.46 Lacs in the fiscal year ended March 31, 2015. Other Expenses has increased mainly due to increase in amount incurred on Freight, increase in telephone & electric expenses and miscellaneous expenses.

#### **Profit before exceptional & extraordinary items and Tax**

Profit before exceptional & extraordinary items and Tax has increased by Rs. 19.91 Lacs and 67.72% from Rs. 29.40 Lacs in the fiscal year ended March 31, 2014 to Rs. 49.30 Lacs in the fiscal year ended March 31, 2015. Profit before exceptional & extraordinary items and Tax has increased due to decrease in cost of material consumed by the Company.



### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by Rs. 10.30 Lacs and 51.63% from Rs. 19.95 Lacs in the fiscal year ended March 31, 2014 to Rs. 30.25 Lacs in the fiscal year ended March 31, 2015. Net profit has increased due to decrease in expenditure incurred by the Company.

## **FISCAL YEAR ENDED MARCH 31, 2014 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2013**

### **Income**

Total revenue increased by Rs. 289.30 Lacs or 8.00%, from Rs. 3,561.95 Lacs in the fiscal year ended March 31, 2013 to Rs. 3,851.25 Lacs in the fiscal year ended March 31, 2014. The revenue has increased due to increase in overall sales of products in market & other income.

### **Expenditure**

Total Expenditure increased by Rs. 285.50 Lacs, or 8.07%, from Rs. 3,536.40 Lacs in the fiscal year ended March 31, 2013 to Rs. 3,821.90 Lacs in the fiscal year ended March 31, 2014. Overall expenditure has increased mainly due to increase in cost of Material input, Employee Benefits Expenses, Finance costs and other expenses.

### **Cost of Materials Consumed & Changes in inventories of finished goods, work-in-progress and stock-in-trade.**

The Expenses in terms of value and percentage increased by Rs. 221.01 Lacs and 9.20%, from Rs. 2,401.47 Lacs in the fiscal year ended March 31, 2013 to Rs. 2,622.48 Lacs in the fiscal year ended March 31, 2014. Overall Expenses has decreased mainly due to increase in quantity of raw material in corresponding to sales & price rise.

### **Employee Benefit Expenses**

Employee benefit expenses in terms of value and percentage increased by Rs. 3.49 Lacs and 15.55% from Rs. 22.44 Lacs in the fiscal year ended March 31, 2013 to Rs. 25.93 Lacs in the fiscal year ended March 31, 2014. Overall employee cost has increased mainly due to general increment, corresponding increase in Employee Provident Fund, Employee State Insurance and staff welfare expenses.

### **Finance Costs**

Finance Costs in terms of value and percentage increased by Rs. 0.59 Lacs and 0.45% from Rs. 128.70 Lacs in the fiscal year ended March 31, 2013 to Rs. 129.29 Lacs in the fiscal year ended March 31, 2014. Finance Costs has increased mainly due to increase in bank charges paid by the Company.

### **Depreciation & Amortization**

Depreciation in terms of value decreased by 0.29 Lacs or 0.63% from Rs 45.97 Lacs in the fiscal year ended March 31, 2013 to Rs. 45.68 Lakh in the fiscal year ended March 31, 2014. Decrease in Depreciation & Amortization was due to decrease in depreciations on account of tangible assets.

### **Other Expenses**

Other Expenses in terms of value and percentage increased by Rs. 60.63 Lacs and 6.46% from Rs. 998.47 Lacs in the fiscal year ended March 31, 2013 to Rs. 937.84 Lacs in the fiscal year ended March 31, 2014. Other Expenses has increased mainly due to increase in amount incurred on power & fuel, wages paid to labours, Rent expenses, commission, Discount & Brokerage and miscellaneous expenses.



### **Profit before exceptional & extraordinary items and Tax**

Profit before exceptional & extraordinary items and Tax has increased by Rs. 3.87 Lacs and 15.16% from Rs. 25.53 Lacs in the fiscal year ended March 31, 2013 to Rs. 29.40 Lacs in the fiscal year ended March 31, 2014. Profit before exceptional & extraordinary items and Tax has increased due to increase in revenue from operations.

### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by 3.26 Lacs and 19.53% from Rs. 16.69 Lacs in the fiscal year ended March 31, 2013 to Rs. 19.95 Lacs in the fiscal year ended March 31, 2014. Net profit has been increased due to increase in revenue from operations of the Company.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled “*Risk Factors*” beginning on page 19 of this Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled “*Risk Factors*” beginning on page 19 of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **4. Future relationship between Costs and Income**

Our Company’s future costs and revenues will be determined by demand of our products, government policies and availability of trained manpower.

### **5. The extent to which material increases in net revenue are due to increase in sale of both domestic and export services.**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

### **6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in Innerwear and Textile industry, Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 98 of this Prospectus.

### **7. Status of any publicly announced new products or business segments**

Our Company has not announced any new product and segment / scheme, other than through this Prospectus.

### **8. The extent to which the business is seasonal**

Our Company business is not seasonal in nature.

### **9. Any significant dependence on a single or few suppliers or customers.**

Our business is not significantly dependent on any suppliers or customers.



#### **10. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “Our Business” on page 105 of this Prospectus.



## SECTION VI- LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by the Company, its Directors, its Promoters and its Group Companies and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by the Company, default in creation of full security as per terms of issue/other liabilities, no amounts owed to small scale undertakings or any other creditor exceeding Rs. 1 lakh, which is outstanding for more than 30 days, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under Schedule V to the Companies Act, 2013) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against the Company, its Promoters, its Directors and Group Companies.*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on the Company, its Promoters, its Directors or its Group Companies, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of the Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.*

*Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoters, its Directors or its Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.*

### LITIGATION RELATING TO THE COMPANY

#### Case Filed Against Our Company

Nil

#### Cases Filed By the Company

- Jet Knitwears Limited vs Sanjeev Gupta (Criminal Complaint No. 2667 of 2015)

Our Company filed a Complaint in the Court of A.C.M.M. VIII, Kanpur u/s 138 of Negotiable Instruments Act, 1881 and u/s 420 of I.P.C on July 10, 2015. The Cheque No. 561493 dated December 12, 2014 for an amount of Rs. 30,000 issued by one of our customer Mr. Sanjeev Kumar was returned by the Bank (Bank of Baroda) due to “insufficient funds” on May 22, 2015. The payment could not be received even after several reminders and notices. The case is now pending in competent court.

