



MUKESH TRENDS LIFE STYLE LIMITED

Mukesh Trends Life Style Limited ("Company" or "Issuer") was originally incorporated as 'Mukesh Fabrics Private Limited' on July 30, 1990 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat. Pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated January 17, 1994 our Company was converted into a public limited company subsequently, the name of our Company was changed to 'Mukesh Fabrics Limited' and a fresh certificate of incorporation dated March 09, 1994 consequent to the conversion was issued to our Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated February 23, 1995 the name of our Company was changed to 'Mukesh Industries Limited' and a fresh certificate of incorporation dated April 07, 1995 was issued to our Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad. Thereafter, pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated December 17, 2018 the name of our Company was changed to 'Mukesh Trends Life Style Limited' and a fresh certificate of incorporation dated December 31, 2018 was issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad. For details of change in the name of our Company and Registered Office of our Company, see "History and Certain Corporate Matters" on page 161 of this Draft Red Herring Prospectus.

Registered Office: National Highway no. 08, Narol, Naroda Road, Ahmedabad- 382 443, Gujarat, India. **Telephone:** +91 98 720 5515

Contact Person: Dashang Manharlal Khatri, Company Secretary and Compliance Officer **E-mail:** cs@mtll.in; **Website:** www.mtll.in; **Corporate Identification Number:** U17110GJ1990PLC014108

OUR PROMOTER- MUKESH DEVKINANDAN AGARWAL

INITIAL PUBLIC OFFERING OF UPTO 10,000,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ [●] MILLION ("ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF THE FULLY DILUTED POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH. THE ISSUE PRICE IS [●] TIMES THE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS"), AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three (03) additional Working Days after such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of ten (10) Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members, and by intimation to Self-Certified Syndicate Banks ("SCSBs"), the Sponsor Bank and other Designated Intermediaries, as applicable. In case of force majeure, banking strike or similar circumstances, the Company may for reasons recorded in writing, extend the Bid/ Issue Period by at least three (03) additional working days subject to the total Bid/Issue Period not exceeding ten (10) Working Days.

The Issue is being made in terms of Rule 19(2)(b)(i) of the Securities Contract (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Issue Price. All potential Bidders, other than Anchor Investors, are mandatorily required to participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through the use of Unified Payments Interface ("UPI") (as applicable) by providing details of their respective bank account which will be blocked by the SCSBs to participate in the Issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Issue Procedure" on page 255 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

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

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 24 of this Draft Red Herring Prospectus.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring 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 the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 306 of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER

PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED
406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India
Telephone: + 91 22 6194 6700
Facsimile: +91 22 2659 8690
Email: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Investor Grievance ID: ipo@pantomathgroup.com
Contact Person: Unmesh Zagade
SEBI Registration Number: INM000012110



REGISTRAR TO THE ISSUE

LINK INTIME INDIA PRIVATE LIMITED
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India.
Telephone: +91 022 4918 6200
Facsimile: +91 022 4918 6195
Email: mukeshtrends.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance ID: mukeshtrends.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058



BID/ISSUE PROGRAMME

FOR ALL BIDDERS:	ISSUE OPENS ON*: [●]
FOR QIBs:	ISSUE CLOSES ON*: [●]
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS:	ISSUE CLOSES ON: [●]

* Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

** Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise specified or indicates, requires or implies, shall have the meaning as provided below. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

General Terms

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer” or “MTLL”	Mukesh Trends Life Style Limited, a company incorporated under the Companies Act, 1956, having its registered office at National Highway no. 08, Narol, Naroda Road, Ahmedabad- 382 443, Gujarat, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.

Company Related Terms

Term	Description
Appraisal Report	Techno Economic Viability Report dated September 25, 2019 issued by Care Advisory Research & Training Limited.
“Articles” / “Articles of Association” / “AoA”	Articles / Articles of Association of our Company, as amended from time to time.
Associate Company	MnA Texlinen Private Limited. Our Company was holding shareholding of 83,500 equity shares in MnA Texlinen Private Limited which aggregated to 35.87% of its total equity share capital. On April 05, 2018, our Company transferred 41,750 of the aforementioned equity shares to our Chairman and Managing Director, Devkinandan Gopiram Agarwal and the remaining 41,750 equity shares were transferred to our Whole-time Director and Chief Executive Officer, Mukesh Devkinandan Agarwal. Therefore, as on date of this Draft Red Herring Prospectus, MnA Texlinen Private Limited is not our Associate Company.
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“ SEBI Listing Regulations ”) and Section 177 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 164 of this Draft Red Herring Prospectus.
“Auditor” / “Statutory Auditor”/ “Peer Review Auditor”	Statutory and peer review auditor of our Company, namely, M/s. Abhishek Kumar & Associates, Chartered Accountants.
“Board” / “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof.
Chief Financial Officer / CFO	Kailash Jamnalal Dudhani, the Chief Financial Officer of our Company.
Company Secretary and Compliance Officer	Dashang Manharlal Khatri, the Company Secretary and the Compliance Officer of our Company.
Corporate Social Responsibility Committee	The committee of the Board of directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 164 of this Draft Red Herring Prospectus.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.

Term	Description
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Executive Directors	Executive directors of our Company.
Group Companies	Companies with which there have been related party transactions, during the last three financial years, as covered under the applicable accounting standards and other companies as considered material by the Board. For details, see “ <i>Our Group Companies</i> ” on page 184 of this Draft Red Herring Prospectus.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
IPO Committee	The committee of our Company constituted pursuant to a resolution passed by our Board on January 10, 2019 to facilitate the process of the Issue, as described in “ <i>Our Management</i> ” on page 164 of this Draft Red Herring Prospectus.
“Key Management Personnel” / “KMP”	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “ <i>Our Management – Key Managerial Personnel</i> ” on page 164 of this Draft Red Herring Prospectus.
Materiality Policy	A policy adopted by our Company, in its Board meeting held on June 25, 2019, for identification of group companies, material creditors and material litigations.
“Memorandum of Association” / “MoA”	Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company’s nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 164 of this Draft Red Herring Prospectus.
Non-executive Directors	Non-executive Directors of our Company.
Promoter	The promoter of our Company, namely, Mukesh Devkinandan Agarwal. For further details, see “ <i>Our Promoter and Promoter Group</i> ” on page 180 of this Draft Red Herring Prospectus.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page 180 of this Draft Red Herring Prospectus.
“Registered Office”	The registered office of our Company located at National Highway no. 08, Narol, Naroda Road, Ahmedabad- 382 443, Gujarat, India.
“Registrar of Companies” / “RoC”	Registrar of Companies, Gujarat at Ahmedabad situated at ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.
Restated Financial Statements / Restated Financial Information/ Restated Consolidated Financial Information	Restated consolidated financial statements of our Company and its Associate Company for the Fiscals 2019, 2018 and 2017 prepared in accordance with Ind AS and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations. For details, see “ <i>Financial Information</i> ” on page 191 of this Draft Red Herring Prospectus.
Shareholders	Shareholders of our Company, from time to time.
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see “ <i>Our Management</i> ” on page 164 of this Draft Red Herring Prospectus.

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary (ies) to a Bidder as proof of registration of the Bid Cum Application Form.
“Allot”/“Allotment”/ “Allotted”	Unless the context otherwise requires, the issue and allotment of the Equity Shares pursuant to the Issue to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the each successful Bidder who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor portion for a minimum Bid of at least ₹ 100 million, in accordance with the SEBI ICDR Regulations.

Term	Description
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investor in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLM in the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/ Issue period / Anchor Investor Bidding Date	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Portion	Up to 60% of the QIB Portion, consisting of upto [●] Equity Shares, which may be allocated by our Company in consultation with the BRLM, to Anchor Investors, on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
“Application Supported by Blocked Amount”/“ASBA”	An application, whether physical or electronic, used by a Bidder, other than Anchor Investors, to make a Bid and authorize a SCSB to block the Bid Amount in the ASBA account and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by RIBs using the UPI.
ASBA Account	A bank account maintained by ASBA Bidder with an SCSB for blocking the Bid Amount mentioned in the ASBA Form and will include a bank account of RIBs linked with UPI
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
ASBA Bidders	All Bidders except Anchor Investors.
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Bidders and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
“Bid(s)” /“Bidding”	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid / Issue Period by the Anchor Investors, pursuant to submission of Anchor Investor Application Form including through UPI mode (as may be applicable), to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and Bid cum Application form. The term “Bidding” shall be construed accordingly.
“Bid”/ “Issue Closing Date”	Except in relation to the Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●]. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Member, as required under the SEBI ICDR Regulations and also intimate to SCSBs, the Sponsor Bank, and Registered Brokers, RTA and CDPs.. Our Company, in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs one (01) Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.

Term	Description
“Bid”/ “Issue Opening Date”	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting ASBA Bids for the Issue being [●].
“Bid”/ “Issue Period”	<p>Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which the Bidders can submit their Bids, including any revisions thereof.</p> <p>Our Company, in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs one (01) Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.</p>
“Bidder”/“Applicant”	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied includes an Anchor Investor.
“BRLM”/“Book Running Lead Manager”	The book running lead manager to the Issue, being Pantomath Capital Advisors Private Limited.
Banker(s) to the Issue	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being [●].
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in “ <i>Issue Procedure</i> ” on page 255 of this Draft Red Herring Prospectus.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder / blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form including through UPI mode (as applicable), as the context requires.
Bid Lot	[●] Equity Shares and in multiple of [●] Equity Shares, thereafter.
Bidding Centers	The centers at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Broker Centers	Broker centers notified by the Stock Exchanges, where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com) and are updated from time to time.
“CAN” / “Confirmation of Allocation Note”	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Issue Period.
“Collecting Depository Participant(s)” / “CDP(s)”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE.
Compliance Officer	Compliance officer of our Company
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Issue with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in .
Cut-off Price	<p>The Issue Price, finalised by our Company in consultation with the BRLM, which shall be any price within the Price Band.</p> <p>Only Retail Individual Bidders (subject to the Bid Amount being up to ₹ 200,000) are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.</p>

Term	Description
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, bank account details and UPI ID wherever applicable.
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges. (www.bseindia.com and www.nseindia.com).
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIBs using UPI mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, after the Prospectus is filed with the RoC.
Designated Intermediary(ies)	The Members of the Syndicate, sub-syndicate or agents, SCSBs (other than RIBs using the UPI mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders, in relation to the Issue.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus"/"DRHP"	This draft red herring prospectus dated September 27, 2019 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars, including of the DRHP price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto.
Eligible NRI(s)	NRI eligible to invest under Schedule 3 and Schedule 4 of the FEMA Regulations, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account(s)	The 'no-lien' and 'no-interest bearing' account(s) opened for the Issue with the Escrow Collection Bank and in whose favour the Bidders (excluding ASBA Bidders) may issue or transfer money through direct credit/NACH/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Agent	[●]
Escrow Agreement	The agreement to be entered into by our Company, the Registrar to the Issue, the BRLM, the Escrow Collection Bank(s), the Sponsor Bank and the Refund Bank(s) for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchanges in relation to our Equity Shares.
"First Bidder"/"Sole Bidder"	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of a joint Bid and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
General Information Document/ GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the

Term	Description
	circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016, and the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
Maximum Allottees	RIB The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids received at or above the Issue Price.
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see " <i>Objects of the Issue</i> " on page 82 of this Draft Red Herring Prospectus.
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders or NIIs	All Bidders including category III FPI's that are not QIBs (including Anchor Investor) or Retail Individual Bidders, bidding in the QIB Portion or Retail Portion, if any respectively and who have Bid for the Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
"Non-Resident"/ "NR"	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs.
Non-Resident Indian/NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
"Issue"/"Issue Size"	Initial Public Offering of up to 10,000,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million.
Issue Agreement	The agreement dated March 18, 2019 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price within the Price Band at which the Equity Shares will be Allotted to successful Bidders (other than Anchor Investor) in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the Book Running Lead Manager on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see " <i>Objects of the Issue</i> " on page 82 of this Draft Red Herring Prospectus.
Pre-Issue Advertisement	The pre-Issue advertisement to be published by our Company under Regulation 43 of the SEBI ICDR Regulations and Section 30 of the Companies Act, 2013 after filing of the Red Herring Prospectus with the RoC, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation, respectively.
Price Band	Price Band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof.
	The Price Band and minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM and will be advertised, at least two (2) Working Days prior to the Bid/Issue Opening Date, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), along with the relevant financial ratios

Term	Description
	calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company in consultation with BRLM will finalise the Issue Price.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue Price that is determined through the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account	The ‘no-lien’ and ‘no-interest bearing’ account to be opened under Section 40(3) of the Companies Act, 2013, with the Public Issue Account Bank to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date.
Public Issue Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [●].
“QIB Portion”/“QIB category”	The portion of the Issue (including the Anchor Investor Portion), being not more than 50% of the Issue or [●] Equity Shares which shall be available for allocation to QIBs including the Anchor Investors, subject to valid Bids being received at or above the Issue Price.
“Qualified Institutional Buyers”/ “QIBs”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Bid Closing Date	In the event our Company, in consultation with the BRLM, decide to close Bidding by QIBs one day prior to the Bid Closing Date, the date which is one day prior to the Bid Closing Date; otherwise it shall be the same as the Bid Closing Date.
“Red Herring Prospectus”/ “RHP”	The Red Herring Prospectus to be issued in accordance with section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, and includes any addenda and corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three (03) Working Days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The ‘no-lien’ and ‘no-interest bearing’ account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, RTGS or NEFT, as applicable.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI.
Registrar Agreement	The registrar agreement dated March 18, 2019 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
“Registrar and Share Transfer Agents”/ “RTAs”	The registrar and the share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE.
“Registrar to the Issue” / “Registrar”	Link Intime India Private Limited.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	Resident Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta) and Eligible NRIs.
Retail Portion	The portion of the Issue being not less than 35% of the Issue comprising of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject

Term	Description
	to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis.
Revision Form	The form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can withdraw or revise their Bids until Bid/Issue Closing Date
“Self-Certified Syndicate Banks” or “SCSBs”	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from the Bidders, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.
Sponsor Bank	[●], being a Banker to the Issue registered with SEBI, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI.
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	The agreement dated [●], entered into between the BRLM, the Syndicate Members, our Company and Registrar to the Issue in relation to the collection of the ASBA Forms by the Syndicate Members.
“Syndicate Members”/ “Members of the Syndicate”	Together, the BRLM and the Syndicate Members.
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
Underwriters	[●]
Underwriting Agreements	The agreement dated [●] entered into among the Underwriters and our Company on or after the Pricing Date but prior to the filing of the Prospectus with the RoC.
Unified Payment Interface or UPI	Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons’ bank accounts using a payment address which uniquely identifies a persons’ bank account.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RIB to make a Bid in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference

Term	Description
	to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges. “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.

Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative Investment Funds
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate.
Category I FPI(s)	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II FPI(s)	Category II FPI(s) FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013 as applicable.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder.
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CSR	Corporate social responsibility
Depository(ies)	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant’s identity number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary general meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year

Term	Description
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insolvency Code	Insolvency and Bankruptcy Code, 2016
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offering
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House, a consolidated system of ECS.
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
SCRA	Securities Contract (Regulation) Act, 1956

Term	Description
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Ind AS Transition Circular	SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31

Industry Related Terms

Term	Description
ATUFS	Amended Technology Upgradation Funds Scheme
Bn	Billion
CAGR	Compound Annual Growth Rate
CCEA	Cabinet Committee on Economic Affairs
CHCDS	Comprehensive Handicrafts Cluster Development Scheme
CSO	Central Statistics Office
DGCIS	Directorate General of Commercial Intelligence and Statistics
DGFT	Directorate General of Foreign Trade
EESL	Energy Efficiency Services Limited
ERP	Enterprise resource planning
EU	European Union
Exp.	Expenditure
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GFCF	Gross fixed capital formation
GST	Goods and Services Tax
GVA	Gross Value Added
IBEF	India Brand Equity Foundation

Term	Description
IMF	International Monetary Funds
IWDP	Integrated Wool Development Program
KVIC	National Board of Khadi and Village Industries Commission
MEIS	Merchandise Exports from India Scheme
MFA	Multi-Fiber Arrangement
MMF	Man Made Fiber
Mn.	Million
MoU	Memorandum of Understanding
NCR	National Capital Region
NERTPS	North Eastern Region Textile Promotion Scheme
NHDP	National Handicraft Development Programme
PPP	Public-Private Partnership
RMGs	Readymade Garments
SAATHI	Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries
SAMARTH	scheme for capacity building in Textile Sector
SCBTS	'Scheme for Capacity Building in Textile Sector
SITP	Scheme for Integrated Textile Parks
SSI	Small Scale Industries
TUFS	Technology Upgradation Fund Scheme
UAE	United Arab Emirates
UN	United Nations
US\$	US Dollar
USA	United States of America
WTO	World Trade Organization

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 274, 94, 99, 150, 191, 223 and 255 respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

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

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus has been derived from our Restated Financial Information. Certain other financial information pertaining to our Group Companies is derived from their respective audited financial statements, as may be available, other than in case of MnA Texlinen Private Limited, where financial information is derived from the MnA Texlinen Private Limited’s restated financial information. For further information, please see the section titled “*Financial Information*” on page 191 of this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

Our Restated Financial Statements have been prepared in accordance with Ind AS for the Financial Years ended March 2019, 2018 and 2017. There are significant differences between Indian GAAP, Ind AS, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 24, 131 and 192 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with Ind AS, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 24, 99 and 131 respectively, this Draft Red Herring Prospectus.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euros, the official currency of the European Union.