- Jet Knitwears vs M/s Vinay Hosiery (Plaint for Trademark Infringement filed vide No. 1/13 in A.D.J. IV, Kanpur in the year 2013)

M/s. Vinay Hosiery was manufacturing products under our brand name “JET” as per the Court Order dated February 04, 2015. Our Company filed a suit against the firm in the said court for which the ‘Stay Order’ was passed in favour of our company. The appeal filed in Allahabad High Court by the opposite party was dismissed by the court. Now the case is in process in Kanpur Court.

#### Case Pending with Tax Authorities Against Our Company:

Details of outstanding demand in respect of Income Tax:

| A.Y     | Section     | Outstanding demand amount<br>(in Rs.) | Pending with<br>jurisdiction  |
|---------|-------------|---------------------------------------|-------------------------------|
| 2013-14 | 143 (3)     | 1,06,469 plus applicable interest     | CIT (Appeals)                 |
| 2004-05 | 271 (1) (c) | 75,665                                | Appellate Tribunal,<br>Kanpur |





- Our Company has received a notice dated April 04, 2016 u/s 143(2) for the AY 2015-16. The assessment proceedings are going on and any liability on account of scrutiny will crystalize on finalization of assessment

Details of outstanding demand in respect of TDS:

| F.Y.                             | Amount (in Rs.) |
|----------------------------------|-----------------|
| 2007-08 to 2016-17 (1st Quarter) | 8,84,360        |

Details of cases pending in respect of Service Tax:

Brief Facts of case:

The Audit of Our Company was conducted by the service tax department in June, 2012. Our Company had provided “Transport of Goods by Road Service” during the period 2007-08 to 2011-12 (upto July). However, our company had not taken service tax registration for the aforesaid period and neither filed the service tax return in ST-3.

Our Company received Order issued by Asstt. Commissioner, Service Tax Division, Kanpur vide V(30)632/ST/FAR/DIV-III/2013/822 dated June 09, 2015 stating the following:

4. Penalty u/s 77 (1) (a) of Finance Act, 1994 of Rs. 3,34,600 imposed for not taking Service Tax registration during the period of 2007-08 to October 30, 2011.
5. Imposition of Interest on Service Tax of Rs. 25,223 and allowing appropriation of Rs. 14,821 towards interest already paid.
6. Penalty u/s 77 (2) of Finance Act, 1994 of Rs. 90,000 imposed for non-submission of return in Form ST-3.

The company has preferred an appeal before CESTAT, Allahabad bench, against the aforesaid Order.

**Arbitration Case**

Nil.

**LITIGATIONS RELATING TO THE PROMOTERS OF OUR COMPANY**

**Cases filed by Our Promoters**

Nil

**Cases filed against our Promoters**

- State vs Balram Kumar Narula

All India agitation was organized by Readymade & Hosiery Association for removal of “EXCISE” from the Industry in the Budget of year 2011. One of our promoters Mr. Balram Kumar Narula took part in the agitation organized at Kanpur. Police arrested Mr. Balram Kumar Narula with a few other agitators and registered a case vide No. 12735/11 under Sec.143, 504, 336 & 337 of I.P.C with Sec. 174 of Railways Act with Sec. 7 of CLA Act through FIR dated March 26, 2011.

**LITIGATIONS RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY**

**Cases filed against the Directors**

Except as mentioned above, no cases are filed against our directors.



**Cases filed by the Directors**

Nil

**LITIGATIONS RELATING TO THE GROUP COMPANIES**

**Cases Filed Against the Group Companies**

Nil

**Cases Filed By the Group Companies**

Nil

**LITIGATIONS RELATING TO THE DIRECTORS OF GROUP COMPANIES**

**Cases Filed Against the Directors of Group Companies**

Nil

**Cases Filed By the Directors of Group Companies**

Nil

**PAST CASES IN WHICH PENALTIES HAVE BEEN IMPOSED ON THE COMPANY**

There are no cases in the last five years in which penalties have been imposed on the Company.

**CREDITORS OF THE COMPANY FOR THE AMOUNT EXCEEDING RS.1 LAKHS OUTSTANDING FOR MORE THAN 30 DAYS.**

The Company has total of 22 trade creditors as on March 31, 2016 for the total amount of Rs. 1,10,30,373/- which are outstanding for more than 30 days.

**MATERIAL DEVELOPMENTS**

Except as stated in the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 198 of this Prospectus, no material developments have taken place after March 31, 2016, the date of the latest balance sheet, that would materially adversely affect the performance of the Company. In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the NSE Emerge Platform.

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. Following are the trade creditors as on March 31, 2016 to whom Company owes sum exceeding Rs. 1,00,000 and are outstanding for more than 30 days as certified by the management of Our Company.



| Sr. No. | Organization                         | Amount (Rs.)       |
|---------|--------------------------------------|--------------------|
| 1.      | M/S Vindhya Spinning Mills Pvt. Ltd. | 22,94,699          |
| 2.      | M/S Sikka Elastics                   | 11,40,498          |
| 3.      | M/S Universal Packages               | 10,16,914          |
| 4.      | M/S. Pandian Textile Mills Pvt.Ltd.  | 9,05,114           |
| 5.      | M/S National Printograph             | 6,78,944           |
| 6.      | M/S J.V. Tapes                       | 6,22,660           |
| 7.      | M/S R.L. Rasayan Udyog               | 5,85,792           |
| 8.      | M/S. Sikka Elastic                   | 4,12,005           |
| 9.      | M/S Parani Spinning Mills P.Ltd.     | 3,88,800           |
| 10.     | M/S Liberty Clothing Company         | 3,66,600           |
| 11.     | M/S. Kartik Chemicals                | 3,52,917           |
| 12.     | M/S Universal Packages               | 3,12,660           |
| 13.     | M/S Canpac Trends Pvt. Ltd.          | 2,81,193           |
| 14.     | M/S. Kumar Graphics                  | 2,56,163           |
| 15.     | M/S Komal Texfab Pvt. Ltd.           | 2,38,308           |
| 16.     | M/S. Chitra Printer                  | 2,23,161           |
| 17.     | M/S. M.R. Hosiery                    | 2,13,816           |
| 18.     | M/S. Golden Gates Enterprises        | 1,68,386           |
| 19.     | M/S. Excellent Convertors            | 1,67,421           |
| 20.     | M/S T.N.J. Industries                | 1,65,963           |
| 21.     | M/S Eskay Textiles                   | 1,20,392           |
| 22.     | M/S Sri Krishna Packages             | 1,17,967           |
|         | <b>Total</b>                         | <b>1,10,30,373</b> |



## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, and no further approvals are required for carrying on our present business or to undertake the Issue. Unless otherwise stated, these approvals are all valid as on the date of this Prospectus.

### I. APPROVALS FOR THE ISSUE

#### Corporate Approvals

1. Our Board has, pursuant to a resolution passed at its meeting held on July, 05, 2016 authorized the Issue.
2. Our shareholders have pursuant to a resolution passed at their meeting dated August 07, 2016 under Section 23 of the Companies Act 2013, authorized the Issue.

#### Approvals from Lenders

1. The Company has obtained all the relevant approvals from Axis Bank Limited dated August 22, 2016.

### II. INCORPORATION DETAILS

1. Corporate Identity Number: U19101UP1996PLC019722.
2. Certificate of Incorporation dated April 02, 1996 issued by the Registrar of Companies, Kanpur.
3. Fresh Certificate of Incorporation dated April 01, 2015 issued by the Registrar of Companies, Kanpur, consequent upon conversion into public limited company.

### III. APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### A. Under Direct and Indirect Laws

| Sr. No. | Nature of License / Approvals                   | Authority   | Particulars of License / Approvals | Validity Period | Special conditions, if any |
|---------|---|---|------------------------------------|-----------------|----------------------------|
| 1.      | Registration in Income Tax Department           | Income Tax Department, Govt. of India               | PAN: AAACJ3534B                    | Perpetual       | -                          |
| 2.      | Allotment of Tax Deduction Account Number (TAN) | Income Tax Department, Govt. of India               | TAN No.: KNPJ00110F                | Perpetual       | -                          |
| 3.      | Service Tax Registration                        | Central Board of Excise and Customs, Govt. of India | ST Code: AAACJ3534BSD001           | Perpetual       | -                          |
| 4.      | Registration under UP VAT Rules, 2008.          | Department of Commercial Taxes, Uttar Pradesh       | TIN No.: 09545300752               | Perpetual       | -                          |



| Sr. No. | Nature of License / Approvals   | Authority   | Particulars of License / Approvals                 | Validity Period   | Special conditions, if any   |
|---------|---|---|--|-------------------|--|
| 5.      | Registration under Central Sales Tax (Registration and Turnover) Rules, 1957 for UP | Department of Commercial Taxes, Uttar Pradesh   | TIN No.: 09545300752C                              | Perpetual         | -  |
| 6.      | Registration under Tamil Nadu VAT Act, 2006.  | Department of Commercial Taxes, Tamil Nadu  | TIN No.: 33572503154                               | Perpetual         | -  |
| 7.      | Certificate of Importer-Exporter Code Number  | Ministry of Commerce and Industry<br>Foreign Trade Development Officer<br>Government of India | IEC No.: 0696000075                                | Perpetual         | -  |
| 8.      | #Factory License for the Factories Act, 1948  | Asstt. Director of Factories, Kanpur, U.P.  | License No.: KPR - 1621                            | 1 year            | -  |
| 9.      | Consent Order from Uttar Pradesh Pollution Control Board for Water Pollution        | Uttar Pradesh Pollution Control Board (UPPCB)   | Consent No. 1643/C-2/1651/Consent/Water Order/2015 | December 31, 2016 | To take the steps as mentioned by UPPCB in its letter for control of Water Pollution |
| 10.     | Consent Order from Uttar Pradesh Pollution Control Board for Air Pollution          | Uttar Pradesh Pollution Control Board (UPPCB)   | Consent No. 1354/C-2/Consent (Air) Order/1091/2014 | December 31, 2016 | To take the steps as mentioned by UPPCB in its letter for control of Air Pollution   |



| Sr. No. | Nature of License / Approvals  | Authority                                | Particulars of License / Approvals              | Validity Period | Special conditions, if any             |
|---------|--|--|---|-----------------|--|
| 11.     | Entrepreneurs's Memorandum for Manufacturing Enterprise at 57-A, Dada Nagar, Kanpur, UP. | District Industries Centre, Kanpur Nagar | Entrepreneurs's Memorandum No.: 09 034 12 01074 | Perpetual       | Category of Unit: Small; Manufacturing |

Notes: #Our Company has applied for the renewal of Factory License vide Challan dated October 26, 2015 by paying the due fees with the request letter for renewal and submitting the original copy of Factory License and the concerned Govt. authority is under process of renewal.

#### B. Under Industrial And Labour Law

| Sr. No. | Nature of License / Approvals                             | Authority   | Particulars of License / Approvals | Validity Period | Special conditions, if any |
|---------|---|---|------------------------------------|-----------------|----------------------------|
| 1.      | Employees' Provident Fund                                 | Employees' Provident Fund Organization, Ministry of Labour and Employment, Govt. of India | EPF Code: UPKNP0021505000          | Perpetual       | -                          |
| 2.      | Employee's State Insurance Corporation in the state of UP | Asstt. Deputy Director, ESIC  | ESIC Code: 21000114100000106       | Perpetual       | -                          |

#### Other Registrations and Certifications

| Sr. No. | Nature of License / Approvals   | Authority  | Particulars of License / Approvals | Validity Period | Special conditions, if any               |
|---------|---|--|------------------------------------|-----------------|--|
| 1.      | Registration – Cum – Membership Certificate for “Manufacturer Exporter” | Apparel Export Promotion Council (sponsored by Govt. of India, Ministry of Textiles) | Regn No.: AEPC/REG/SM/MAF /42176   | March 31, 2017  | Description of Goods: Readymade Garments |