Our Company has presented all numerical information in is Draft Red Herring Prospectus in “million” units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency#	Exchange rate as on		
	March 31, 2019*	March 31, 2018**	March 31, 2017
1 USD	69.17	65.04	64.84
1 Euro	77.70	80.62	69.25

(Source: RBI reference rate)

*Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Saturday and Sunday, respectively.

**Exchange rate as on March 28, 2018, as RBI reference rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and public holidays, respectively.

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on page 24, this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

Certain information in “Industry Overview” and “Our Business” on pages 99 and 131, respectively of this Draft Red Herring Prospectus has been obtained, derived or extracted from the industry report titled “Research report on textile industry” released in July 2019 prepared by CARE Advisory Research & Training Limited, “**CART**” which has issued the following disclaimer:

“This report is prepared by CARE Advisory Research & Training Limited, (CART). CART has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CART operates independently of ratings division and this report does not contain any confidential information obtained by ratings division, which they may have obtained in the regular course of operations. The opinion expressed in this report cannot be compared to the rating assigned to the company within this industry by the ratings division. The opinion expressed is also not a recommendation to buy, sell or hold an instrument.

CART is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of CART.”

In accordance with the SEBI ICDR Regulations, “*Basis for Issue Price*” on page 94 of this Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM has independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring 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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD - LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry we operates.

Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Gujarat;
- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our promoter group entities and Group Companies and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer/works contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 24, 131 and 192, respectively, of this Draft Red Herring 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 gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoter, the BRLM, the Syndicate Member(s) nor any of their respective affiliates or advisors 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 the SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

OFFER DOCUMENT SUMMARY

1. Summary of Industry

The domestic textile industry in India is projected to reach US\$ 223 billion by 2021(F) from US\$ 150 billion in November 2017. The new textile policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25. India's textile and apparel export stood at US\$ 39.2 billion in FY18 and is expected to increase to US\$ 82 billion by 2021. Cloth production FY2018 stood at 67.45 billion square meters (provisional) and stood at 40.6 billion square meters (provisional figures till October) in FY19.

For further details, please refer to the chapter titled “*Industry Overview*” on page 99 of this Draft Red Herring Prospectus.

2. Summary of Business

We are engaged in the business of fabric processing, including bleaching, dyeing, printing and finishing of grey fabric to produce finished fabrics in the form of knitted and woven fabrics. We specialize in processing of a wide range of fabrics like 100% cotton, polyester, nylon, acrylic, linen, viscose, etc. Apart from manufacturing products for direct sale to our customers, to ensure the full utilization of the installed capacity, we also engage in manufacturing our products on a job work basis.

For further details, please refer to chapter titled “*Our Business*” on page 131 of this Draft Red Herring Prospectus.

3. Promoter

Mukesh Devkinandan Agarwal is the Promoter of our Company. For further details please see chapter titled “*Our Promoter and Promoter Group*” beginning on page 180 of this Draft Red Herring Prospectus.

4. Issue

Initial Public Offer is of upto 10,000,000 Equity Shares of face value of ₹ 10 each of the Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ [●] million. For further details, please see chapter titled “*The Issue*” beginning on page 54 of this Draft Red Herring Prospectus.

5. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

(₹ in million)

Sr. No.	Particulars	Estimated amount
1.	Setting up of a manufacturing unit for knitted denim fabrics	401.44
2.	Funding the working capital requirement of the Company	150.00
3.	General corporate purposes ⁽¹⁾	[●]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

For further details, please see chapter titled “*Objects of the Issue*” beginning on page 82 of this Draft Red Herring Prospectus.

6. Shareholding of Promoter and Promoter Group

Following are the details of the pre-Issue shareholding of Promoter and Promoter Group:

Sr. No.	Name of the Shareholders	Pre-Issue	
		Number of Equity Shares	% of total shareholding
Promoter			
1.	Mukesh Devkinandan Agarwal	8,434,531	37.57
Promoter Group			
2.	Devkinandan Gopiram Agarwal	6,006,048	26.75
3.	Sulochnadevi Devkinandan Agarwal	5,592,437	24.91
4.	Deokinandan Gopiram HUF	1,719,040	7.66
5.	Bharati Atul Jain	699,000	3.11

Sr. No.	Name of the Shareholders	Pre-Issue	
		Number of Equity Shares	% of total shareholding
	Total	22,451,056	99.99

For further details, please see chapter titled “*Capital Structure*” on page 70 of this Draft Red Herring Prospectus.

7. Summary of Restated Financial Information

Following are the details as per the Restated Consolidated Financial Information as at and for the Financial Years ended on March 31, 2019, 2018 and 2017:

(₹ in million)

S. No.	Particulars	March 31, 2019	March 31, 2018	March 31, 2017
1.	Authorised Share Capital	360.00	250.00	250.00
2.	Paid-up Capital	224.51	143.94	143.94
3.	Net Worth attributable to Equity Shareholders	699.45	485.64	410.51
4.	Revenue from Operation	2,341.81	2,325.43	2,100.10
5.	Profit after tax	133.28	74.08	28.52
6.	Earnings per Share (basic & diluted) (in ₹)	6.18	3.92	1.65
7.	Net Asset Value per Equity Share (in ₹)	31.15	24.27	20.52
8.	Total Borrowings	633.95	733.23	701.08

For further details, please refer the section titled “*Financial Information*” on page 191 of this Draft Red Herring Prospectus.

8. Auditor qualifications which have not been given effect to in the Restated Financial Information

The Restated Financial Information does not contain any qualification requiring adjustments by the Auditors.

9. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter and our Directors is provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in million)
Criminal matters	-	-
Direct Tax matters	02	0.16
Indirect Tax matters	-	-
Actions taken by regulatory authorities	01	0.02
Material civil litigations#	02	0.36

*To the extent quantifiable

#The Compounding applications dated September 26, 2019 filed by our Company before the Registrar of Companies, Gujarat at Ahmedabad have not been inserted as no regulatory action has been initiated against us in relation to the same.

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in million)
Criminal matters	03	0.50
Direct Tax matters	-	-
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	-	-

*To the extent quantifiable

b) Litigations against our Promoter

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in million)
Criminal matters	-	-
Direct Tax matters	02	0.02
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	01	0.36

**To the extent quantifiable*

c) Litigations against our Directors

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in million)
Criminal matters	-	-
Direct Tax matters	06	0.583
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	01	0.36

**To the extent quantifiable*

d) Litigations involving our Group Companies

i) MnA Texlinen Private Limited

Nature of Litigation	Number of matters outstanding	Amount involved* (₹)
Criminal matters	-	-
Direct Tax matters	01	840
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	-	-

**To the extent quantifiable*

ii) MSD Polymers Private Limited

Nature of Litigation	Number of matters outstanding	Amount involved* (₹)
Criminal matters	-	-
Direct Tax matters	01	2,200
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	-	-

**To the extent quantifiable*

10. Risk Factors

Please see the chapter titled “*Risk Factors*” beginning on page 24 of this Draft Red Herring Prospectus.

11. Summary of Contingent Liabilities

Following are the details as per the Restated Consolidated Financial Information as at and for the Financial Year ended on March 31, 2019, 2018 and 2017:

(₹ in million)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Outstanding bank guarantees	13.07	9.69	8.56
Letter of Credit	-	-	9.10
Claims against Company not acknowledged as debts	-	-	-
Total	13.07	9.69	17.66

For further details, please see the chapters titled “*Restated Consolidated Financial Information- Annexure VI -Note 36- Contingent Liabilities and Contingent Assets*” at page F-44 of this Draft Red Herring Prospectus.

12. Summary of Related Party Transactions

Following are the details as per the Restated Consolidated Financial Information as at and for the Financial Year ended on March 31, 2019, 2018 and 2017:

Particulars	Relationship	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
<u>Sale & Other Income</u>				
MnA Texlinen Private Limited	Associate Company	-	11.41	24.54
MnA Texlinen Private Limited	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	97.47	-	-
MSD Polymers Private Limited	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	-	4.96	30.12
<u>Purchase</u>				
Sulochana Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	131.44	157.78	111.34
Nandan Textile	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	153.64	130.22	120.33
Bharti Synthetics	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	128.45	222.25	177.67
Mukesh Enterprise	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	175.89	159.51	155.99
Bharati Trading Enterprises Private Limited	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	-	-	10.44
<u>Interest Paid</u>				
Bharti Synthetics	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	2.50	0.79	0.79
Sulochana Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	2.10	0.45	0.45
Mukesh Enterprise	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	0.75	0.75	0.75
<u>Rent Paid</u>				
Nandan Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	0.30	0.30	0.30
Sulochana Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	-	0.54	0.54
<u>Remuneration/Salary</u>				
Devkinandan Agarwal	Key Management Personnel (KMP)	1.20	1.20	1.20
Sulochanadevi Agarwal	Key Management Personnel (KMP)	0.45	0.60	0.60
Mukesh Agarwal	Key Management Personnel (KMP)	1.20	1.20	1.20
Bhagwan singh Rathore	Key Management Personnel (KMP)	0.37	0.52	0.52
Nirali Agarwal	Relatives of Key Management Personnel	0.90	0.90	0.90
Atul S. Jain	Relatives of Key Management Personnel	-	-	0.54

For further details please refer “*Restated Consolidated Financial Information - Annexure VI- Note 42 – List of Related Parties and Transactions during the period/ years*” a on page F-46, under the section titled “*Financial Information*” beginning on page 191 of this Draft Red Herring Prospectus.

13. Financials Arrangements

There are no financing arrangements wherein the Promoter, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.

14. Weighted Average Price of the Equity Shares acquired by the Promoter in the last one year preceding the date of this Draft Red Herring Prospectus

The details of the weighted average price of the Equity Shares acquired by the Promoter in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name of Promoter	No. of shares acquired in last one year from the date of this DRHP	Weighted Average Price (in ₹)
Mukesh Devkinandan Agarwal	51,82,969	Nil

15. Average Cost of Acquisition of Shares for Promoter

The average cost of acquisition of Shares for the Promoter is as follows:

Name of Promoter	No. of shares held	Weighted Average Price (in ₹)
Mukesh Devkinandan Agarwal	84,34,531	7.08

16. Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

17. Issue of equity shares made in last one year for consideration other than cash

Following are the details of equity shares issued in the last one year for consideration other than cash or through bonus:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of consideration	Reasons for allotment	Whether forming a part of Promoter Group
September 27, 2018	5,612,779	10	-	Other than cash	Bonus issue in the ratio of 1:3 authorised by our Board, pursuant to a resolution passed at its meeting held on September 21, 2018 and by our Shareholders pursuant to a resolution passed at the EGM held on September 25, 2018	Partially yes

For further details, please refer to chapter titled — “*Capital Structure*” on page 70 of this Draft Red Herring Prospectus.

18. Split or consolidation of Equity Shares in the last one year

No split or consolidation of equity shares has been made in the last one year prior to filing of this Draft Red Herring Prospectus.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. 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, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 99, 131 and 192 of this Draft Red Herring Prospectus, respectively. The industry-related information disclosed in this section that is not otherwise publicly available is derived from a report titled “Research report on textile industry” issued in July 2019 and prepared by CARE Advisory Research & Training Limited. Neither our Company, nor any other person connected with the Issue, including the BRLM, has independently verified the information in the industry report or other publicly available information cited in this section.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 17 of this Draft Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Materiality:

The Risk Factors have been determined on the basis of their materiality. 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; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, whether 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. 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 over another.

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

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Mukesh Trends Life Style Limited.

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

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

1. Our Company has in the past not complied with the certain provisions of the Companies Act, 1956 and Companies Act, 2013 and has filed compounding applications with Registrar of Companies, Gujarat at Ahmedabad for the same.

In the past, our Company has not complied with certain provisions of the Companies Act, 1956 and Companies Act, 2013 and the rules made therein, amended from time to time, as mentioned below.

- a. For the period starting January 30, 1993 until October 24, 2018, our Company failed to comply with Section 383 A of the Companies Act, 1956 and Section 203 of the Companies Act, 2013 and rules made therein which required our Company to appoint a whole-time company secretary. However, with effect from October 25, 2018, we have appointed Dashang Manharlal Khatri as our Company Secretary and Compliance Officer and at present are in compliance with the said provisions.
- b. For the period 2009 to 2013, our Company failed to comply with the provisions of Section 269 of the Companies Act, 1956, wherein we were required to compulsorily appoint a Manager/Managing Director/Whole time Director with effect from 2009. Our Company appointed Bhagwan Singh Shyam Singh Rathore as a Whole-time Director with effect from October 1, 2013 and at present are in compliance with the said provisions.
- c. For the period January 31, 2015 to December 23, 2018, our Company failed to comply with the provisions of Section 149 of the Companies Act, 2013, wherein we were required to appoint at least two independent directors with effect from January 31, 2015. Further, our Company did not comply with the requirement of the composition of the Audit Committee as well as the Nomination and Remuneration Committee laid down under Section 177 and Section 178 of the Companies Act, 2013 for the said period. Our Company has appointed Naraindas Dharmdas Wadhvani and Mukesh Chinubhai Shah as Independent Directors with effect from December 24, 2018 and Navinchandra Natverlal Patel as Additional Independent Director with effect from February 07, 2019 and therefore at present are in compliance with the said provisions.
- d. Our Company has failed to comply with the provisions of Section 81(1A) of the Companies Act, 1956 and the proviso to Rule 4 of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011 which states that the application money received pursuant to a preferential allotment should be kept in separate bank account and shall be utilised for no purpose other than to adjust allotment of securities or for the repayment of monies where the securities cannot be successfully allotted. Our Company is not in compliance with the said provisions with respect to the preferential allotments of 400,000 shares of ₹ 10 each and 1,500,000 shares of ₹ 10 each made by our Company on February 06, 2012 and March 28, 2013, respectively. Our Company failed to create a separate bank account for depositing the application money received pursuant to the said allotments and the said money was utilised before the allotment of securities was completed.
- e. Our Company has sought compounding of the above non-compliances. For more details regarding the application for compounding, please see “*Outstanding Litigation and Material Developments – Other Material Litigations*” on page 224 of this Draft Red Herring Prospectus.

In this regard, we have filed two applications dated September 26, 2019, with the Registrar of Companies, Gujarat at Ahmedabad, for compounding these contraventions. There can be no assurance that the said applications will be accepted, an order in respect to the same will be passed in a timely manner, or that our Company will not be subjected to penalty or liabilities under the Companies Act. Further, if such non-compliances reoccur within a period of three years from the date on which they are compounded our Company, our Promoters and our Directors may be subjected to penalties because of such non-compliances. The imposition of any liability on our Company on account of such non-compliances, including their re-occurrence, could adversely affect our business and reputation.

2. Our Company has ventured into manufacturing, processing and printing of knitted fabrics in the year 2016, and therefore has a very limited operating history of our operations with respect to the same, which will make it difficult for the investors to evaluate our historical performance or future prospects.

Our Company since its incorporation has been carrying on the business of processing and printing of woven fabrics. In the year 2016, our Company successfully diversified its product portfolio to manufacture knitted fabrics by starting a separate commercial facility for processing and printing knitted fabrics. Since, we have a limited operating history of manufacturing knitted fabrics, we may not have sufficient experience to address the risks related to the manufacturing of the said product. Additionally, pursuant to our nomination in the year 2018 by George and M&S

and in the year 2019 by Primark we started exporting our knitted fabrics to countries like Sri Lanka and Bangladesh. Due to our limited experience of our export operations, we may not be able to identify the risks involved in such operations and therefore could fail to achieve timely fulfilment of our orders and the quality requirement of our products. Since we are not abreast with the international market and the international textile industry, we may not be successful in identifying our competitors or keeping up with the fashion trends and the requirement of the customer base.

Further, from the proceeds of this Issue, our Company endeavours to diversify our product portfolio by setting up a separate unit for manufacturing knitted denim fabrics. For further details, please refer to the chapter titled — “*Objects of the Issue*” on page 82 of this Draft Red Herring Prospectus. The knitted denim industry is a separate segment of the textile industry in which we hold very limited experience in relation to such products; therefore, it could be very difficult for us to understand the nuances of the manufacturing and processing of such fabrics in the early stages. We may face difficulty in understanding the demand and supply patterns, fashion trends, marketing segments for such products which may pose a risk in the smooth operation, and working of our proposed manufacturing unit. In the event that we fail to understand the market operations and the risks related to the same, our business, financial performance and cash flows may be affected.