## INTELLECTUAL PROPERTY

We have filed the applications for trademark registration before the Registrar of Trade Marks, Trademarks Registry at Delhi and Mumbai, which is summarized as follows:-

| Sr. No. | Logo  | Date of Application/Approval date | Application No./Trademark No. | Class | Current Status | Valid Upto        |
|---------|---|-----------------------------------|-------------------------------|-------|----------------|-------------------|
| 1.      | VENUS'S JET   | May 28, 1979                      | 349697                        | 25    | Registered     | May 28, 2017      |
| 2.      |    | August 16, 1994                   | 637004                        | 25    | Registered     | August 16, 2018   |
| 3.      |    | August 16, 1994                   | 637005                        | 25    | Registered     | August 16, 2018   |
| 4.      |   | December 14, 1994                 | 648783                        | 25    | Registered     | December 14, 2018 |
| 5.      |  | June 01, 1995                     | 667858                        | 25    | Registered     | June 01, 2019     |
| 6.      |  | December 15, 1997                 | 782278                        | 25    | Registered     | December 15, 2017 |
| 7.      |  | August 04, 1998                   | 813304                        | 25    | Registered     | August 04, 2018   |
| 8.      |  | August 04, 1998                   | 813303                        | 25    | Registered     | August 04, 2018   |



|     |   |                    |         |    |                     |                    |
|-----|---|--------------------|---------|----|---------------------|--------------------|
| 9.  |  | December 28, 1998  | 833993  | 25 | Registered          | December 14, 2018  |
| 10. |  | May 30, 2000       | 928170  | 24 | Registered          | May 30, 2020       |
| 11. |  | February 20, 2002  | 1081935 | 25 | Rectification Filed | February 20, 2012  |
| 12. |  | September 17, 2004 | 1309424 | 25 | Registered          | September 17, 2024 |





## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on July 05, 2016 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013, passed at the Extra Ordinary General Meeting of our Company held on August 07, 2016 at registered office of the Company.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors and our Promoter Group, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The Companies with which our Promoters, our Directors or persons in control of our Company are/ were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

### PROHIBITION BY RBI

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters or Group Company have been identified as willful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in terms of Regulation 106M(1) of chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed Rs. 1,000 Lakhs, may issue shares to the public in accordance with the provisions of Chapter XB of the SEBI (ICDR) Regulations, 2009. Our Company also complies with the eligibility conditions laid by the NSE EMERGE Platform for listing of our Equity Shares.

#### **We confirm that:**

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue is 100% underwritten and that the LM has underwritten at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 43 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed u/s 40 of the Companies Act, 2013
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.



4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 43 of this Prospectus.
5. The Company has Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 1 crore as per the latest audited financial results. Net worth of the Company as on March 31, 2016 is Rs. 6.77 crores.
7. The Post-issue paid up capital of the Company shall be at least Rs. 1 Crore. The paid up capital shall be Rs. 4.08 Crores after the issue.
8. The Company shall mandatorily facilitate trading in demat securities and has entered into agreement with both the depositories.
9. The Company has not been referred to Board for Industrial and Financial Reconstruction.
10. No petition for winding up is admitted by a court of competent jurisdiction or a liquidator has been appointed against the Company.
11. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
12. The Company has a website: [www.jetknit.com](http://www.jetknit.com)
13. There has been no change in the Promoter(s) of the Company in the preceding one year from the date of filing application to NSE EMERGE Platform.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to our company in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE**



LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 21, 2016 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992.

“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER’S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.



7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN PUBLIC ISSUE 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 73 OF THE COMPANIES ACT, 1956\* AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE, SUBJECT TO COMPLIANCE WITH REGULATION 56 OF THE SEBI REGULATIONS
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.– NOT APPLICABLE\*\*
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:

  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.



14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE - A”
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”

*\*Section 40(3) of the Companies Act, 2013 has been notified by the Ministry of Corporate Affairs, Government of India.*

*\*\*Section 29 of the Companies Act, 2013 provides inter alia that every company making public offers shall issue securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.*

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.



**(6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

**Note:**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34, section 35, section 36 OR section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in this 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, Kanpur, in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.jetknit.com](http://www.jetknit.com) would be doing so at his or her own risk.

**Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated August 10, 2016, the Underwriting Agreement dated August 10, 2016 entered into among the Underwriter and our Company and the Market Making Agreement dated August 10, 2016 entered into among the Market Maker, Lead Manager and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, etc.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by the SEBI, please refer to 'Annexure A' to this Prospectus and the website of the Lead Manager at [www.sarthiwm.in](http://www.sarthiwm.in).

**DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus





of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE NSE EMERGE PLATFORM**

National Stock Exchange of India Limited (NSE) has given permission vide letter dated September 07, 2016, to use its name in the offer document in respect of the proposed public issue of equity shares. The disclaimer clause of stock exchange is as given below:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/86290 dated September 07, 2016 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

#### **FILING**

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the SEBI Northern Regional Office, 5th Floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi - 110001. A copy



of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies at 10/499 B, Allenganj, Khalasi Line, Kanpur, Uttar Pradesh.

## **LISTING**

Application will be made to the NSE EMERGE Platform for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The NSE EMERGE Platform has given its in-principal approval for using its name in our Prospectus vide its letter dated September 07, 2016.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE EMERGE Platform, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE Platform mentioned above are taken within Six Working Days from the Issue Closing Date.

## **CONSENTS**

Consents in writing of: (a) the Promoters, the Directors, the Company Secretary and Compliance Officer, Chief Financial Officer, the Statutory Auditor, Peer Review Auditor, Secretarial Auditor, the Banker to the Company; and (b) Lead manager, Underwriter, Market Make, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Prospectus and such consent and report is not withdrawn up to the time of delivery of this Prospectus with NSE.

## **EXPERT TO THE ISSUE**

Except as stated below, our Company has not obtained any expert opinions:

1. Report of the Statutory Auditor on Statement of Tax Benefits.

## **EXPENSES OF THE ISSUE**

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the chapter "Objects of the Issue" beginning on page 83 of this Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager will be as per the Mandate Letter dated July 05, 2016, issued by our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated August 10, 2016, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the





Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

#### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

#### **PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS**

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

#### **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 50 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

#### **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956/ SECTION 186 OF COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

None of the equity shares of our Group Entities are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

#### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving



full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection center of the SCSB where the Application Form was submitted by the ASBA applicants.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on July 05, 2016. For further details, please refer to the chapter titled “*Our Management*” beginning on page 130 of this Prospectus.

Our Company has appointed Mr. Yogi Srivastava as the Company Secretary and Compliance Officer and he may be contacted at the following address:

#### **JET KNITWEARS LIMITED**

119/410, B-1, Darshanpurwa,

Kanpur, U.P. - 208012

**Tel:** +91-512-2217553

**Email:** info@jetknit.com

**Website:** www.jetknit.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account, *etc.*

#### **CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS**

There have been no changes in the statutory auditors of our Company in the last three financial years except that M/s Pankaj Khanna & Associates were appointed as the statutory Auditors of our company in place of M/s Sushil Gupta & Co. w.e.f. September 30, 2015.

#### **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 50 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **PURCHASE OF PROPERTY**

Other than as disclosed in this Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Prospectus.

Except as stated elsewhere in this Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made thereunder.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.



## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE EMERGE Platform, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.*

### **RANKING OF EQUITY SHARES**

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 2013, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details please refer to the section titled, 'Main Provisions of the Articles of Association of the Company' on page 248 of this Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled 'Dividend Policy' on page 162 of this Prospectus.

### **FACE VALUE AND ISSUE PRICE**

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Prospectus at the price of Rs. 39/-per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled 'Basis for Issue Price' beginning on page 88 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.



#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

As per the provisions of the Depositories Act, the shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares and the same may be modified by the NSE EMERGE Platform from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 3,000 Equity Shares subject to a minimum allotment of 3,000 Equity Shares to the successful Applicants.

#### **MINIMUM NUMBER OF ALLOTTEES**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within 6 working days of closure of Issue.

#### **JOINT HOLDERS**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **MINIMUM SUBSCRIPTION**

In the event our Company does not receive a minimum subscription of 100% of the Issue, subject to the Issue being made for at least 25% of the post-Issue paid up Indian Equity Share capital of our Company, in accordance with Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, including devolvement to the Underwriters within 60 days from the Issue Closing Date, we shall forthwith refund the entire subscription amount received not later than 70 days from the Issue Closing Date. If there is a delay beyond eight days after the expiry of 70 days from the Issue Closing Date, the Directors of our Company who are officers in default shall jointly and severally be liable to repay the money with such interest as prescriber under section



39(3) of the Companies Act, 2013 and Companies (Prospectus and Allotment of Securities) Rules, 2014. Further Section 39(5) states that in case of default under section 39(3), the Company and its officers who are in default shall be liable to a penalty of Rs. 1,000/- for each day during which the default continues or Rs. 1,00,000/- whichever is less.

Additionally, section 40(3) of the Companies Act, 2013 requires application money to be refunded in the event of failure to Allot Equity Shares for any other reason. Additionally, section 40 of the Companies Act, 2013 requires application to be made to the stock exchange before making public offer and the monies received from public must be kept in separate bank account and should not be used for any purpose other than those specified therein. If a default is made in complying with the provisions of this section the Company shall be punishable with a fine which shall not be less than Rs. 5,00,000/- but which may extend to Rs. 50,00,000/- and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3,00,000 or with both.

#### **MIGRATION TO MAIN BOARD**

Our company may migrate to the main board of NSE from the EMERGE Exchange at a later date subject to the following:

- a) If the Paid up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoters shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of our company is more than 10 crores but below Rs. 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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 NSE EMERGE Platform (SME Exchange) wherein the Lead Manager to the issue shall ensure compulsory Market Making through registered Market Makers of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the Market Making arrangement see chapter titled “General Information” beginning on page 43 of this Prospectus.

#### **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the pre-Issue Equity Shares and Promoter’s minimum contribution as detailed in chapter titled “Capital Structure” beginning on page 50 of this Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section “Main Provisions of the Articles of Association” beginning on page 248 of this Prospectus.



#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 3,000 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 NSE EMERGE Platform.

#### **ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM**

Our Company shall issue shares only in dematerialized form. Investors making application in dematerialized form may get the specified securities rematerialized subsequent to allotment.

#### **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, India.

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

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



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post-issue face value capital is less than Rs. 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 NSE EMERGE Platform). For further details regarding the salient features and terms of such an Issue please refer to the chapters titled 'Terms of the Issue' and 'Issue Procedure' beginning on page 226 and 232 of this Prospectus.

### **FOLLOWING IS THE ISSUE STRUCTURE:**

Public Issue of 10,83,000 Equity shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 39/- per Equity Share aggregating Rs. 422.37 Lakhs ('the Issue') by our Company.

The Issue comprises a Net Issue to Public of 10,26,000 Equity Shares ('the Net Issue') and a reservation of 57,000 Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion').

| Particulars of the Issue                          | Net Issue to Public*   | Market Maker Reservation Portion   |
|---|--|--|
| Number of Equity Shares available for allocation  | 10,26,000 Equity Shares  | 57,000 Equity Shares   |
| Percentage of Issue Size available for allocation | 94.74% of the Issue size   | 5.26% of the Issue size  |
| Basis of Allotment                                | Proportionate subject to minimum allotment of 3,000 Equity Shares and further allotment in multiples of 3,000 Equity Shares each. For further details please refer to the "Basis of Allotment" on page 238 of this Prospectus. | Firm Allotment   |
| Mode of Application                               | All Applicants must compulsorily apply through the ASBA Process (online or the Physical Form)  | Through ASBA Process Only  |
| Minimum Application Size                          | For QIB and NII:<br>Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-<br>For Retail Individuals:<br>3,000 Equity Shares                                  | 57,000 Equity Shares   |
| Maximum Application Size                          | For QIB and NII:<br>Such number of equity shares in multiples of 3,000 Equity Shares such that the Application Size does not exceed 10,26,000 Equity Shares.<br>For Retail Individuals:<br>3,000 Equity Shares                 | Application size shall be 57,000 equity shares since there is a firm allotment |





| Particulars of the Issue | Net Issue to Public*   | Market Maker Reservation Portion   |
|--------------------------|--|--|
| Mode of Allotment        | Dematerialized Form  | Dematerialized Form  |
| Trading Lot              | 3,000 Equity Shares  | 3,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. |
| Terms of Payment         | The entire Application Amount will be payable at the time of submission of the Application Form. |  |

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 230 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:

- Minimum fifty percent to retail individual investors; and
- Remaining to Investors other than retail Individual Investors; and
- The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

|                           |                           |
|---------------------------|---------------------------|
| <b>ISSUE OPENING DATE</b> | <b>SEPTEMBER 27, 2016</b> |
| <b>ISSUE CLOSING DATE</b> | <b>SEPTEMBER 29, 2016</b> |

Applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) whereas the revision will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date application and revision will be accepted only between 10.00 a.m. and 2.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchange excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.