3. ***We cannot assure you that the proposed manufacturing unit for knitted denim fabrics will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.***

In addition to our existing manufacturing unit for woven and knitted fabrics, we are in the process of setting up another manufacturing unit for knitted denim fabric at a total estimated cost of ₹ 1,401.44 million. Our expansion plan may be subject to delays and other risks, among other things, unforeseen engineering or technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. Additionally, we may face risks in commissioning the proposed unit including but not limited to, delays in the construction of our proposed manufacturing unit, problems with its facilities or for other reasons, our proposed manufacturing unit does not function as efficiently as intended, or utilisation of the proposed unit is not optimal, we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays, cost overruns or the termination of the project.

In the event of any delay in the schedule of implementation or if we are unable to complete the project as per the scheduled time, it could lead to revenue loss. Part of our proposed project is funded by a rupee term loan of upto ₹ 1,000 million which shall be availed from HDFC Bank (the “**Bank**”). The Bank vide a letter of interest dated September 17, 2019 has expressed its interest in financing or arranging the finance for the purpose of part-funding the Project by way of a rupee term loan of upto ₹ 1,000 million. If our proposed project is not commissioned at the scheduled time, our Company may face cash crunch to repay the interest obligations. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details, please refer to the chapter titled — “*Objects of the Issue*” on page 82 of this Draft Red Herring Prospectus.

4. ***As on date we have not obtained any of the approvals, clearances and permissions as may be required from the relevant authorities for the proposed manufacturing unit. In the event we are unable to obtain such approvals and permits, our business, results of operations, cash flows and financial condition could be adversely affected.***

Our proposed manufacturing unit will be located at survey no. 1315 and 1316, Radhu, District Kheda- 387 560, Gujarat, India. Our Company is yet to receive the approvals, clearances and permissions, which are required to be obtained from the relevant authorities, for setting up and running a manufacturing unit in Gujarat. We are in the process of applying for the required approvals for the proposed manufacturing unit. The completion and commissioning of the proposed manufacturing unit is contingent upon the receipt of such approvals and we cannot assure you that the construction of our proposed manufacturing unit, will be completed as scheduled, or will become operational as soon, or operate as efficiently, as planned.

We cannot assure you that we will be able to receive the approvals for the said land in a timely manner. If we are not able to receive the required approvals at all or if there is a delay in receiving the same, all other operations, which are to be undertaken for the completion of the manufacturing unit might also be delayed. This may cause the actual cost of construction to exceed the budgeted amounts due to a variety of factors such as construction delays, cost escalation

of raw material, interest rates, labour costs, foreign exchange rates, regulatory and environmental factors, weather conditions and our financing needs. The quotations for plant and machinery and civil works received by us from various suppliers might expire and we may be compelled to purchase the same at a higher cost. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts. For further details, please refer to chapters titled — “*Objects of the Issue*” and “*Government and other Approvals*” on pages 82 and 231, respectively of this Draft Red Herring Prospectus.

5. ***The cost estimates by the proposed manufacturing unit for knitted denim fabrics have been derived from the Techno Economic Viability Report (“Appraisal Report”) issued by Care Advisory Research & Training Limited and may not be accurate.***

The anticipated cost of construction of our proposed manufacturing unit will be ₹ 1,401.44 million. For ascertaining this cost reliance has been placed on the estimates, budgets and numerous assumptions provided in the Appraisal Report issued by Care Advisory Research & Training Limited, and any bank or financial institution has not appraised the same. The actual costs of construction of our facilities may exceed such budgeted amounts due to a variety of factors such as construction delays, escalation cost of raw material, interest rates, labour costs, foreign exchange rates, regulatory and environmental factors, weather conditions and our financing needs. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details of the scheduled operational dates of our proposed unit, see “*Objects of the Issue*” on page 82 of this Draft Red Herring Prospectus.

6. ***We highly depend on our raw materials and a few key suppliers who help us procure the same. In the event we are unable to procure adequate amounts of raw materials, at competitive prices our business, results of operations and financial condition may be adversely affected.***

Our Company is engaged in the business of manufacturing, processing and printing of woven and knitted fabrics and therefore we are highly dependent on grey fabric, which is the most important component in manufacturing our products. We are dependent on third party suppliers for unprocessed or grey fabric which is the primary raw material used in the manufacture of our products. In the fiscal 2019, we sourced raw materials from 116 suppliers located across India, we are dependent on a few key suppliers for example, our top five suppliers accounted for 30.15%, 40.17% and 32.03% of our expenses towards the purchase of raw materials for the Fiscals 2019, 2018 and 2017, respectively. Thus, if we experience significant increase in demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all.

We have not entered into formal arrangements or contracts with third-party traders, mills or weavers from whom we procure our raw materials. We rely on pre-booking capacity with our suppliers, based on our demand projections. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Further, the amount of raw materials procured and the price at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations, including those relating to the textile industry in general. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins which could adversely affect our business, results of operations and financial condition.

7. ***We depend on a few customers of our woven fabrics, for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key customers may adversely affect our business and results of operations.***

Woven fabric constitutes 78.63% of our revenue from operation for the Fiscal 2019, therefore woven fabric customers account form a substantial portion of our sales, and consequently our revenue, and we expect that such customers will continue to represent a substantial portion of our revenue from sale of products in the foreseeable future. The loss of any of our customers may adversely affect our sales and consequently on our business and results of operations.

8. ***We conduct our business activities on a purchase order basis and therefore, have not entered into long-term agreements with our customers.***

Our Company is engaged in the business of manufacturing woven and knitted fabrics for direct sale to various retailers, garment manufacturers, brands, traders and other intermediaries and manufacture products on job work basis. We manufacture a particular fabric on the basis of orders which are received from our customers which generally contain the specifications as per which the fabric has to be manufactured. We have not entered into any agreements, arrangement or any other understanding with our customers and therefore, our business is dependent upon the continuous relationship with the customers and the quality of our products. Further, neither do we have any exclusive agents, dealers, distributors nor have we entered into any agreements with any of the market intermediaries for selling or marketing our products. If there occurs any change in the market conditions, fashion trends, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

9. *There are outstanding litigations involving our Company, our Promoter and our Directors which, if determined adversely, may adversely affect our business and financial condition.*

As on the date of this Draft Red Herring Prospectus, our Company, our Promoter and our Directors are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company, our Promoter and our Directors, as the case may be, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter and our Directors are provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in million)
Criminal matters	-	-
Direct Tax matters	02	0.16
Indirect Tax matters	-	-
Actions taken by regulatory authorities	01	0.02
Material civil litigations#	02	0.36

**To the extent quantifiable*

#The Compounding applications dated September 26, 2019 filed by our Company before the Registrar of Companies, Gujarat at Ahmedabad have not been inserted as no regulatory action has been initiated against us in relation to the same.

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in million)
Criminal matters	03	0.50
Direct Tax matters	-	-
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	-	-

**To the extent quantifiable*

b) Litigations against our Promoter

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in million)
Criminal matters	-	-
Direct Tax matters	02	0.02
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in million)
Material civil litigations	01	0.36

**To the extent quantifiable*

c) Litigations against our Directors

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in million)
Criminal matters	-	-
Direct Tax matters	06	0.583
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	01	0.36

**To the extent quantifiable*

d) Litigations involving our Group Companies

i) MnA Texlinen Private Limited

Nature of Litigation	Number of matters outstanding	Amount involved* (₹)
Criminal matters	-	-
Direct Tax matters	01	840
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	-	-

**To the extent quantifiable*

ii) MSD Polymers Private Limited

Nature of Litigation	Number of matters outstanding	Amount involved* (₹)
Criminal matters	-	-
Direct Tax matters	01	2,200
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	-	-

**To the extent quantifiable*

Additionally, our Company has sought for compounding of certain non-compliances under Section 383 A of the Companies Act, 1956 and Section 203 of the Companies Act, 2013; Section 149 of the Companies Act, 2013; Section 269 of the Companies Act, 1956 and Section 81(1A) of the Companies Act, 1956 read with the proviso to Rule 4 of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011. In this regard, we have filed two compounding applications dated September 26, 2019, with the Registrar of Companies, Gujarat at Ahmedabad, for compounding these contraventions. There can be no assurance that the said applications will be accepted, an order in respect to the same will be passed in a timely manner, or that our Company will not be subjected to penalty or liabilities under the Companies Act. Further, if such non-compliances reoccur within a period of three years from the date on which they are compounded our Company, our Promoters and our Directors may be subjected to penalties because of such non-compliances. The imposition of any liability on our Company on account of such non-compliances, including their re-occurrence, could adversely affect our business and reputation.

For further details, please refer to the section titled “*Outstanding Litigation and Other Material Developments*” on page 223 of this Draft Red Herring Prospectus.

10. Our Company has entered into a license agreement with our Chairman and Managing Director for making use of his patent in our business process, termination of such agreement can adversely affect our business, financial condition and results of operations.

Our Company has entered into a license agreement dated March 18, 2019 with our Chairman and Managing Director, Devkinandan Gopiram Agarwal for the use of his patent titled ‘machine for dying indigo dyes and vat dyes on woven fabrics’ on payment of ₹1/- as royalty for a period of one year. The invention of our Director is being used as a

machine for dyeing woven fabrics and therefore, forms an integral part of our manufacturing process. In case our Chairman and Managing Director withdraws such right of using his invention or if we commit a breach of the terms of the agreement or are unable to fulfil the conditions or requirements stipulated therein it might lead to revocation of the agreement. Additionally, we cannot assure that we will continue to utilise the patent in the best possible manner in our business processes, as certain instances may occur under which due to some unforeseen factors we may not be able to incorporate the same in our manufacturing process. Further, we cannot assure you that after the expiry of the license agreement, we may be able to renew the same or if renewed make use of the patent on the same terms and conditions stipulated in the present agreement and therefore lose our right to make use of the said invention or may be compelled to do so. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected.

11. Our Company does not have long-term agreement with suppliers for supply of raw material. Our inability to obtain raw material in a timely manner, in sufficient quantities could adversely affect our operations, financial condition and/or profitability.

We depend on a number of suppliers for procurement of raw materials required for manufacturing our products. In Fiscals 2019, 2018 and 2017, our cost of raw material consumed amounted to 70.88%, 73.50% and 63.71% of our total revenue respectively. Our Company maintains a list of registered and unregistered suppliers from whom we procure the materials on order basis. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us.

In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected.

12. Our Company is yet to place orders for 100% of the plant and machinery for our proposed manufacturing unit for knitted denim fabrics. Further the costs of our non-core machinery, have been quoted in US Dollar, and therefore are exposed to risk of fluctuation of foreign exchange rate. Any delay in placing orders or procurement of such plant and machinery or variation in foreign exchange rate, may further delay the schedule of implementation and increase the cost of commissioning the manufacturing unit.

Our Company has received third party quotations for the plant and machinery required to be installed in the proposed manufacturing unit, for details please refer to the chapter titled “Objects of the Issue” on page 82 of this Draft Red Herring Prospectus. Although, we have identified the type of plant and machinery to be purchased for the proposed manufacturing unit, we are yet to place order for 100% of the plant and machinery worth ₹ 953.72 million. The cost of our non-core machinery is based on the quotations in which the cost of machinery has been quoted in US Dollars by the suppliers and therefore, the same is exposed to the risk of fluctuation of foreign exchange rate. Further, the cost of the machineries is based on the quotations received from suppliers and such quotations are subject to change due to various factors such as, change in supplier of equipment, change in the government regulation and policies, change in management’s view of desirability of the current plans, possible cost overruns, etc. Since, we have not yet placed orders for the said plant and machinery we cannot assure that we will be able to procure the same in a timely manner and at the same price at which the quotations have been received. Delay in procurement of the same or fluctuation in the foreign exchange rate can cause time and cost overrun in the implementation of our proposed project and can also compel us to buy such machineries at a higher price, thus causing the budgeted cost to vary. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected.

13. Our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.

Our manufacturing unit is situated at survey numbers 390, 391, 392, 393, 395 and 399, Mouje, Isanpur located in the registration district and sub district of Ahmedabad. Pursuant to the proceeds of this Issue we propose to set up another manufacturing unit for knitted denim fabrics which will be located at survey no. 1315 and 1316, Radhu, District Kheda, Gujarat. As a result, any local social unrest, natural disaster or breakdown of services and utilities in these

areas could have material adverse effect on the business, financial position and results of our operations. Our current and proposed manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event, we are forced to shut down our manufacturing units for a prolonged period; it would adversely affect our earnings, our other results of operations and our financial condition as a whole. Spiraling cost of living around our units may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness.

14. Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.

Our products may contain certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control and quality assurance processes and regularly conduct inspections of raw materials sourced from suppliers which is based on our internal quality standards and the quality standards set by our international customers. However, we cannot assure you that our quality control and quality assurance processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, human error or otherwise, may damage our products and result in deficient products. It is conducive for us to meet the international quality standards set by our international customers as deviation from the same can cause them to reject our products and can also cause damage to our reputation and market standing.

In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products and our reputation may suffer impact, which in turn may adversely affect our business, results of operations and financial condition. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

15. Failure to comply with the conditions applicable under Technology Upgradation Fund Scheme ("TUFs"), Amended Technology Upgradation Fund Scheme ("ATUFs") and Gujarat Textile Policy, 2012 being availed by us or withdrawal of the Schemes by the Government may render our Company ineligible for interest and capital subsidies.

Our Company presently is eligible to avail benefits provided under TUFs, ATUFs and the Gujarat Textile Policy, 2012. These benefits include interest subsidy and reimbursement of SGST incurred by our Company. For further details, please refer to the chapter titled "Our Business" and "Key Industrial Regulations and Policies" on pages 131 and 150, respectively of this Draft Red Herring Prospectus. These benefits and incentive are provided to our Company on fulfilment of certain conditions and eligibility criteria, if we fail to comply with the conditions stipulated under these policies, our Company may be denied such subsidies, which in turn will make our operations less cost effective and increase the prices of our products. Further, termination of, withdrawal or variations in the terms of such policies can adversely affect our profitability and/or our business operations. As a result, it could have a material adverse effect on results of operations and financial condition of our Company.

16. If we are unable to anticipate and respond to changes in fashion trends and changing customer preferences in a timely and effective manner, we fail to maintain our reputation, brand value or increase the market for our products, the demand for our products may decline.

We are a textile manufacturing company with a long-standing market presence and presently we cater to various retailers, garment manufacturers etc. in around 09 states and 01 union territory. A significant feature of the textile industry is the rapidly changing customer preferences and therefore, results of our operations are dependent on our ability to anticipate, gauge and respond to such changes in customer preferences and design new products or modify our existing products in lines with the changes in fashion trends as well as customer demands and preferences. If we are unable to respond to the changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or by launching new products as per the demand, we may significantly lose our market position and existing customer base which may adversely affect our results of operations and financial condition.

Maintaining and enhancing the recognition and reputation of our products is critical to our business and the competitiveness of our products. Many factors, some of which are beyond our control, are important for maintaining and enhancing our products, including maintaining or improving customer satisfaction and increasing the popularity of our products. In particular, we launch new products, and if any of those products do not meet standards for quality or customers' expectations, our market standing, reputation and the sales of our products may be bear an impact. If we fail to maintain our reputation, or increase the market for our products, or the quality of our products declines, our business and prospects may be adversely affected.

17. Any delays and/or defaults in customer payments could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.

We are exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products to our customers without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. For the Fiscal ending March 31, 2019, 2018 and 2017 our trade receivables were ₹ 726.62 million, ₹ 707.20 million and ₹ 645.85 million, respectively, out of which, debts amounting to ₹ 20.58 million, ₹ 8.18 million and ₹ 11.99 million were outstanding for a period exceeding six months from the due date, out of which our management believes that there are no doubtful trade receivables.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

18. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could adversely affect our business, results of operations and financial condition.

We have experienced considerable growth over the past three years and we have expanded our operations and product portfolio. Our total revenue grew at a CAGR of 5.40% between Fiscals 2017 and 2019, while our restated profit after tax grew at a CAGR of 116.18% between Fiscals 2017 and 2019. We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to expand further, or at the same rate.

Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders, could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. The development of such future business could be affected by many factors, including general, political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates and price of equipment and raw materials. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

19. If our Company is unable to continue being creative in our designs or if we are unable to keep up to the changing fashion trends it may adversely affect our business, results of operations and prospects.

Our results of operations depend upon the continued demand of our products by our customers. Since we operate in a competitive industry where customers' purchases are highly subjective and sensitive to current trends and fashion tastes along with creativity, keeping in with the latest fashion trends is one of the key attributes for success. For our Company to remain competitive in respect of appealing designs, our design team has to keep itself well informed and up-to-date with the latest global trends and fashion demands and more importantly understand the requirements of the customers. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to update our products 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 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 adversely affect our brand, reputation, results of operations and financial condition.