## ISSUE PROCEDURE

### FIXED PRICE ISSUE PROCEDURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to an Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

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.

As per the provisions Section 29 of the Companies Act, 2013, the Allotment of Equity Shares in the Issue shall be only in a de-materialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). The Equity Shares on Allotment shall, however, be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus.

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.

The prescribed color of the Application Form for various categories is as follows:

| Category  | Color of Application Form |
|---|---------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White                     |
| Non-Residents and Eligible NRIs applying on a repatriation basis        | Blue                      |

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

### WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines:-

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*. Applications by HUFs would be considered at par with those from individuals;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;



- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

#### **PARTICIPATION BY ASSOCIATES OF LM**

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and The Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com).

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a) Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) A single Application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.



## **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE 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 (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 Equity Shares exceeding the number of Equity Shares offered to the public.

## **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

**No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.**

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.**

## **APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS**

Application Forms have been made available for Eligible NRIs at our Company's registered Office and at the office of Lead Manager to the Issue. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the forms meant for the 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 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 issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

## **AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FIIS:**

- The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that



effect by its shareholders in their general meeting. As on the date of this Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

- Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ('SEBI FII Regulations'), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor 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 in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the LM that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> 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 AIF Regulations shall continue to be regulated by the VCF Regulations.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "IRDA Investment Regulations"), are broadly set forth below:



1. equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
3. The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors on 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.

#### **APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice / CANs / letters



notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

**a) For Retail Individual Applicants**

The Application must be for a minimum of 3,000 Equity Shares. As the Application Price payable by the Applicant cannot exceed Rs. 2,00,000/-, they can make Application for only minimum Application size i.e. for 3,000 Equity Shares.

**b) For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000/- and in multiples of 3,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000/- for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

#### **INFORMATION FOR THE APPLICANTS**

- a) Our Company will file the Prospectus with the Registrar of Companies, Kanpur least 3 (three) days before the Issue Opening Date.
- b) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office or from the office of the LM.
- c) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- d) Applications made in the Name of Minors and/or their nominees shall not be accepted.

#### **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.

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 National Stock Exchange of India Limited 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'). 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. 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 the NSE EMERGE Platform (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:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 3,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 3,000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3,000 equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 3,000 equity shares subject to a minimum allotment of 3,000 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 3,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a) As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - b) The balance net offer of shares to the public shall be made available for allotment to
    - i. Individual applicants other than retails individual investors and
    - ii. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.



‘Retail Individual Investor’ means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **GENERAL INSTRUCTIONS**

##### ***Do's:***

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- All Applicants should submit their application through ASBA process only.

##### ***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.
- 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 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 (1<sup>st</sup> 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.

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 02, 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.

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;



- Applications for number of Equity Shares which are not in multiples of 3,000;
- 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 Stockinvest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications 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 by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 2.00 pm on the Issue Closing Date;

#### **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 a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

#### **SIGNING OF UNDERWRITING AGREEMENT**

Vide an Underwriting agreement dated August 10, 2016 this issue is 100% Underwritten.



## **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the Registrar of Companies, Kanpur in terms of Section 26 of Companies Act, 2013.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

## **DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into Public Issue Account with the Banker to the Issue. Upon approval of the Basis of Allotment by the designated Stock Exchange, the Registrar to the Issue shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Share. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, 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.

Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensure the credit of shares to the successful Applicant's depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the SCSBs Banks to Public Issue Account on the Designated Date.

## **PAYMENT OF REFUND**

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager shall intimate Public Issue bank and Public Issue Bank shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary applicants.

**As per RBI regulations, OCBs are not permitted to participate in the issue.**

**There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRIs, FIIs and Foreign Venture Capital Funds will be treated on the same basis with other categories for the purpose of allocation.**

## **DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.



## UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within six working days of closure of the issue;
3. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time; and
4. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed.

## UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of NSE for listing of Equity Shares offered through this issue on its Emerge Platform, which the Company shall apply for after Allotment and
2. The filing of Prospectus with the concerned RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh prospectus with stock exchange(s).



## **EQUITY SHARES IN 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 agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) We have entered into tripartite agreement between NSDL, the Company and the Registrar to the Issue.
- (b) We have entered into agreement between CDSL, the Company and the Registrar to the Issue.

The Company's Equity shares bear an ISIN No. INE564T01017

- 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 à 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 has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

## **COMMUNICATIONS**

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1470396128652.html](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1470396128652.html). For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.



## ASBA PROCESS

Applicant shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ('ASBA Account') is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the 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 Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTAs or DPs registered with SEBI. 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 Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

### Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, , money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

**Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 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.



## **RESTRICTION 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 of 2016, with effect from June 07, 2016 ("Circular of 2016"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular of 2016 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a Non-resident does not require the prior approval of the FIPB or the 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.

**The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. However, the Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**





## SECTION VIII – MAIN PROVISION OF ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

### *Interpretation*

#### **I. (1)** In these regulations—

- (a) “the Act” means the Companies Act, 2013,
  - (b) “the seal” means the common seal of the company.
- (2) 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.

### *Share capital and variation of rights*

**II. 1.** 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.

**2. (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 the registration of transfer or transmission or within such other period as the conditions of issue shall be

provided,—

- (a) one certificate for all his shares without payment of any charges; or
- (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) 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.

**3. (i)** 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.

(ii) Permission for sub-division/consolidation of share certificates.

(iii) That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;



4. Except as required by law, no person shall be recognized 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 recognize (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.

5 (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 rule made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating 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.

7. 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 share ranking *pari passu* therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an 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.

#### ***Lien***

9. (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
- (b) That 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 a fixed time in respect of such shares;
- (c) 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 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 dividend bonuses declared from time to time in respect of such shares.



**10.** 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.

**11. (i)** To give effect to any such sale, the Board may authorize 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.

**12. (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.

#### ***Calls on shares***

**13. (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:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call

(ii) That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.

(iii) 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.

(iv) A call may be revoked or postponed at the discretion of the Board

**14.** A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

**15.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**16. (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.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.



**17.** (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.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**18.** The Board—

(a) 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

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### *Transfer of shares*

**19.** (i) That a common form of transfer shall be used;

(ii) That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever;

(iii) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(iv) 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.

**20.** The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

**21.** The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) 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

(c) the instrument of transfer is in respect of only one class of shares.

**22.** 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:

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.



### *Transmission of shares*

**23.** (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 shareholder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(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.

**24.** (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—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(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.

**25.** (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.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(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.

**26.** 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:

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 complied with.

**27.** In case of a One Person Company—

(i) on the death of the sole member, the person nominated by such member shall be the person recognized by the company as having title to all the shares of the member;

(ii) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company;

(iii) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable;

(iv) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.



### ***Forfeiture of shares***

**28.** If a member fails to pay any call, or installment 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 installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

**29.** The notice aforesaid shall—

(a) 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

(b) 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.

**30.** 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

**31.** (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**32.** (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.

(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.

**33** (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;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(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.

**34.** The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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.



### *Alteration of capital*

**35.** 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.

**36.** Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) 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.

**37.** Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) 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.

(c) such of the regulations 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.

**38.** The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.



### *Capitalization of profits*

**39.** (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(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.

(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—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(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;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

**40.** (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) Make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(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 in fractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.





### ***Buy-back of shares***

41. 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.

### ***General meetings***

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.

43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) 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.

### ***Proceedings at general meetings***

44 (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.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

45 . The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

46. 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.

47. 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.

48 . In case of a One Person Company—

(i) the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118;

(ii) such minutes book shall be signed and dated by the member;

(iii) the resolution shall become effective from the date of signing such minutes by the sole member.

### ***Adjournment of meeting***

49 . (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.

(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.



(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.

(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.

#### ***Voting rights***

**50.** Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) 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.

**51.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

**52.** (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.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**53.** 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.

**54.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**55.** 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.

**56.** (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.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### ***Proxy***

**57.** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.



**58.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

**59.** 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.

***Board of Directors***

**60.** The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them, The first directors of the company shall be;

1. Shri BHUSHAN KUMAR NARULA
2. Shri BALRAM KUMAR NARULA
3. Shri SATISH KUMAR NARULA
4. Shri ANIL KUMAR NARULA
5. Shri RAKESH KUMAR NARULA
6. Shri KANCHAN NARULA
7. Shri USHA NARULA.

**61.** (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.

(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—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

**62.** The Board may pay all expenses incurred in getting up and registering the company.

**63.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

**64.** 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.

**65.** 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.

**66.** (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.



(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.

#### ***Proceedings of the Board***

**67.** (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

**68.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

**69.** 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.

**70.** (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) 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.

**71.** (i) 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.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

**72.** (i) A committee may elect a Chairperson of its meetings.

(ii) 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.

**73.** (i) A committee may meet and adjourn as it thinks fit.

(ii) 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.

**74.** 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.

**75.** 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.

**76 In case of a One Person Company—**

- (i) where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;
- (ii) such minutes book shall be signed and dated by the director;
- (iii) the resolution shall become effective from the date of signing such minutes by the director.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

**77. Subject to the provisions of the Act,—**

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**78.** A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

***The Seal***

**79. (i)** The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

***Dividends and Reserve***

**80.** (i) The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

(ii) That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;

**81.** 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.

**82. (i)** The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting



contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**83.** (i) 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.

(ii) 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.

(iii) 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.

**84.** 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.

**85.** (i) 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.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**86.** 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.

**87.** 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.

**88.** No dividend shall bear interest against the company.

#### ***Accounts***

**89.** (i) 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.

(ii) 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.



### ***Winding up***

**90.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### ***Indemnity***

**91 .** 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.



## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 119/410, B-1, Darshanpurwa, Kanpur- 208012, Uttar Pradesh, India, from date of filing this Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### MATERIAL CONTRACTS

1. Mandate letter dated July 05, 2016 issue by our Company to the Lead manager.
2. Issue Agreement dated August 10, 2016 between our Company and the Lead Manager.
3. Agreement dated August 10, 2016 between our Company and the Registrar to the Issue.
4. Public Issue Account agreement dated September 15, 2016 among our Company, the Lead Manager, the Public Issue Bank/Banker to Issue, and the Registrar to the Issue.
5. Underwriting agreement dated August 10, 2016 between our Company and Lead Manager.
6. Market Making Agreement dated August 10, 2016 between our Company, the Lead Manager and the Market Maker.
7. Agreement among CDSL, our Company and the Registrar to the Issue dated September 09, 2016.
8. Agreement among NSDL, our Company and the Registrar to the Issue dated September 17, 2016.

#### MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
2. Resolution of the Board dated July 05, 2016 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated August 07, 2016 authorizing the Issue.
4. Statement of Tax Benefits dated August 26, 2016, issued by Statutory Auditor, M/s Pankaj Khanna & Associates, Chartered Accountants.
5. Report of the Peer Review Auditor, RPMD & Associates, Chartered Accountants, on the Restated Financial Statements dated August 25, 2016 for Financial Year ended as on March 31, 2016, 2015, 2014, 2013 and 2012 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditors, Bankers to our Company, the Lead Manager, Underwriter, Registrar to the Issue, Market Maker to the Issue, Legal Advisor, Bankers to the Issue/ Public Issue Bank, Refund Banker to the Issue, to act in their respective capacities.
7. Copy of approval from NSE *vide* letter dated September 07, 2016 to use the name of NSE in this offer document for listing of Equity Shares on NSE EMERGE Platform.
8. Due Diligence Certificate dated September 21, 2016 the Lead Manager.
9. Copy of Managing Director Agreement with Mr. Balram Kumar Narula and our Company dated June 01, 2015 for his appointment.