Since, the designing and development of our products is a key aspect of our operations, we incur significant amount of expenses for the same and we cannot assure you that our current portfolio of designs and any products we launch, will be well received by our customers, or that we will be able to recover costs we incurred in designing in manufacturing such products. If the products that we launch are not as successful as we anticipate, our business, results of operations and prospects may be adversely affected.

20. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.

Our business requires a significant amount of working capital. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the product, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Further, we are also required to meet the increasing demand (especially during festive seasons) and for achieving the same, adequate stocks have to be maintained which requires sufficient working capital.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. All of these factors may result, or have resulted, in increase in the amount of receivables and short-term borrowings. Continued increase in working capital requirements may adversely affect our financial condition and results of operations. We may also have large cash flows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs.

Summary of our working capital position bases on our Restated Financial Information is given below:

(₹ in million)			
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Assets			
Inventories	480.86	452.79	293.67
Financials Assets			
Trade Receivables	726.62	707.20	645.85
Cash and Cash Equivalent	5.22	5.92	51.63
Other Bank Balances	13.83	13.83	-
Other Financial Asset	3.08	2.97	3.77
Other Current Assets	134.28	80.02	77.99
Total (A)	1,363.90	1,262.74	1,072.90
Current Liabilities			
Financial Liabilities			
Trade Payables	404.56	469.62	486.96
Other Financial Liabilities	170.37	147.70	93.07
Other Current Liabilities	4.21	3.57	4.01
Provisions	3.38	3.38	2.71
Current Tax Liabilities (Net)	37.75	21.07	3.29
Total (B)	620.27	645.35	590.05
Working Capital Gap (A-B)	743.63	617.39	482.85

21. We are dependent on information technology systems in carrying out our business activities and it forms an integral part of our business. Further, if we are unable to adapt to technological changes and successfully

implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

- 22. *Our Group Company, MSD Polymers Private Limited has incurred losses in the past. Continuous financial losses by our Group Entities may be perceived adversely by external parties such as clients and bankers, which may affect our reputation, business, financial condition and results of operation.***

Our Group Company, MSD Polymers Private Limited has incurred losses in the past, details of which are as under:

(₹ in million)			
Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Profit (Loss) after Tax	(0.04)	0.08	0.10

There can be no assurance that our Group Companies, will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by our Group Companies may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation.

- 23. *We do not own certain premises used by our Company. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business.***

As on the date of this Draft Red Herring Prospectus, our manufacturing unit is situated at survey numbers 390, 392, 393, 395, 399 and a part of 391, Mouje, Isanpur located in the registration district and sub district of Ahmedabad, out of the said properties survey numbers 390 and 391 (part) have been taken on leave and license or lease basis from various lessors / licensors/ sub-lessors. Survey number 391 (part) is taken on lease from our promoter group entity M/s. Mukesh Enterprise vide a leave and license agreement dated February 18, 2019 and survey number 390 has been sub-leased from our promoter group entity M/s. Nandan Textile vide a sub-lease agreement dated March 18, 2019. For further details, please refer to the chapter titled “Our Business- Land and Property” on page 148 of this Draft Red Herring Prospectus. There can be no assurance that our Company will be able to renew the said leave and license or sub-lease or lease agreements in a timely manner or at all. Further, there can be no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such leave and license and lease agreements will not be terminated prematurely by the licensor/lessor. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee will adversely affect our business operations.

- 24. *We are subject to risks associated with rejection of our products consequential to defects, which could generate adverse publicity or adversely affect our business, results of operations or financial condition.***

Defects, if any, in our products could lead to rejection of supplied products and consequential replacement liability. In the event our Company fails to replace the defective products in a timely manner or at all, the same could consequently lead to a negative publicity of our brand thereby affecting our brand value, our business proposition, results of operations and/or financial condition.

Such defective products, if capable of being refinished, are sold by our Company as fresh finished fabrics and the products that cannot be refinished, are sold at a discounted price. We cannot assure you that no such claims will be brought against us in the future or that such claims will be settled in our favour. Any such successful claims against us could adversely affect our results of operations. Management resources and attention could also be diverted away from our business towards defending such claims. Moreover, our Company might have to bear certain costs for handling such claims which could be filed for supplying defective products, which could increase our expenses and thereby affect our business, results of operations and financial condition.

25. *Our Company does not have any documentary evidence for the educational qualifications and experience of some of our Directors.*

For the brief profile our Chairman and Managing Director, Devkinandan Gopiram Agarwal, Whole-time Director Muksh Devkinandan Agarwal and two of our Independent Directors, Mukesh Chinubhai Shah and Navinchandra Natverlal Patel our Company was not able to obtain necessary documents for their educational qualifications and past work experience, respectively and therefore has taken an affidavit from these Directors for the same. For further details, please refer to the chapter titled “*Our Management*” on page 164 of this Draft Red Herring Prospectus.

26. *In the past, there have been instances of delays and non-filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC. Further, there also have been instances where our Company has filed incorrect information with the RoC in its statutory filings.*

In the past, there have been certain instances of delays in filing statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC. Further, there have been instances of non-filings of statutory forms with RoC as per the reporting requirements laid down under the Companies Act. Our Company has not filed forms MGT-14 for the rights issue undertaken by our Company on January 31, 2015, March 16, 2015, July 30, 2016, October 07, 2016, November 23, 2016, December 30, 2016, December 05, 2016 and March 06, 2017. Additionally, in these allotments, we have not followed the mode of delivery which was prescribed under the erstwhile sub section (2) of Section 62 of the Companies Act, 2013 for delivering the letters of offer issued by our Company to the Shareholders in the said rights issues. There have been instances where incomplete or incorrect disclosure have been made in the annual returns and directors’ reports filed by the Company with the RoC. For instance, our Company in the annual returns filed for the financial years 2015, 2016 and 2017 has inadvertently stated that no committee meetings of the Board of Directors took place during the said period. Further, our Company inadvertently failed to file Form DIR-12 and Form MR-1 for the appointment and resignation of our erstwhile Chief Executive Officer, Atul Jain.

No show cause notice in respect to the above has been received by our Company till date and except as stated in this Draft Red Herring Prospectus, no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

27. *Certain records and regulatory filings of our Company are not traceable.*

Our Company does not have access to certain filings pertaining to certain historical secretarial information in relation to certain disclosures in this Draft Red Herring Prospectus. These include, requisite filings required to be made with the RoC such as *inter alia* (i) Form 2 for allotments dated September 03, 1990, September 30, 1990, September 20, 1991, October 15, 1991, January 30, 1993, March 30, 1993, April 07, 1994 (ii) Form 5 for increase in authorized share capital of the Company from ₹ 1,000,000 consisting of 10,000 Equity Shares of ₹ 100 each to ₹ 2,500,000 consisting of 25,000 Equity Shares of ₹ 100 each; (iii) Form 62 for conversion of our Company from private limited into public limited company; (iv) Form 32 for appointment and regularization of Devkinandan Gopiram Agarwal, Sulochanadevi Devkinandan Agarwal, Pavan Kumar Agarwal, Krupa Shankar Rawal, Rajnikant Choksi, Mahendra Singh P. Rathod; (v) Form 23 for filing the resolution passed at the EGM dated July 31, 1995 for increase in borrowing powers to ₹ 200,000,000; (vi) Form 23AC and Form 23ACA since incorporation till 2007; (vii) Form 20B since incorporation till 2006 and (viii) Form 23B for appointment of auditor since incorporation till 2010.


Accordingly, we have relied on other documents, including annual returns, directors' report, the statutory register of members of the Company, minutes of the meetings of the Board of Directors and Shareholders. While we believe that the forms were duly filed on a timely basis, we have not been able to obtain copies of these documents from the Registrar of Companies, or otherwise, which has been certified by M/s. G.R. Shah and Associates, Company Secretaries *vide* their search report dated September 25, 2019. We cannot assure you that these form filings will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

28. *Our application for renewal of certain licenses, approvals and registrations, which are required for our Company's operations and business, are pending before the relevant authorities. Not receiving these licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company's operations.*

We require certain statutory and regulatory approvals, licenses, registrations and permissions to operate our business some of which are granted for a fixed period of time and need to be renewed from time to time. Our Company has made applications before the relevant authorities for renewal of some of the licenses, approvals and registrations that have expired and change of name our Company from Mukesh Industries Limited to Mukesh Trends Life Style Limited on such licenses, approvals and registrations which are pending before the relevant authorities. Further, there are certain licenses/approvals which we will be required to obtain from the relevant authorities for setting up our proposed manufacturing unit for knitted denim fabrics as per the Objects of the Issue, which will be applied for at a later date. We cannot assure you that the relevant authorities will approve and provide us with such licenses, approvals and registrations for our new manufacturing unit or will renew such licenses, approvals and registrations, or if renewed would do so in a timely manner. Further, these licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may adversely affect our business. For further details on the licenses obtained by our Company, please refer to the chapter titled — "*Government and Other Approvals*" on page 231 of this Draft Red Herring Prospectus.

29. *If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.*

Our Company's success largely depends on our brand name and brand image and our trademark is important for

differentiating our Company's products from that of our competitors. Our current trademark and logo  is owned by our Company under the provisions of the Trademarks Act, 1999. Our trademark and logo may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which could adversely affect our business, results of operations and financial condition. For further details, please refer to the chapters titled "Our Business" and "Government and other Statutory Approvals" on pages 131 and 231, respectively of this Draft Red Herring Prospectus.

30. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers. Any failure on part of such service providers to meet their obligations could adversely affect our business, financial condition and results of operation.*

Our success depends on the smooth and continuous supply and transportation of the raw materials required from the supplier to our manufacturing unit or warehouses and transportation of our products from our units or warehouses to our end customers, which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials to us and delivery of our products to our end customers. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials

and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our end customers in an efficient and reliable manner could adversely affect our business, results of operations and financial condition.

- 31. *Our entire business operations are based out of a single manufacturing unit at Ahmedabad. Further, our manufacturing unit, our warehouses, godowns and all our facilities are currently located in one geographical area. The loss of, or shutdown of, our operations at this manufacturing or any disruption in the operation of our warehouses will adversely affect our business, financial condition and results of operations.***

Our manufacturing unit and all other facilities are based out of a single premise located in Ahmedabad, Gujarat. Accordingly, we rely exclusively on our facilities at this manufacturing unit to earn revenues, pay our operating expenses and service our debt obligations. Any significant interruption or loss or shutdown of operations at our manufacturing unit at Ahmedabad would adversely affect our business. Our manufacturing, processing, printing and other business activities may be subject to unexpected interruptions, including natural or man-made disasters. Our facilities and operations could be adversely affected by, among other factors, breakdown or failure of equipment, difficulties or delays in obtaining spare parts and equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, raw material shortages, fire, explosion and other unexpected industrial accidents and the need to comply with the directives of relevant government authorities.

Furthermore, any significant interruption to our operations directly or indirectly as a result of any industrial accidents, severe weather or other natural disasters could materially and severely affect our business, financial condition and results of operations. Similar adverse consequences could follow if war, or war-like situation were to prevail, terrorist attacks were to affect our related infrastructure, or if the Government of India were to temporarily take over the facility during a time of national emergency. In addition, any disruption in basic infrastructure, such as in the supply of electricity could substantially increase our manufacturing costs. Any disruption of our existing supply of infrastructure services such as power or water, our failure to obtain such additional supplies as required by us or an increase in the cost of such supplies may result in additional costs to us. In such situations, our production capacity may be materially and adversely impacted. In the event our facilities are forced to shut down for a significant period of time, our earnings, financial condition and results of operation would be materially and adversely affected.

Our Company has one warehouse where we stock raw materials for manufacturing woven and knitted fabrics which is located at survey number 390, National Highway-08, Narol-Naroda road, Narol, Ahmedabad has been sub-leased from one of promoter group entity M/s. Nandan Textile. We also have two warehouses where packed finished goods are stored which are located in our manufacturing unit on the area owned by our Company. All our facilities namely, woven facility, knit facility, print facility, packing and inspection facility and other utilities are located in Ahmedabad where our manufacturing unit, warehouses and godowns are also located. Any significant disruption, including social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect operations. Any failure of our systems or any shutdown of any of our manufacturing unit and facilities for any reason could result in significant increase of costs and delays in execution of orders. We do not have a diversified base of manufacturing operations, and local disturbances which would have a material adverse effect on our business, and consequently on our operations and financial condition. Further, our warehouses are subject to operating risks, such as performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Any disruption of operations of our warehouses could result in delayed delivery of our product, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. While our strategic objectives include geographical expansion across India, in the event that we are unable to make available our products in a prompt manner and within the requisite timelines our business, financial condition and prospects may be adversely affected.

- 32. *If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.***

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers,

warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

33. *We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.*

Our manufacturing unit situated at survey numbers 390, 391, 392, 393, 395 and 399, Mouje, Isanpur located in the registration district and sub district of Ahmedabad has significant electricity requirements and any interruption in power supply may temporarily disrupt our operations. Our manufacturing unit receives power supply from Torrent Power Limited, which has sanctioned a load of 1200kw to our Company. We do not have any alternative source of power supply and any disruption in the same would force us to halt our manufacturing processes until such disruption exists. The quantum and nature of the power requirement for running our manufacturing unit is such that it would be very cumbersome to substitute it with any other independent source of power supply. Since, we have a high power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled “*Our Business-Power*” on page 145 of this Draft Red Herring Prospectus.

34. *We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.*

Our Company has been able to expand its business operations nationally and as on the date of this Draft Red Herring Prospectus we cater to various retailers, garment manufacturers etc. in around 09 states and 01 union territory. Our Company seeks to grow its market reach domestically to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to the changing customers’ taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, expansion into new international markets is important to our long-term prospects. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. These and other risks, which we do not foresee at present could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

35. *Our industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.*

The textile industry in India is fragmented and competitive with several regional brands and retailers present in local markets across the country. The textile market in India has historically been dominated by the unorganized sector. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Any increase in sale of such brands or if preference is given to such brands it may have an adverse impact on our business and results of operations. Some of our competitors may be larger than we are or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market.

Further, our in-house design team creates innovative designs and styles as per the current fashion trends or executes the designs specified by our customers in our in-house design studio therefore, our design are original and based on the skill possessed by our design professionals. In the event, our designs and techniques are leaked or we are not able to protect our trade secrets or are unable to defend them, it might affect our competitiveness in the industry, thereby making our designs common and easily available with our competitors. We cannot assure you that we will be able to maintain the exclusivity of our products and maintain the demand of our products to sustain in the fiercely competitive fabric industry.

Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition. For further details, please see “*Industry Overview*” on page 99 of this Draft Red Herring Prospectus.

36. *Our Company exports our products to Sri Lanka and Bangladesh. Any adverse events affecting these countries could have a significant adverse impact on our results of operations.*

Our Company presently exports its knitted products to Sri Lanka and Bangladesh, pursuant to the nomination of such products by George and M&S in the year 2018 and by Primark in the year 2019. Our Company in the Fiscal 2019 generated 4.61% of total revenue from Sri Lanka and in Fiscal 2018 0.47% of total revenue from Bangladesh by exporting its knitted products. Any adverse change in these economies, such as slowdown in the economy, fluctuation in the currency rates, acts of terrorism or hostility targeting these countries, etc. would directly affect our revenues and results from operations. In the event, there occur changes in the laws, government policies in India and abroad it could expose us to the risk of foreign exchange losses and can have a material effect on our international operations. In case of any contingencies in the future, due to which we are unable to operate effectively in these markets, our results of operations, revenues and profitability may be adversely affected. Due to this, we may not be able to expand our business effectively in the international market, thereby affecting our business, results of operations and financial condition.

37. *We do not have any offshore offices to manage our international operations.*

Our Company started its international operations in the year 2015 by exporting our products to United Arab Emirates and presently we export our knitted fabrics to Bangladesh and Sri Lanka. Since, we recently started exporting our products, and therefore we have not set up any offshore offices to supplement our international operations. Consequently, we may not be able to properly market our products, capitalise opportunities offered by the international markets or co-ordinate with the intermediaries of such markets to effectively forecast market demands, fashion trends in a timely manner. We cannot assure you that in the near future we will be able to set up our offices overseas to manage our international operations and that the lack of same will not adversely affect our business.

38. *Our Promoter, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.*

Our Promoter, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company and the sitting fee payable to them for attending each of our Board and Committee meetings. Further, our Chairman and Managing Director, Devkinandan Gopiram Agarwal, who is also a member of our promoter group and has entered into a license agreement dated March 18, 2019 with our Company for allowing us to use his invention titled ‘machine for dying indigo dyes and vat dyes on woven fabrics’ which is also registered as a patent, for a payment of ₹ 1 as royalty for a period of one year. Our Promoter, Director and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners.