10. Copy of the Special Resolution dated June 27, 2015 for the detailed terms of appointment of Mr. Balram Kumar Narula as Managing Director of the Company.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, with the approval of the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



### DECLARATION

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956 and the guidelines issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

#### Signed by the Directors of our Company

| Name                 | DIN      | Designation                          | Signature |
|----------------------|----------|--------------------------------------|-----------|
| Balram Kumar Narula  | 00274566 | Managing Director                    |           |
| Anil Kumar Narula    | 00274462 | Whole Time Director                  |           |
| Rakesh Kumar Narula  | 00274483 | Whole Time Director                  |           |
| Ashok Chandra Bajpai | 05358863 | Independent & Non-Executive Director |           |
| Ramesh Chandra       | 00111716 | Independent & Non-Executive Director |           |
| Dinesh Parashar      | 07270662 | Independent & Non-Executive Director |           |

#### Signed by Company Secretary & Compliance Officer and Chief Financial Officer

Yogi Srivastava  
Company Secretary & Compliance Officer

Ankur Narula  
Chief Financial Officer

**Date:** September 21, 2016

**Place:** Kanpur, U.P.



## Annexure A

### DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY SARTHI CAPITAL ADVISORS PRIVATE LIMITED

**TABLE 1**

| Sr. No. | Issue Name                            | Issue Size (Cr) | Issue Price (Rs.) | Listing date       | Opening price on listing date | +/- % change in closing price, [+/- % change in closing Benchmark]- 30 <sup>th</sup> calendar day from listing | +/- % change in closing price, [+/- % change in closing Benchmark]- 90 <sup>th</sup> calendar day from listing | +/- % change in closing price, [+/- % change in closing Benchmark]- 180 <sup>th</sup> calendar day from listing |
|---------|---------------------------------------|-----------------|-------------------|--------------------|-------------------------------|--|--|---|
| 1.      | Bothra Metals & Alloys Limited        | 12.21           | 25                | March 25, 2013     | 25.5                          | 11.00 [3.88]   | 7.40 [-0.75]   | 30.00 [6.23]  |
| 2.      | Tiger Logistics (India) Limited       | 7.52            | 66                | September 12, 2013 | 69.2                          | -13.17 [4.17]  | -7.38 [7.02]   | -8.10 [10.34]   |
| 3.      | R J Bio-Tech Limited                  | 5.00            | 20.00             | September 25, 2013 | 21.00                         | 92.97 [4.17]   | 63.49 [5.92]   | 36.05 [11.08]   |
| 4.      | RCI Industries & Technologies Limited | 11.52           | 40.00             | January 21, 2014   | 41.00                         | -8.02 [-3.36]  | 6.31 [7.12]  | -2.76 [21.01]   |
| 5.      | B.C. Power Controls Limited           | 10.36           | 18.00             | March 14, 2014     | 17.15                         | 1.10 [3.10]  | 1.10 [17.27]   | 2.21 [24.06]  |
| 6.      | Starlit Power Systems Limited         | 2.95            | 18.00             | October 22, 2014   | 18.10                         | -3.96 [5.78]   | -17.68 [7.46]  | -33.51[4.10]  |
| 7.      | JLA Infraville Shoppers Limited       | 2.00            | 10.00             | November 12, 2014  | 11.05                         | 5.17 [-2.35]   | 68.97 [1.24]   | 72.84 [-1.79]   |



|     |   |       |        |                   |        |                |               |                |
|-----|---|-------|--------|-------------------|--------|----------------|---------------|----------------|
| 8.  | AkmeStarhousing Finance Limited         | 4.80  | 30.00  | March 20, 2015    | 32.00  | -3.94 [-1.33]  | 6.14 [-4.05]  | 11.81 [-8.10]  |
| 9.  | MahabirMetallex Limited                 | 3.90  | 10.00  | March 27, 2015    | 10.30  | 22.77 [-1.03]  | 21.78 [1.59]  | 2.97 [-5.96]   |
| 10. | Pecos Hotels And Pubs Limited           | 2.29  | 50.00  | August 11, 2015   | 56.00  | -4.69 [-8.05]  | -6.10 [-6.26] | 7.14 [-12.84]  |
| 11. | Shaival Reality Limited                 | 5.28  | 100.00 | October 01, 2015  | 100.50 | -0.50 [6.06]   | 0.00 [4.02]   | 0.00 [0.08]    |
| 12. | Ahimsa Industries Limited               | 3.79  | 25.00  | October 15, 2015  | 26.00  | -3.08 [-4.56]  | -3.08 [-7.54] | -3.08 [-5.75]  |
| 13. | Fourth Dimension Solutions Limited      | 8.68  | 30.00  | January 22, 2016  | 31.80  | 107.78 [-2.53] | 94.44 [6.60]  | 108.33 [15.40] |
| 14. | Hi-Tech Pipes Limited                   | 13.65 | 50.00  | February 25, 2016 | 60.00  | 2.55 [9.25]    | 65.11[13.83]  | 100.85 [23.84] |
| 15. | Wealth First Portfolio Managers Limited | 8.40  | 50.00  | March 30, 2016    | 52.00  | -4.85[1.48]    | -4.76[5.08]   | -              |
| 16. | HEC Infra Projects Limited              | 5.39  | 100.00 | March 30, 2016    | 102.00 | 21.66[1.48]    | 15.93[5.08]   | -              |

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) / [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex/ Nifty is considered as the Benchmark Index
2. Price on BSE/ NSE is considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day (trading holiday), closing price on BSE/ NSE of the next trading day has been considered
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day there is no trade then the closing price of the next day when trading has taken place has been considered



**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

| Financial year | Total no. of IPOs | Total funds raised (Rs. In. Cr) | No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing |                |               | No. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing |                |               |
|----------------|-------------------|---------------------------------|---|----------------|---------------|--|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
|                |                   |                                 | Over 50%  | Between 25-50% | Less than 25% | Over 50%   | Between 25-50% | Less than 25% | Over 50%  | Between 25-50% | Less than 25% | Over 50%   | Between 25-50% | Less than 25% |
| 12-13          | 1                 | 12.21                           | -   | -              | -             | -  | -              | 1             | -   | -              | -             | -  | 1              | -             |
| 13-14          | 4                 | 34.39                           | -   |                | 2             | 1  |                | 1             | -   | -              | 2             | -  | 1              | 1             |
| 14-15          | 4                 | 13.65                           | -   | -              | 2             | -  | -              | 2             | -   | 1              | -             | 1  | -              | 2             |
| 15-16          | 7*                | 47.48                           | -   | -              | 4             | 1  | -              | 2             | -   | -              | 1             | 2  | -              | 1             |

\*Following points to be noted:

- The shares of Shaival Reality Limited were trading at par on its 180<sup>th</sup> calendar day.
- The fields left blank in Table 1 indicates that the shares of respective companies have not reached the consequent milestones.