Further, our Chairman and Managing Director is also interested to the extent of the property leased to our Company from our promoter group entities namely M/s. Mukesh Enterprise and M/s. Nandan Textile where he is the karta of Deokinandan Gopiram HUF (sole proprietor of M/s. Mukesh Enterprise) and sole proprietor, respectively. Our Promoter and Directors are interested to the extent of equity shares held by them in the promoter group entities and our Group Companies. Our Promoter and Directors are also interested in the transactions entered into between our

Company and themselves as well as between our Company, promoter group entities and our Group Companies. For further details please refer to the paragraph titled — “*Land and Property*” in the chapter titled — “*Our Business*”, the paragraphs titled — “*Interest of our Directors*” in the chapter titled — “*Our Management*”, the paragraphs titled — “*Interest of our Promoter and Other Interests and Disclosures*” in the chapter titled — “*Our Promoter and Promoter Group*” and “*Restated Consolidated Financial Information - Annexure VI- Note 42 – List of Related Parties and Transactions during the period/ years*” on pages 148, 169, 181 and F-46 respectively, of this Draft Red Herring Prospectus.

There can be no assurance that our Promoter, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

39. *Our Promoter, Directors and one of our promoter group entities have extended guarantees with respect to loan facilities availed by our Company. Further, one of our promoter group entity, M/s. Mukesh Enterprise has provided its property as a collateral security for loan facilities availed by our Company. Revocation of any or all of these personal guarantees or withdrawal of such property may adversely affect our business operations and financial condition.*

Our Promoters Mukesh Devkiandan Agarwal, our Chairman and Managing Director Devkinadnan Gopiram Agarwal, our Non-Executive Director Sulochna Devkinandan Agarwal and our promoter group entity M/s. Mukesh Enterprise have extended personal guarantees in favour of certain banks with respect to the loan facilities availed by our Company from them. Further, M/s. Mukesh Enterprise has also provided its property located at survey number 391 (part) situated at Mouje, Isanpur, Ahmedabad, Narol as a collateral security for the said loan. In the event any of these guarantees are revoked or the property provided as a security is withdrawn, our lenders may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees or provide an alternate collateral security in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details, please refer to the chapter titled — “*Financial Indebtedness*” on page 218 of this Draft Red Herring Prospectus.

40. *We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.*

As of March 31, 2019, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our Restated Financial Information aggregated to ₹ 13.07 million. The details of our contingent liabilities are as follows:

(₹ in million)	
Particulars	Amount
Outstanding bank guarantees	13.07
Letter of Credit	-
Claims against Company not acknowledged as debts	-
Total	13.07

For further details of contingent liability, see the section titled — “*Financial Information*” on page 191 of this Draft Red Herring Prospectus. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

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

As of March 31, 2019, we have entered into several related party transactions with our Promoter, our promoter group entities and our Group Companies relating to our operations. A part of our manufacturing unit is built on land that has been leased from one of our promoter group entities, M/s. Mukesh Enterprise and M/s. Nandan Textile for a consideration of ₹ 0.01 million and ₹ 0.025 million per month, respectively. Additionally, some of our promoter group entities have also extended us unsecured loans which are still outstanding, for further details please refer to the chapter

titled – “*Financial Indebtedness*” on page 218 of this Draft Red Herring Prospectus. In addition, we have in the past also entered into transactions with other related parties. Our Company has entered into related party transactions for the Fiscal ended March 31, 2019. For further details, please refer to the chapters titled — “*Restated Consolidated Financial Information - Annexure VI- Note 42 – List of Related Parties and Transactions during the period/ years*” on page F-46 of this Draft Red Herring Prospectus.

While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

42. *Two of our Group Companies, MnA Texlinen Private Limited and MSD Polymers Private Limited have their main objects similar to that of ours which may be a potential source of conflict for us.*

Two of our Group Companies, MnA Texlinen Private Limited and MSD Polymers Private Limited have objects similar to that of our Company and may carry out business activities which are similar to that of ours. This may be a potential source of conflict for us and may adversely affect our operations. As on date of this Draft Red Herring Prospectus, we have not entered into a non-compete agreement with any of the said Group Companies. There is no assurance that a conflict of interest may not occur between our business and the business of our other Group Companies in the future, or that we will be able to take adequate measures to address such conflict or that we will be able to suitably resolve such a conflict without an adverse effect on our business or operations. For further details, see “*Our Group Companies – Common Pursuits*” on page 187 of this Draft Red Herring Prospectus.

Our Directors are interested in our promoter group entities and Group Companies, the details of which are given below, pursuant to which they may be deemed to be interested to the extent of any remuneration or reimbursement payable to them in the capacity of a director, or any dividend or distribution payable in respect of the equity shares held by them. Our Chairman and Managing Director, Devkinandan Gopiram Agarwal, is the director and shareholder of our Group Companies, MnA Texlinen Private Limited and Bharati Trading Enterprises Private Limited. Further, he is a partner in our promoter group entities namely, D.A. Infraspac LLP, DM Infraspac LLP and DS Procon LLP and is a sole proprietor and karta of M/s. Nandan Textile and Devkinandan Gopiram HUF, respectively. Additionally, our Non-executive Director, Sulochanadevi Devkinandan Agarwal is the director and shareholder of Group Company, MSD Polymers Private Limited and is a partner in BS Infraspac LLP, SM Infraspac LLP and DS Procon LLP. She is also the sole proprietor of our Group Entity M/s. Bharti Synthetic.

43. *Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.*

We have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, undertake guarantee obligations on behalf of any other borrower including group companies, which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — “*Financial Indebtedness*” on page 218 of this Draft Red Herring Prospectus.

Further, some of our financing arrangements include covenants to maintain our total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our Company’s financing agreements may limit our flexibility in operating our business, which could adversely effect on our cash flows, business, results of operations and financial condition.

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our corporate activities from time to time. Compliance with the various terms of such financing arrangements, however, is subject to interpretation and there can be no assurance that we have requested or received all relevant consents from our lenders as contemplated under our financing

arrangements. It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

44. *In addition to our existing indebtedness for our existing operations, we may require further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.*

As on March 31, 2019 our Company's total fund based indebtedness is ₹ 633.95 million. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — “Financial Indebtedness” on page 218 of this Draft Red Herring Prospectus.

45. *Our Company has taken certain unsecured loans from our promoter group entities, which may be recalled at any time.*

As on March 31, 2019, our Company has outstanding unsecured loans aggregating to ₹ 92.10 million, which have been extended by our promoter group entities and may be recalled by them at any time. In the event, any of such lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. Therefore, any such demand may adversely affect our business, financial condition and results of operations. For further details, see “Financial Indebtedness” on page 218 of this Draft Red Herring Prospectus.

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

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

47. *Our success largely depends upon the knowledge and experience of our Promoter, Directors and our Key Managerial Personnel. Any loss of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.*

Our Company depends on the management skills and guidance of our Promoter and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Some of our Directors and Key Managerial Personnel have been associated with our Company since inception and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or Key Managerial Personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the textile industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be

adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — “*Our Management*” on page 164 of this Draft Red Herring Prospectus.

48. *Non-compliance with and changes in, safety, health, labour and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.*

Our Company is engaged in the business of manufacturing woven and knitted fabrics for direct sale to various retailers, garment manufacturers, brands, traders and other intermediaries and also on job work basis which makes it mandatory for us to comply with extensive laws and government regulations, including in relation to safety, health and environmental protection, for further details please refer to the chapter titled “*Key Industry Regulations and Policies*” on page 150 of this Draft Red Herring Prospectus. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. India has stringent labour legislations which protect the interest of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, working conditions, hiring and termination of employees, contract labour and work permits and maintenance of regulatory and statutory records and making periodic payments, minimum wages and maximum working hours, overtime, working conditions, etc.

Our Company is also subject to safety and health laws and regulations such as the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981. These laws and regulations impose controls on our Company’s safety standards, and other aspects of its operations. Our Company has incurred and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, our Company has made and expects to continue to make capital expenditures on an on-going basis to comply with the safety and health laws and regulations. Our Company may be liable to the Central and State governmental bodies with respect to its failures to comply with applicable laws and regulations. Further, the adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that our Company make additional capital expenditures or incur additional operating expenses in order to maintain its current operations or take other actions that could adversely affect its financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant and may have an impact on our financial condition. Therefore, if there is any failure by us to comply with the terms of the laws and regulations governing our operations we may be involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

49. *Our Company is highly dependent on skilled contract labour for manufacturing of our products. If we are unable to continue to hire skilled contract labour, the quality of our products being manufactured in our units can get affected.*

Our operations are significantly dependent on access to a large pool of contract labour for operation of our manufacturing unit. As of March 31, 2019, while we had 205 permanent full time employees, we also employ contract labours under the Contract Labour (Regulation and Abolition) Act, 1970. The number of contract labourers employed by us varies from time to time based on the nature and extent of work in which we are involved. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods. Further, our manufacturing unit and our proposed manufacturing unit are surrounded by a number of industries, which may create a demand-supply gap in the labour industry which may impact our business operations. There can be no assurance that we will have adequate access to skilled workmen at reasonable rates. As a result, we may be required to incur additional costs to ensure timely execution of our projects.

Our Company appoints independent contractors who in turn engage on-site contract labourers for carrying out the manufacturing process. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent workmen. Thus, any such order from a regulatory body or court may adverse effect on our business, results of operations and financial condition. In addition, on an application made by contract labourers, an Industrial court or Tribunal may direct that the contract labourers shall be regularized or absorbed or the State Government may altogether prohibit the employment of contract labour. If either

of the abovementioned events occur, we may be required to induct such labourers on our payroll, as employees, which may result in an increase in our expenses. Further, even though we have obtained all necessary approvals as required under the statutes there can be no assurance that we may continue to hold such permits, licenses or approvals. In the event of cancellation or non-renewal of our approvals it may cause an interruption of our operations and may adversely affect our business, financial condition and future results of operations. Furthermore, all contract labourers engaged in our projects receive minimum wages that are fixed by the relevant State governments, and any increase in such minimum wages payable may adversely affect our results of operations.

50. *Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.*

As of March 31, 2019, while we had 205 permanent full time employees, we also employ contract labours to carry out our manufacturing processes under the Contract Labour (Regulation and Abolition) Act, 1970. We believe our employees and unskilled labour employed in our manufacturing unit are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work or our retail operations due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

51. *Our operations can be adversely affected in case of industrial accidents at our manufacturing unit.*

Our manufacturing process requires the use of heavy machines, which makes the labour employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. We have in the past, been held liable for payment of claims for the accident suffered by the labour employed in our manufacturing premises, the Deputy Director of the Employee State Insurance Corporation had passed an order dated December 27, 2016 holding us liable for refund of ₹ 19,832 along with interest of 8 % per annum. The said amount was paid by the Corporation to an employee of our Company towards temporary disablement benefit for injuries suffered during an accident in our manufacturing premises. For further details, please refer to the chapter titled, “*Outstanding Litigation and Material Developments*” on page 223 of this Draft Red Herring Prospectus. Although, our Company has adopted adequate safety measures, we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

52. *Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. Presently, we have obtained certain policies such as commercial vehicle package policy, two wheeler package policy, commercial package policy, standard fire and special perils policy, commercial general liability policy, group personal accident policy and group gratuity scheme of employees. The said policies insure us against loss or damage caused by fire, earthquake etc. and insure our godown, plant and machinery, accessories, furniture, fixture and fittings, goods, stock of coal, buildings, stock and stock in process, nickel screen used for printing, burglary and robbery cover, money insurance cover for money in transit and money in safe, plate glass cover, fidelity guarantee cover and cover against loss of profit. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

53. *Fabrics are highly flammable in nature, any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc.*

Fabrics are highly flammable in nature, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent risk of loss by fire. Further, with the use of chemicals, boilers, large volume of air for material handling, etc. the risk of fire hazard increases exponentially. The stocks of finished goods, raw materials, godowns and the main manufacturing area are more prone to such accidents, which could cause substantial loss to our machinery, thus hampering our business operations. Though, we have taken appropriate insurance cover for protecting our manufacturing unit from such losses caused by fire, there can be no assurance that our insurance policies will be adequate to cover the losses. If there occurs an accident or mishap due to fire, it could adversely affect our results of operations and financial position.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 82 of this Draft Red Herring Prospectus.

55. *Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.*

Our Company is involved in various business transaction with international clients and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularise the payment. Further, our international operations make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it could adversely affect our business, results of operations, financial conditions and cash flows.

56. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared any dividends since its incorporation and there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled “Dividend Policy” and the chapter titled “Financial Indebtedness” on pages 190 and 218 respectively, of this Draft Red Herring Prospectus.

57. *Our Promoter and Promoter Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.*

Upon completion of this Issue, our Promoter and Promoter Group will collectively hold [●]% of the Equity share capital of our Company. As a result, our Promoter will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Accordingly, our Promoter will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, undertaking sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoter will exercise their rights as shareholders to the benefit and best interests of our Company. Further, such control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company’s best interest. The interests of our Promoter could conflict with the interests of our other

equity shareholders, and our Promoter could make decisions that materially and adversely affect your investment in the Equity Shares.

58. *Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.*

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our place of operation may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

59. *The average cost of acquisition of Equity Shares held by our Promoter could be lower than the Issue Price.*

Our Promoter's average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price as may be decided by the Company, in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares by our Promoter in our Company, please refer to the chapter titled "*Capital Structure*" on page 70 of this Draft Red Herring Prospectus.

60. *The deployment of funds in the project is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".*

As the issue size shall be less than ₹1,000 million, under Regulation 41 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoter shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled — "*Objects of the Issue*" on page 82 of this Draft Red Herring Prospectus.

61. *Some agreements entered into by our Company with various parties are not adequately stamped and registered. The said agreements may not be admissible as evidence in a court of law, until the relevant stamp duties are paid and the relevant registration, if required, is done.*

Some of the leave and license and lease deeds/agreements entered into by our Company with various parties for our leasehold properties are not adequately stamped and registered. The potential consequence of this could be that the said agreements may not be admissible as evidence in a court of law, until the relevant stamp duties are paid, and the registration of such agreements has been done with the relevant authorities. As on the date of this Draft Red Herring Prospectus, our Company has not initiated / been party to any litigation in this regard. Any claim or adverse order / finding in connection with these agreements could adversely affect the operations of our Company.

62. *Some of the information disclosed in this Draft Red Herring Prospectus is based on information from an industry report, which we have commissioned from Care Advisory Research & Training Limited.*

This Draft Red Herring Prospectus includes information that is derived from an industry report titled "*Research report on textile industry*", prepared by Care Advisory Research & Training Limited (the "**Report**"). We commissioned this report for the purpose of confirming our understanding of the textile industry in India. Neither our Company nor the BRLM, nor any other person connected with the Issue has verified the information in the commissioned report. Care Advisory Research & Training Limited has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable ("**Information**"),

it does not guarantee the accuracy, adequacy or completeness of the Information and disclaims responsibility for any errors or omissions in the Information or for the results obtained from the use of the Information. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors.

We cannot assure you that Care Advisory Research & Training Limited's assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest in our Company. Care Advisory Research & Training Limited has disclaimed all financial liability in case of any loss suffered on account of reliance on any information contained in the Report. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Draft Herring Prospectus, when making their investment decisions.

ISSUE SPECIFIC RISKS

- 63. *The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a Book Building Process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

- 64. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLM through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Issue Price*" on page 94 of this Draft Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that as an investor you will be able to sell their Equity Shares at or above the Issue Price.

- 65. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

- 66. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to

undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

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

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

68. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

69. *QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

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

Our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

71. *Any issuance or sale of the Equity Shares by any existing shareholder could significantly affect the trading price of the Equity Shares.*

Any future issuance of Equity Shares by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

72. *The Equity Shares issued pursuant to the Issue may not be listed on BSE and NSE in a timely manner, or at all,*

and any trading closures at BSE and NSE may adversely affect the trading price of our Equity Shares.

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 authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on BSE and NSE. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares. BSE and NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. A closure of, or trading stoppage on BSE and NSE could adversely affect the trading price of the Equity Shares.

- 73. There is no existing market for our Equity Shares, and we do not know if one will develop to provide you with adequate liquidity. Further, an active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.***

An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company, in consultation with the BRLM, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate economic conditions of India and volatility of the BSE, NSE and securities markets elsewhere in the world.

- 74. The price of the Equity Shares may be highly volatile after the Issue.***

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the textile industry; adverse media reports on us or the Indian textile industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

- 75. You will not be able to sell immediately on the Stock Exchanges any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within six (6) working days of the date of closure of the Issue or such other time as may be prescribed by SEBI. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed by law. Further, there can be no assurance that the Equity Shares to be Allotted pursuant to this Issue will be listed on the Stock Exchanges in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of the equity shares.

EXTERNAL RISK FACTORS

- 76. Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.***

Our restated consolidated summary statements of assets and liabilities as at March 31, 2019 and restated consolidated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2019 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated consolidated Financial Information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

77. *Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

78. *The requirements of being a listed company may strain our resources.*

We are not a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing compliances and reporting requirements to the Stock Exchanges, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

Further, as a listed company we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could affect our business, prospects, results of operations and financial condition and the price of our Equity Shares. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

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

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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

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

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("GAAR") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

81. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include further falls in Stock Exchange indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

82. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

The annual rate of inflation, based on monthly WPI, stood at 3.18% (provisional) for the month of March, 2019 (over March, 2018) as compared to 2.93% (provisional) for the previous month and 2.74% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 3.18% compared to a buildup rate of 2.74% in the corresponding period of the previous year. (Source: Index Numbers of Wholesale Price in India, Review for the month of March 2019, published on April 15, 2019 by Government of India, Ministry of Commerce and Industry). Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

83. *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.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, 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.

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

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

85. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

Following table summarizes the present Issue in terms of this Draft Red Herring Prospectus:

Particulars	Details of Equity Shares
Issue of Equity Shares ¹⁾	Upto 10,000,000 Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] million. ²⁾
<i>of which:</i>	
A. QIB Portion ^{3) 4)}	Upto [●] Equity Shares*
<i>of which</i>	
Anchor Investor Portion	Upto [●] Equity Shares*
Net QIB Portion i.e. balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares*
<i>of which:</i>	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion (excluding the Anchor Investor Portion))	Upto [●] Equity Shares*
Balance for all QIBs including Mutual Funds	Upto [●] Equity Shares*
B. Non-Institutional Portion ³⁾	Upto [●] Equity Shares*
C. Retail Portion ³⁾	Upto [●] Equity Shares*
Pre and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	22,451,116 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares*
Use of Net proceeds of this Issue	Please refer the chapter titled “ <i>Objects of the Issue</i> ” on page 82 of this Draft Red Herring Prospectus.

* Number of shares may need to be adjusted for lot size upon determination of issue price and finalisation of basis of allotment.

¹⁾ This Issue is being made in terms of Regulation 6(1) of Chapter II of the SEBI (ICDR) Regulations. For further details, please refer to section titled “Issue Information” on page 246 of this Draft Red Herring Prospectus.

²⁾ The present Issue has been authorised pursuant to a resolution passed by our Board at its meeting held on January 10, 2019 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1) (c) of the Companies Act, 2013 at the EGM held on January 31, 2019.

³⁾ Subject to valid bids being received, not less than 15% of the Issue shall be allocated on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be allocated on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

⁴⁾ Our Company in consultation with the BRLM, may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations, at the Anchor Investor Issue Price. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors which price shall be determined by the Company in consultation with the BRLM. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer to the chapter titled “Issue Procedure” beginning on page 255 of this DRHP.

In the event of oversubscription, Allotment shall be made on a proportionate basis, subject to valid bids received at or above the Issue Price, in consultation with the Designated Stock Exchange and in accordance with SEBI (ICDR) Regulations.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The allocation to each Retail

Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see “*Issue Procedure*” beginning on page 255 of this Draft Red Herring Prospectus.

For details of the terms of the Issue, see “*Terms of the Issue*” beginning on page 246 of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary financial information of our Company derived from the Restated Consolidated Financial Information as at and for the Fiscals 2019, 2018 and 2017. The Restated Consolidated Financial Information referred to above is presented under the section titled “Financial Information” on page 191. The summary financial information presented below should be read in conjunction with the Restated Consolidated Financial Information, the notes thereto and the sections titled “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 191 and 192, respectively.

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Mukesh Trends Life Style Limited
(Formerly known as Mukesh Industries Limited)
Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities
(Indian rupees in Million, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
ASSETS				
Non-current assets				
Property, plant and equipment	4	585.40	614.69	466.86
Capital work-in-progress		-	-	162.33
Intangible assets	5	22.59	25.57	6.50
Financial assets				
(i) Investment	6	-	1.36	1.19
(ii) Other	7	6.97	4.37	3.99
Other Non-Current Assets		-	-	-
Total non-current assets		614.96	645.99	640.86
Current assets				
Inventories	8	480.86	452.79	293.67
Financial assets				
(i) Trade receivables	9	726.62	707.20	645.85
(ii) Cash and Cash Equivalent	10	5.22	5.92	51.63
(iii) Other bank balances	11	13.83	13.83	-
(iv) Other Financial Asset	12	3.08	2.97	3.77
Other current assets	13	134.28	80.02	77.99
Total current assets		1,363.90	1,262.74	1,072.90
TOTAL ASSETS		1,978.87	1,908.72	1,713.77
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	224.51	143.94	143.94
Other equity	15	474.94	341.70	266.56
Total equity		699.45	485.64	410.51
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	16	224.47	342.71	379.64
Provisions	17	2.85	0.23	0.87
Deferred tax Liabilities (Net)	18	57.19	39.52	18.83
Other Non-Current Liabilities	19	25.00	65.60	53.34
Total non-current liabilities		309.52	448.06	452.69
Current liabilities				
Financial liabilities				
(i) Borrowings	20	349.63	329.67	260.52
(ii) Trade payables	21	404.56	469.62	486.96
(iii) Other financial liabilities	22	170.37	147.70	93.07
Other current liabilities	23	4.21	3.57	4.01
Provisions	24	3.38	3.38	2.71
Current tax liabilities (Net)	35	37.75	21.07	3.29
Total current liabilities		969.90	975.02	850.57
Total liabilities		1,279.42	1,423.08	1,303.26
TOTAL EQUITY AND LIABILITIES		1,978.87	1,908.72	1,713.77

Note: The above Annexure should be read in conjunction with the summary statement of significant Accounting policy appearing in Annexure V, notes to the restated consolidated financial statement appearing in Annexure VI and statement on adjustment to audited financial statement appearing in Annexure VIII.

In terms of our report attached

For Abhishek Kumar & Associates
Chartered Accountants
ICAI Firm Regn No.130052W
Sd/-
Abhishek Agarwal
Membership No.: 132305

Place: Ahmedabad
Date: August 02, 2019

For and on behalf of the Board of Directors

Sd/-
Devkinandan Agarwal
Managing Director
DIN: 00146775

Sd/-
Kailash Dudhani
Chief Financial Officer

Sd/-
Mukesh Devkinandan Agarwal
Whole-time Director and CEO
DIN: 00146544

Sd/-
Dashang Khatri
CS & Compliance Officer

Mukesh Trends Life Style Limited

(Formerly known as Mukesh Industries Limited)

Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities

(Indian rupees in Million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue:				
I Revenue from operations	25	2,341.81	2,325.43	2,100.10
II Other income	26	24.39	27.72	30.05
III Total Income (I + II)		2,366.20	2,353.16	2,130.15
Expenses:				
Cost of materials consumed	27	1,677.16	1,729.53	1,357.21
Purchases of stock-in-trade	28	-	-	361.37
Changes in inventories of finished goods (including stock in trade) and work-in-progress	29	(107.22)	(58.14)	(94.44)
Employee benefits expense	30	84.46	73.43	64.07
Finance costs	31	97.36	88.90	71.47
Depreciation and amortisation expense	32	74.84	81.57	83.40
Other expenses	33	342.44	315.27	257.88
IV Total expenses		2,169.04	2,230.57	2,100.96
Profit before exceptional items, share of net profit of investments				
V accounted for using equity method and tax (III- IV)		197.16	122.59	29.19
VI Share of Net Profit of Associate accounted for using Equity Method		-	0.03	0.02
VII Profit before exceptional items and tax (V-VI)		197.16	122.62	29.21
VIII Exceptional items		-	-	-
IX Profit before tax (VII - VIII)		197.16	122.62	29.21
X Tax expense:				
a) Current tax	34	46.15	27.86	5.86
b) Excess/(Short) provision for tax of earlier years	34	0.00	-	-
c) Deferred tax (credit)/charge		17.72	20.68	-5.18
		63.88	48.54	0.69
XI Profit after tax (IX-X)		133.28	74.08	28.52
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
Remeasurement of the defined benefit plans		(0.18)	0.57	(0.35)
(ii) Income tax relating to items that will not be reclassified to profit or loss	34	0.05	(0.12)	0.07
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
XII Total Other Comprehensive Income (A + B)		(0.13)	0.45	(0.28)
XIII Total Comprehensive Income for the year (XI + XII)		133.16	74.53	28.24
XIII Earnings per equity share				
(in INR) (Face Value of Rs. 10/- each)				
Basic		6.18	3.92	1.65
Diluted		6.18	3.92	1.65
Note: The above Annexure should be read in conjunction with the summary statement of significant Accounting policy appearing in Annexure V, notes to the restated consolidated financial statement appearing in Annexure VI and statement on adjustment to audited financial statement appearing in Annexure VIII.				

In terms of our report attached

For Abhishek Kumar & Associates
Chartered Accountants
ICAI Firm Regn No.130052W

Sd/-
Abhishek Agarwal
Membership No.: 132305

Sd/-
Devkinandan Agarwal
Managing Director
DIN: 00146775

Sd/-
Kailash Dudhani
Chief Financial Officer

For and on behalf of the Board of Directors

Sd/-
Mukesh Devkinandan Agarwal
Whole-time Director and CEO
DIN: 00146544

Sd/-
Dashang Khatri
CS & Compliance Officer

Place: Ahmedabad
Date: August 02, 2019

Mukesh Trends Life Style Limited
(Formerly known as Mukesh Industries Limited)
Annexure III - Restated Consolidated Summary Statement of Cash Flows
(Indian rupees in Million , unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flow from Operating Activities			
Profit before tax	197.16	122.62	29.21
Adjustments for:			
Depreciation and amortisation expense	74.84	81.57	83.40
Profit on sale of Share	(6.37)	0.00	0.00
Loss / (Gain) on disposal of property, plant and equipment (net)	0.50	0.22	0.95
Gain arising on financial assets measured at FVTPL (net)	0.00	0.00	0.00
Exchange Gain/(Loss)	(0.62)	0.22	2.17
Interest income	(1.95)	(1.45)	(1.57)
Finance costs	97.36	88.90	71.47
	360.93	292.07	185.63
Changes in working capital			
(Increase) in inventory	(28.07)	(158.06)	(57.15)
Decrease / (increase) in trade receivable	(19.42)	(61.35)	(82.68)
Decrease / (increase) in other financial assets	0.00	(13.83)	0.00
Decrease / (increase) in Financial Asset (Loan) & Non-Current Assets	(2.61)	(0.38)	0.01
(Increase) in other current assets	(54.26)	(2.03)	(8.59)
(Decrease) / increase in trade payable	(64.45)	(17.55)	159.46
Increase in other financial liabilities	0.00	0.00	0.00
Increase in other Non-current liabilities	0.00	0.00	0.00
Increase in other current liabilities	0.64	(0.44)	(28.93)
Increase in provisions	2.44	(1.54)	0.94
(Decrease) in non-financial liabilities	(40.60)	12.26	(33.00)
Cash generated from operating activities	154.59	49.15	135.68
Taxes paid (net)	(29.47)	(8.50)	(8.31)
Net cash generated from operating activities (A)	125.11	40.65	127.37
Cash flows from investing activities			
Investment	7.74	(0.17)	(0.37)
Interest received	1.84	2.25	0.41
Acquisition of other non current assets	0.00	0.00	0.00
Proceeds from sale of items of property, plant and equipment	3.23	26.86	1.83
Payments for purchase of items of property, plant and equipment	(46.31)	(113.23)	(185.78)
Net cash used in investing activities (B)	(33.50)	(84.29)	(183.91)
Cash Flow from Financing Activities			
Proceeds from non-current and Current borrowing	0.00	57.62	226.06
Repayment of non-current borrowings	(119.24)	(94.62)	(120.90)
Proceeds from Equity	80.65	0.00	40.15
Proceeds from Current borrowing	19.96	69.15	0.00
Increase/(decrease) in current borrowings (net)	0.00	0.00	(15.74)
Finance costs paid	(73.68)	(34.21)	(39.31)
Net cash generated from / (used in) financing activities (C)	(92.31)	(2.06)	90.26
Net increase / (decrease) in cash and cash equivalents (A+ B+ C)	(0.70)	(45.70)	33.72
Cash and cash equivalents at 1 April	5.92	51.63	17.91
Addition pursuant to Scheme of Arrangement	0.00	0.00	0.00
Cash and cash equivalents at 31 March	5.22	5.92	51.63

Mukesh Trends Life Style Limited
(Formerly known as Mukesh Industries Limited)
Annexure III - Restated Consolidated Summary Statement of Cash Flows (Continued)
(Indian rupees in Million, unless otherwise stated)

Notes :

1. The above standalone Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flows".

2.

Cash and Cash Equivalents	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash and cheques on hand	0.28	0.17	0.15
Balances with banks			
In Current Accounts	0.35	0.16	38.99
Fixed deposit with original maturity of less than 3 months	4.60	5.60	12.49
Cash and cash equivalents in Cash flow statement	5.22	5.92	51.63

Note: The above Annexure should be read in conjunction with the summary statement of significant Accounting policy appearing in Annexure V, notes to the restated consolidated financial statement appearing in Annexure VI and statement on adjustment to audited financial statement appearing in Annexure VIII.

In terms of our report attached

For Abhishek Kumar & Associates
Chartered Accountants
ICAI Firm Regn No.130052W

Sd/-

Abhishek Agarwal
Membership No.: 132305

For and on behalf of the Board of Directors

Sd/-
Devkinandan Agarwal
Managing Director
DIN: 00146775

Sd/-
Kailash Dudhani
Chief Financial Officer

Sd/-
Mukesh Devkinandan Agarwal
Whole-time Director and CEO
DIN: 00146544

Sd/-
Dashang Khatri
CS & Compliance Officer

Place: Ahmedabad
Date: August 02, 2019

GENERAL INFORMATION

Registered Office of our Company

Mukesh Trends Life Style Limited

National Highway no. 08,
Narol, Naroda Road, Ahmedabad- 382 443,
Gujarat, India.

Registration Number: 014108

Telephone: +91 98 7920 5515

E-mail: info@mtll.in

Website: www.mtll.in

CIN: U17110GJ1990PLC014108

Corporate Office of our Company

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate office.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Gujarat situated at the following address:

Registrar of Companies, Gujarat

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

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Devkinandan Gopiram Agarwal	Chairman and Managing Director	00146775	04, Nilgiri Bungalow, behind Ashwamegh-5, 132 feet ring road, Satellite, Manekbag, Ahmedabad - 380 015, Gujarat, India.
Mukesh Devkinandan Agarwal	Whole-time Director and CEO	00146544	04, Nilgiri Bungalow, Satellite Road, near Ashwamegh 5, 132 feet ring road, Ahmedabad – 380 015, Gujarat, India
Sulochnadevi Devkinandan Agarwal	Non-Executive Director	00146709	04, Nilgiri Bungalow, behind Ashwamegh-5, 132 feet ring road, Satellite, Manekbag, Ahmedabad - 380 015, Gujarat, India.
Naraindas Dharamdas Wadhvani	Independent Director	01002205	23-Urvashi Bungalows, B/H, Satluj Hotel, Patia, Noaroda Road, Ahmedabad- 382 345, Gujarat, India.
Mukesh Chinubhai Shah	Independent Director	03280516	B-84, Goyal Park Apartments, Sandesh Press Road, Opposite Laad Society, Vastrapur, Manekbag, Ahmedabad – 380 015, Gujarat, India.
Navinchandra Natverlal Patel	Independent Director	08350510	18/1 opposite Amika Nivas, Maninagar, Char Rasta, Ahmedabad- 380 008, Gujarat, India

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 164 of the Draft Red Herring Prospectus.

Chief Financial Officer

Kailash Jamnalal Dudhani, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

National Highway no. 08,

Narol, Naroda Road,
Ahmedabad- 382 443,
Gujarat, India.
Telephone: +91 98 7920 5505
E-mail: cfo@mtll.in

Company Secretary and Compliance Officer

Dashang Manharlal Khatri is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

National Highway no. 08,
Narol, Naroda Road,
Ahmedabad- 382 443,
Gujarat, India.
Telephone: +91 987 920 5515
E-mail: cs@mtll.in

Investor grievances

Bidders are advised to contact the Company Secretary and Compliance Officer and/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 Equity Shares in the respective beneficiary account, non-receipt of funds by electronic mode etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, number of Equity Shares applied for, the Bid amount paid on submission of the Bid cum Application Form and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

All grievances relating to the UPI mechanism may be addressed to the Registrar to the Issue with a copy to the relevant Sponsor Bank or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centres, as the case may be, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the UPI ID of the UPI ID Linked Bank Account in which the amount equivalent to the Bid Amount was blocked. All grievances relating to Bids submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

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

Book Running Lead Manager

Pantomath Capital Advisors Private Limited

406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra East,
Mumbai – 400 051, Maharashtra, India
Telephone: + 91 22 6194 6700
Facsimile: +91 22 2659 8690
Email ID: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Investor Grievance ID: ipo@pantomathgroup.com
Contact Person: Unmesh Zagade
SEBI Registration Number: INM000012110

Registrar to the Issue

Link Intime India Private Limited

C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai – 400 083
Maharashtra, India.
Telephone: +91 022 4918 6200
Facsimile: +91 022 4918 6195
E-mail: mukeshtrends.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance: mukeshtrends.ipo@linkintime.co.in
SEBI Registration No: INR000004058
Contact person: Shanti Gopalkrishnan

Legal Advisor to the Issue

M/s. Crawford Bayley & Co.

4th Floor, State Bank Buildings
N.G.N. Vaidya Marg, Fort
Mumbai 400 023
Maharashtra, India
Telephone: +91 22 2266 3353
Facsimile: +91 22 2266 3978
Email: sanjay.asher@crawfordbayley.com
Contact Person: Sanjay Asher

Statutory and Peer Review Auditor of our Company

M/s. Abhishek Kumar & Associates

Chartered Accountants
401, Silicon Tower, Near National Handloom,
Law Garden, Ahmedabad- 380 009,
Gujarat, India
Telephone: 092 2740 4064
Facsimile: 079 4037 0886
Email: abhisheksagrawal@yahoo.co.in
Contact Person: CA Abhishek Agarwal
Membership No.: 132305
Firm Registration No.: 130052W
Peer Review Certificate No.: 011266

Bankers to our Company

HDFC Bank Limited

Lodha-I Think Techno Campus O-3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai- 400 078,
Maharashtra, India
Telephone: + 91 22 3075 2929 / 2928 / 2914

Facsimile: + 91 22 2579 9801

Email: vincent.dsouza@hdfcbank.com, siddharth.jadhav@hdfcbank.com, prasannauchil@hdfcbank.com

Contact Person: Vincent D'souza / Siddharth Jadhav / Prasanna Uchil

Axis Bank Limited

2nd floor, 3rd Eye One, CG Road,
Ahmedabad – 380009, Gujarat, India

Telephone: + 91 079 6614 7103

Facsimile: + 91 079 6614 7103

Email: manan.bhatt@axisbank.com

Contact Person: Manan Bhatt

State Bank of India Limited

State Bank of India, SME Law Garden Branch,
Zodiac Avenue, opposite Commissioner's Bungalow,
Law Garden, Ahmedabad- 380 006, Gujarat, India

Telephone: + 91 079 2642 0278

Facsimile: + 91 079 2642 0277

Email: sbi.60438@sbi.co.in

Contact Person: Gandhi Bose (CSO) and Jitendra Kumar (RMSME)

Banker to the Issue

The Banker(s) to the Issue shall be appointed prior to filing of the Red Herring Prospectus.

Refund Bank

The Refund Bank(s) shall be appointed prior to filing of the Red Herring Prospectus.

Sponsor Bank

The Sponsor Bank(s) shall be appointed prior to filing of the Red Herring Prospectus.

Syndicate Member

The Syndicate Member(s) shall be appointed prior to filing of the Red Herring Prospectus.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Applications through UPI in IPOs can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website. The list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided at the SEBI website.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the members of Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>).

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of BSE and NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively as updated from time to time.

Registrar and Share Transfer Agent

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively as updated from time to time.

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

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Issue.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Green Shoe Option

No Green Shoe Option is applicable for this Issue.

Brokers to the Issue

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

Debenture Trustees

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

Monitoring Agency

As the net proceeds of the Issue will be less than ₹1,000 million, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Appraising Entity

We have appointed Care Advisory Research & Training Limited as the appraising entity for our object of setting up of an additional manufacturing unit for knitted denim fabrics. Care Advisory Research & Training Limited has issued a Techno Economic Viability Report (Appraisal Report) dated September 25, 2019 in respect of our proposed manufacturing unit.

Inter-se Allocation of Responsibilities

Pantomath Capital Advisors Private Limited being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence a statement of inter se allocation of responsibilities is not required.

Filing

A copy of this DRHP has been filed with the Securities Exchange Board of India, Western Regional Office, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad-380 009, Gujarat, India and simultaneously through the SEBI Intermediary Portal at <https://sipotal.sebi.gov.in>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the material contracts and documents and a copy of the Prospectus required to be filed with the RoC under Section 32 and Section 26 of the Companies Act, 2013, respectively would be delivered for filing with the RoC at its office situated at:

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

Changes in Auditors during the last three years

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

Name of Auditor	Date of Change	Reason for change
M/s. Abhishek Kumar and Associates 401, Silicon Tower, Near National Handloom, Law Garden, Ahmedabad – 380 009, Gujarat, India Email: abhisheksagrawal@yahoo.co.in Firm Registration Number: 130052W Peer Review Number: 011266	September 29, 2017	Appointment in place of retiring auditor

Book Building Process

Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus, the Bid cum Application Form and Revision Form. The Price Band and minimum Bid Lot size will be decided by our Company in consultation with the BRLM and advertised in all editions of English national newspaper [●], all editions of Hindi national newspaper [●], and all editions of Gujarati newspaper [●] (Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation, at least two (02) Working Days prior to the Bid / Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites.

The Issue Price will be determined by our Company in consultation with the BRLM after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. Book Running Lead Manager;
3. Syndicate Member(s) who are intermediaries registered with SEBI or registered as broker with Stock Exchanges and eligible to act as Underwriters;
4. Escrow Collection Bank/Banker to the Issue/Sponsor Bank;
5. Registrar to the Issue;
6. The SCSBs;
7. Registered Brokers; and
8. CDPs.

The SEBI (ICDR) Regulations have permitted the Issue of securities to the public through the Book Building Process. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs. Our Company in

consultation with the BRLM may allocate up to 60% of the QIB portion to Anchor Investors on a proportionate basis at the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations, out of which at least one-third will be available for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹100 million. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Such number of Equity Shares representing 5% of the Net QIB Portion (other than the Anchor Investor Portion) shall be allocated on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be allocated on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event that the aggregate demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event that the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (including mutual funds) in proportion to their Bids. Further not less than 15% of the Issue shall be allocated on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be allocated on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription in any category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

Bidders are advised to contact the Company Secretary and Compliance Officer and/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 Equity Shares in the respective beneficiary account, non-receipt of funds by electronic mode etc.

In accordance with the SEBI ICDR Regulations, QIBs Bidders (other than Anchor Investors) Bidding in the QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and/or withdraw their Bids until the Bid/Issue Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the QIB Portion will be on a proportionate basis. By submitting a Bid, each Bidder will be deemed to have acknowledged the above restrictions and the terms of the Issue. For further details, refer to the section titled “*Issue Structure*” and “*Issue Procedure*” on pages 252 and 255 respectively, of this Draft Red Herring Prospectus.

Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for the Issue. Our Company has appointed the BRLMs to manage the Issue and procure Bids for the Issue.

The process of Book Building under the SEBI (ICDR) Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Notwithstanding the foregoing, Bidders should note that this Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 255 of this Draft Red Herring Prospectus.

Illustration of Book Building Process and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue.)*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20/- to ₹ 24/- per equity share, Issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price(₹)	Cumulative Bid Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to Issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22/- in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the Issue price at or below such cut-off price, i.e., at or below ₹ 22/-. All bids at or above this Issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a bid (refer the section titled “*Issue Procedure*” on page 255);
2. Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum- Application Form.
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid-cum-Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the state of Sikkim, for Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Bid-cum-Application Form. The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants’ verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. In accordance with the SEBI (ICDR) Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of the transaction;
5. Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus, Prospectus and in the Bid-cum-Application Form.
6. ASBA Bidders can submit their Bids by submitting Bid-cum-Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the Designated Intermediaries. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their Bid-cum-Application Form is not rejected;
7. Applications through UPI in IPOs can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website, therefore for RIBs who made applications through intermediaries, the process of, investor submitting bid cum-application form with any intermediary along with bank account details and movement of such application forms from intermediaries to Self-Certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued.

Underwriting Agreement

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein:

The Underwriters have indicated their intention to underwrite the following number of Equity Share:

(₹ in million)

Name, address, telephone number, Facsimile and e-mail addresses of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue size Underwritten
[●]	[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

The Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

CAPITAL STRUCTURE

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

S. No.	Particulars	Amount (in ₹ Million, except share data)	
		Aggregate value at nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	36,000,000 Equity Shares of face value of ₹ 10 each	360.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	22,451,116 Equity Shares of face value of ₹ 10 each	224.51	
C.	Present Issue in terms of this Draft Red Herring Prospectus		
	Public Issue of up to 10,000,000 Equity Shares of face value of ₹10 each at a Price of ₹[●] per Equity Share ⁽¹⁾	upto 100.00	[●]
	Of which		
	QIB Portion of not more than [●] Equity Shares	[●]	[●]
	Non-Institutional Portion of not less than [●] Equity Share	[●]	[●]
	Retail Portion of not less than [●] Equity Share	[●]	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue		
	[●] Equity Shares of face value of ₹10 each	[●]	
E.	Securities Premium Account		
	Before the Issue	22.70	
	After the Issue	[●]	

⁽¹⁾The present Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on January 10, 2019, and by the shareholders of our Company vide a special resolution passed pursuant to section 62 (1) (c) of the Companies Act, 2013 at the EGM held on January 31, 2019.

Classes of Shares

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

Details of changes in Authorized Share Capital of our Company since incorporation

The initial authorised capital of our Company was ₹ 1,000,000 consisting of 10,000 Equity Shares of ₹ 100 each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Meeting	Shareholder's	Particulars of Change		AGM/EGM
		From	To	
March 09, 1991*		₹ 1,000,000 consisting of 10,000 Equity Shares of ₹ 100 each	₹ 2,500,000 consisting of 25,000 Equity Shares of ₹ 100 each	EGM
March 09, 1992		₹ 2,500,000 consisting of 25,000 Equity Shares of ₹ 100 each	₹ 50,000,000 consisting of 500,000 Equity Shares of ₹ 100 each	EGM
Pursuant to a resolution passed by our Shareholders at the EGM dated March 23, 1993, the Equity Shares of face value of ₹ 100 each were sub-divided into Equity Shares of face value of ₹10 each.				
March 09, 2009		₹ 50,000,000 consisting of 5,000,000 Equity Shares of ₹ 10 each	₹100,000,000 consisting of 10,000,000 Equity Shares of ₹ 10 each	EGM
November 15, 2010		₹100,000,000 consisting of 10,000,000 Equity Shares of ₹ 10 each	₹ 250,000,000 consisting of 25,000,000 Equity Shares of ₹ 10 each	EGM
January 31, 2019		₹ 250,000,000 consisting of 25,000,000 Equity Shares of ₹ 10 each	₹ 360,000,000 consisting of 36,000,000 Equity Shares of ₹ 10 each	EGM

*We have placed reliance on the disclosures made in the Board and General meeting minutes, to ascertain the details of the change in the authorised share capital of the Company, since Form 5 for the relevant allotment is not present in the records of the Company and is not

found in the records of the RoC, as certified by M/s. G.R. Shah and Associates, Company Secretaries, under their search report dated September 25, 2019. For further information, please refer to risk factors no. 26 and 27 under chapter titled 'Risk Factors' beginning on page 35 of the Draft Red Herring Prospectus.

NOTES TO CAPITAL STRUCTURE

1. History of Share capital of our Company

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)
On Incorporation*	02	100	100	Cash	Subscription to Memorandum of Association ⁽¹⁾	02	200
September 03, 1990 [#]	9,458	100	100	Cash	Rights Issue ⁽²⁾	9,460	946,000
September 30, 1990 [#]	540	100	100	Cash	Rights Issue ⁽³⁾	10,000	1,000,000
September 20, 1991 [#]	13,500	100	100	Cash	Rights Issue ⁽⁴⁾	23,500	2,350,000
October 15, 1991 [#]	1,000	100	100	Cash	Rights Issue ⁽⁵⁾	24,500	2,450,000
January 30, 1993 [#]	25,500	100	100	Cash	Rights Issue ⁽⁶⁾	50,000	5,000,000
Pursuant to a resolution passed by our Shareholders at the EGM dated March 23, 1993, the Equity Shares of face value of ₹ 100 each were sub-divided into Equity Shares of face value of ₹10 each.							
March 30, 1993 [#]	250,000	10	10	Cash	Rights Issue ⁽⁷⁾	750,000	7,500,000
February 04, 1994	500	10	10	Cash	Rights Issue ⁽⁸⁾	750,500	7,505,000
March 31, 1994	700	10	10	Cash	Rights Issue ⁽⁹⁾	751,200	7,512,000
April 07, 1994 [#]	1,277,040	10	-	-	Bonus Issue ⁽¹⁰⁾	2,028,240	20,282,400
September 27, 1996	400,000	10	10	Cash	Rights Issue ⁽¹¹⁾	2,428,240	24,282,400
January 12, 2008	1,500,000	10	10	Cash	Rights Issue ⁽¹²⁾	3,928,240	39,282,400
March 18, 2009	2,500,000	10	10	Cash	Preferential Allotment ⁽¹³⁾	6,428,240	64,282,400
March 30, 2010	1,312,700	10	10	Cash	Preferential Allotment ⁽¹⁴⁾	7,740,940	77,409,400
February 06, 2012 [@]	400,000	10	10	Cash	Preferential Allotment ⁽¹⁵⁾	8,140,940	81,409,400
March 28, 2013 [@]	1,500,000	10	10	Cash	Preferential Allotment ⁽¹⁶⁾	9,640,940	96,409,400
January 31, 2015 ¹	1,500,000	10	10	Cash	Rights Issue ⁽¹⁷⁾	11,140,940	111,409,400
March 16, 2015 ¹	1,500,000	10	10	Cash	Rights Issue ⁽¹⁸⁾	12,640,940	126,409,400
July 30, 2016 ¹	181,818	10	22	Cash	Rights Issue ⁽¹⁹⁾	12,822,758	128,227,580
October 07, 2016 ¹	173,900	10	23	Cash	Rights Issue ⁽²⁰⁾	12,996,658	129,966,580
November 23, 2016 ¹	180,420	10	23	Cash	Rights Issue ⁽²¹⁾	13,177,078	131,770,780
December 05, 2016 ¹	347,822	10	23	Cash	Rights Issue ⁽²²⁾	13,524,900	135,249,000
December 30, 2016 ¹	434,780	10	23	Cash	Rights Issue ⁽²³⁾	13,959,680	139,596,800

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)
March 2017 ¹	06, 434,780	10	23	Cash	Rights Issue ⁽²⁴⁾	14,394,460	143,944,600
May 22, 2018	151,515	10	33	Cash	Rights Issue ⁽²⁵⁾	14,545,975	145,459,750
July 10, 2018	2,205,403	10	33	Cash	Rights Issue ⁽²⁶⁾	16,751,378	167,513,780
August 2018	14, 36,969	10	33	Cash	Rights Issue ⁽²⁷⁾	16,788,347	167,883,470
September 20, 2018	49,990	10	33	Cash	Rights Issue ⁽²⁸⁾	16,838,337	168,383,370
September 27, 2018	5,612,779	10	-	Other than cash	Bonus Issue ⁽²⁹⁾	22,451,116	224,511,160

*Date of incorporation of our Company is July 30, 1990

#We have placed reliance on the disclosures made in the Board minutes, to ascertain the details of the issue of Equity Shares, the nature of allotment and the nature of consideration since Form 2 for the relevant allotment is not present in the records of the Company and is not found in the records of the RoC, as certified by M/s. G.R. Shah and Associates, Company Secretaries, under their search report dated September 25, 2019. For further information, please refer to risk factors no. 26 and 27 under chapter titled 'Risk Factors' beginning on page 35 of the Draft Red Herring Prospectus.

@Our Company failed to comply with the provisions of Section 81(1A) of the Companies Act, 1956 and the proviso to Rule 4 of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011 and did not create a separate bank account for depositing the application money received pursuant to the said allotments and the said money was utilised before the allotment of securities was completed. For further information, please refer to risk factor no. 01 under chapter titled 'Risk Factors' beginning on page 24 of the Draft Red Herring Prospectus.

!Our Company has not filed forms MGT-14 for the said allotment of Equity Shares made on rights basis. Additionally, we have not followed the mode of delivery in the aforementioned allotments which was prescribed under the erstwhile sub section (2) of Section 62 of the Companies Act, 2013 for delivering the letters of offer issued by our Company to the Shareholders in the said rights issues. For further information, please refer to risk factor no. 26 under chapter titled 'Risk Factors' beginning on page 35 of the Draft Red Herring Prospectus.

- (1) Subscription of to the MOA for the total of 02 shares by Devkinandan Gopiram Agarwal for 01 Equity Share and Sulochanadevi Devkinandan Agarwal for 01 Equity Share.
- (2) Rights Issue of a total of 9,458 Equity Shares to Devkinandan Gopiram Agarwal (3,549 Equity Shares), Sulochanadevi Devkinandan Agarwal (2,909 Equity Shares) and Deokinandan Gopiram HUF (3,000 Equity Shares).
- (3) Rights Issue of a total of 540 Equity Shares to Bharati Devkinandan Agarwal (300 Equity Shares) and Mukesh Devkinandan Agarwal (240 Equity Shares).
- (4) Rights Issue of a total of 13,500 Equity Shares to Devkinandan Gopiram Agarwal (4,450 Equity Shares), Sulochanadevi Devkinandan Agarwal (4,050 Equity Shares) and Deokinandan Gopiram HUF (5,000 Equity Shares).
- (5) Rights Issue of 1,000 Equity Shares to Sulochanadevi Devkinandan Agarwal (40 Equity Shares), Bharati Devkinandan Agarwal (700 Equity Shares) and Mukesh Devkinandan Agarwal (260 Equity Shares).
- (6) Rights Issue of a total of 25,500 Equity Shares to Devkinandan Gopiram Agarwal (8,500 Equity Shares), Sulochanadevi Devkinandan Agarwal (8,500 Equity Shares) and Deokinandan Gopiram HUF (8,500 Equity Shares).
- (7) Rights Issue of 250,000 Equity Shares to Devkinandan Gopiram Agarwal (10,000 Equity Shares), Sulochanadevi Devkinandan Agarwal (10,000 Equity Shares), Deokinandan Gopiram HUF (10,000 Equity Shares) and Ocean Synthetics Private Limited (220,000 Equity Shares).
- (8) Rights Issue of a total of 500 Equity Shares to Pawankumar Agarwal (100 Equity Shares), Madhu Agarwal (100 Equity Shares), Nirmaladevi Agarwal (100 Equity Shares), Rosy Agarwal (100 Equity Shares) and Shiv Kumar Agarwal (100 Equity Shares).
- (9) Rights Issue of 700 Equity Shares to Sanjay Premchand Agarwal (200 Equity Shares) and Premchand Adanchand Agarwal (500 Equity Shares).
- (10) Bonus Issue of 1,277,040 Equity Shares in the ratio of 17:10 to Deokinandan Gopiram HUF (297,500 Equity Shares), Devkinandan Gopiram Agarwal (297,500 Equity Shares), Sulochanadevi Devkinandan Agarwal (280,500 Equity Shares), Bharati Devkinandan Agarwal (17,000 Equity Shares), Mukesh Devkinandan Agarwal (8,500 Equity Shares), Ocean Synthetics Private Limited (374,000 Equity Shares), Nirmaladevi Agarwal (170 Equity Shares), Madhu Agarwal (170 Equity Shares), Pawankumar Agarwal (170 Equity Shares), Rosy Agarwal (170 Equity Shares), Shiv Kumar Agarwal (170 Equity Shares), Sanjay Premchand Agarwal (340 Equity Shares) and Premchand Adanchand Agarwal (850 Equity Shares).
- (11) Rights Issue of 400,000 Equity Shares to M/s. Rose Labs Finance Limited.
- (12) Rights Issue of a total of 1,500,000 Equity Shares to Devkinandan Gopiram Agarwal (599,000 Equity Shares),

- Sulochanadevi Devkinandan Agarwal (394,000 Equity Shares) and Mukesh Devkinandan Agarwal (507,000 Equity Shares).*
- (13) *Preferential Allotment of a total of 2,500,000 Equity Shares to Devkinandan Gopiram Agarwal (815,000 Equity Shares), Sulochanadevi Devkinandan Agarwal (840,000 Equity Shares) and Mukesh Devkinandan Agarwal (845,000 Equity Shares).*
- (14) *Preferential Allotment of a total of 1,312,700 Equity Shares to Devkinandan Gopiram Agarwal (463,000 Equity Shares), Deokinandan Gopiram HUF (302,000 Equity Shares) and Mukesh Devkinandan Agarwal (547,700 Equity Shares).*
- (15) *Preferential Allotment of a total of 400,000 Equity Shares to Devkinandan Gopiram Agarwal.*
- (16) *Preferential Allotment of a total of 1,500,000 Equity Shares to Sulochanadevi Devkinandan Agarwal (900,000 Equity Shares) Bharati Atul Jain (formerly known as Bharati Devkinandan Agarwal) (200,000 Equity Shares) and Deokinandan Gopiram HUF (400,000 Equity Shares).*
- (17) *Rights Issue of 1,500,000 Equity Shares to Mukesh Devkinandan Agarwal.*
- (18) *Rights Issue of 1,500,000 Equity Shares to Sulochanadevi Devkinandan Agarwal.*
- (19) *Rights Issue of 181,818 Equity Shares to Devkinandan Gopiram Agarwal.*
- (20) *Rights Issue of 173,900 Equity Shares to Mukesh Devkinandan Agarwal (34,780 Equity Shares), Devkinandan Gopiram Agarwal (52,170 Equity Shares), Sulochanadevi Devkinandan Agarwal (52,170 Equity Shares) and Deokinandan Gopiram HUF (34,780 Equity Shares).*
- (21) *Rights Issue of 180,420 Equity Shares to Mukesh Devkinandan Agarwal (30,430 Equity Shares), Devkinandan Gopiram Agarwal (95,650 Equity Shares) and Sulochanadevi Devkinandan Agarwal (54,340 Equity Shares).*
- (22) *Rights Issue of 347,822 Equity Shares to Mukesh Devkinandan Agarwal.*
- (23) *Rights Issue of 434,780 Equity Shares to Mukesh Devkinandan Agarwal.*
- (24) *Rights Issue of 434,780 Equity Shares to Mukesh Devkinandan Agarwal.*
- (25) *Rights Issue of 151,515 Equity Shares to MnA Texlinen Private Limited (formerly known as Ocean Synthetics Private Limited).*
- (26) *Rights Issue of 2,205,403 Equity Shares to Kalahridhan Trendz Limited (488,400 Equity Shares), Sulochanadevi Agarwal (448,479 Equity Shares), Mukesh Devkinandan Agarwal (456,760 Equity Shares), MnA Texlinen Private Limited (45,454 Equity Shares) and Niranjan D. Agarwal jointly held with Aditya Niranjanlal Agarwal (766,310 Equity Shares).*
- (27) *Rights Issue of 36,969 Equity Shares to MnA Texlinen Private Limited.*
- (28) *Rights Issue of 49,990 Equity Shares to MnA Texlinen Private Limited.*
- (29) *Bonus Issue of 5,612,779 Equity Shares in the ratio of 1:3 to Deokinandan Gopiram HUF (429,760 Equity Shares), Devkinandan Gopiram Agarwal (2,002,016 Equity Shares), Sulochanadevi Devkinandan Agarwal (1,864,134 Equity Shares), Bharati Atul Jain (233,000 Equity Shares), Mukesh Devkinandan Agarwal (1,083,854 Equity Shares), Arun S. Kothari (05 Equity Shares), Ganesh Vishwanath Agrawal (05 Equity Shares) and Bhagwansingh Shyamsingh Rathore (05 Equity Shares).*

2. Preference Share capital history of our Company

Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

3. Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue:

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

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares Issued
September 27, 2018	5,612,779	10	-	Bonus issue in the ratio of 3:1 authorised by our Board, pursuant to a resolution passed at its meeting held on September 21, 2018 and by our Shareholders pursuant to a resolution passed at the EGM held on September 25, 2018*	Strengthening the capital base of our Company and improvement in overall ratios	Bonus Issued out of General Reserves

* For list of allottees see note (29) of paragraph titled "History of Share capital of our Company" mentioned above.

- b) Our Company has undertaken a bonus issue by capitalizing its revaluation reserves on April 07, 1994 in the manner provided herein below:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares Issued
April 07, 1994	1,277,040	10	-	Bonus issue in the ratio of 17:10 authorised by our Board, pursuant to a resolution passed at its meeting held on March 10, 1994, and by our Shareholders pursuant to a resolution passed at the EGM held on April 07, 1994*	Strengthening the capital base of our Company and Improvement in overall ratios	Bonus Issued out of Revaluation Reserves [#]

* For list of allottees see note (10) of paragraph titled "History of Share capital of our Company" mentioned above.

[#]The date of the revaluation of assets for the purpose of this bonus issue is not traceable.

- As on date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- Except as stated under, our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of consideration	Reasons for allotment	Name of the Allottees	Whether forming a part of Promoter Group
September 27, 2018	5,612,779	10	-	Other than cash	Bonus issue in the ratio of 3:1 authorised by our Board, pursuant to a resolution passed at its meeting held on September 21, 2018 and by our Shareholders pursuant to a resolution passed at the EGM held on September 25, 2018 ⁽¹⁾	Deokinandan Gopiram HUF Devkinandan Gopiram Agarwal Sulochanadevi Devkinandan Agarwal Bharati Atul Jain Mukesh Devkinandan Agarwal Arun S. Kothari Ganesh Vishwanath Agrawal Bhagwansingh Shyamsingh Rathore	Promoter Group Promoter Group Promoter Group Promoter Group Promoter - - -

(1) Bonus Issue of 5,612,779 Equity Shares in the ratio of 1:3, for more details see note (29) of paragraph titled "History of Share capital of our Company" mentioned above..

7. Shareholding Pattern of our Company

The table below represents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	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)	
(A)	Promoter and Promoter Group	05	22,451,056	-	-	22,451,056	99.99	22,451,056	22,451,056	99.99	-	-	-	-	-	-	22,451,056
(B)	Public	03	60	-	-	60	0.01	60	60	0.01	-	-	-	-	-	-	60
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		08	22,451,116	-	-	22,451,116	100.00	22,451,116	22,451,116	100.00	-	-	-	-	-	-	22,451,116

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

i. Other details of shareholding of our Company:

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 80% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Mukesh Devkinandan Agarwal	8,434,531	37.57
2.	Devkinandan Gopiram Agarwal	6,006,048	26.75
3.	Sulochnadevi Devkinandan Agarwal	5,592,437	24.91
4.	Deokinandan Gopiram HUF	1,719,040	7.66
5.	Bharati Atul Jain	699,000	3.11
Total		22,451,056	99.99

- b) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Red Herring Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.

- c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital two years prior to filing of the DRHP
1.	Devkinandan Gopiram Agarwal	4,751,338	33.01
2.	Sulochnadevi Agarwal	4,266,010	29.64
3.	Mukesh Devkinandan Agarwal	2,791,092	19.39
4.	Deokinandan Gopiram HUF	1,289,280	8.96
5.	Bharati Devkinandan Agarwal	699,500	4.86
6.	MnA Texlinen Private Limited	594,000	4.13
Total		14,391,220	99.98

- d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year from the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital two years prior to filing of the DRHP
1.	Devkinandan Gopiram Agarwal	4,751,338	32.66
2.	Sulochnadevi Agarwal	4,266,010	29.33
3.	Mukesh Devkinandan Agarwal	2,794,312	19.21
4.	Deokinandan Gopiram HUF	1,289,280	8.86
5.	Bharati Devkinandan Agarwal	699,500	4.81
6.	MnA Texlinen Private Limited	745,515	5.13
Total		14,545,955	100.00

- e) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten days prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Mukesh Devkinandan Agarwal	8,434,531	37.57
2.	Devkinandan Gopiram Agarwal	6,006,048	26.75
3.	Sulochanadevi Devkinandan Agarwal	5,592,437	24.91
4.	Deokinandan Gopiram- HUF	1,719,040	7.66

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
5.	Bharati Atul Jain	699,000	3.11
	Total	22,451,056	99.99

- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Red Herring Prospectus.
8. Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) 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 whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

9. Details of Build-up of our Promoter's shareholding:

As on the date of this Draft Red Herring Prospectus, the Promoter of our Company, holds 8,434,531 Equity Shares, equivalent to 37.57% of the issued, subscribed and paid-up Equity Share capital of our Company and none of the Equity Shares held by the Promoter are subject to any pledge.

Set forth below are the details of the build – up of our Promoter' shareholding in our Company since incorporation:

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
September 30, 1990	Rights Issue	240	100	100	Cash	240	Negligible	[●]
October 15, 1991	Rights Issue	260	100	100	Cash	500	Negligible	[●]
March 23, 1993	Sub-division of shares from ₹ 100 to ₹ 10 each.	5,000	10	10	Cash	5,000	0.02	
April 07, 1994	Bonus Issue	8,500	10	-	Consideration other than Cash	13,500	0.04	[●]
July 23, 2003	Transfer from Roselabs Finance Limited	240,000	10	10	Cash	253,500	1.07	[●]
January 12, 2008	Rights Issue	507,000	10	10	Cash	760,500	2.26	[●]
March 18, 2009	Preferential Allotment	845,000	10	10	Cash	1,605,500	3.76	[●]
March 30, 2010	Preferential Allotment	547,700	10	10	Cash	2,153,200	2.44	[●]
March 25, 2012	Transfer to Devkinandan Gopiram Agarwal	(2,144,700)	10	10	Cash	8,500	(9.55)	[●]
January 31, 2015	Rights Issue	1,500,000	10	10	Cash	1,508,500	6.68	[●]
October 07, 2016	Rights Issue	34,780	10	23	Cash	1,543,280	0.15	[●]
November 23, 2016	Rights Issue	30,430	10	23	Cash	1,573,710	0.13	[●]
December 05, 2016	Rights Issue	347,822	10	23	Cash	1,921,532	1.55	[●]

Date of Allotment / transfer and Date when made fully paid-up	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue / transfer price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	Cumulative number of Equity Shares	% of pre issue capital	% of post issue capital
December 30, 2016	Rights Issue	434,780	10	23	Cash	2,356,312	1.94	[●]
March 06, 2017	Rights Issue	434,780	10	23	Cash	2,791,092	1.94	[●]
April 05, 2018	Transfer from Madhudevi Shivkumar Agarwal	270	10	33	Cash	2,791,362	Negligible	[●]
	Transfer from Nirmaladevi Trilokchand Agarwal	270	10	33	Cash	2,791,632	Negligible	[●]
	Transfer from Pawankumar Trilokchand Agarwal	270	10	33	Cash	2,791,902	Negligible	[●]
	Transfer from Premchand Adanchand Agarwal	500	10	33	Cash	2,792,402	Negligible	[●]
	Transfer from Premchand Adanchand Agarwal	830	10	33	Cash	2,793,232	Negligible	[●]
	Transfer from Rosydevi Pawankumar Agarwal	270	10	33	Cash	2,793,502	Negligible	[●]
	Transfer from Sanjay Premchand Agarwal	540	10	33	Cash	2,74,042	Negligible	[●]
	Transfer from Shivkumar Trilokchand Agarwal	270	10	33	Cash	2,794,312	Negligible	[●]
July 10, 2018	Rights Issue	456,760	10	33	Cash	3,251,072	2.03	[●]
September 21, 2018	Transfer of shares from Bharati Devkinandan Agarwal	490	10	33	Cash	3,251,562	Negligible	[●]
September 27, 2018	Bonus Issue	1,083,854	10	-	Consideration other than Cash	4,335,416	4.83	[●]
September 28, 2018	Gift from Devkinandan Gopiram Agarwal	2,002,016	10	-	Gift	6,337,432	8.92	[●]
	Gift from Sulochnadevi Devkinandan Agarwal	1,864,099	10	-	Gift	8,201,531	8.30	[●]
	Gift from Bharati Devkinandan Agarwal	233,000	10	-	Gift	8,434,531	1.04	[●]
Total		8,434,531					37.57	[●]

10. As on the date of the Draft Red Herring Prospectus, the Company has 08 (eight) members/shareholders.

11. The details of the Shareholding of the members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre-Issue		Post- Issue		
		Number of Equity Shares	% of total shareholding	Number of Equity Shares	% of total shareholding	
1.	Mukesh Devkinandan Agarwal	8,434,531	37.57	[●]		[●]
2.	Devkinandan Gopiram Agarwal	6,006,048	26.75	[●]		[●]
3.	Sulochnadevi Devkinandan Agarwal	5,592,437	24.91	[●]		[●]
4.	Deokinandan Gopiram HUF	1,719,040	7.66	[●]		[●]
5.	Bharati Atul Jain	699,000	3.11	[●]		[●]
Total		22,451,056	99.99	[●]		[●]

12. The Promoter, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.
13. There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Red Herring Prospectus.

14. Details of Promoter contribution locked in for three years.

Pursuant to Regulation 14 and 16 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Issue capital of our Company held by the Promoter shall be locked in for a period of three years from the date of Allotment (“**Minimum Promoter’ Contribution**”), and the Promoters’ shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Minimum Promoter’s Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoter’s Contribution:

Number of Equity Shares locked-in*	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post- Issue paid-up capital	Date up to which the Equity Shares are subject to lock-in
Mukesh Devkinandan Agarwal							
[●]	[●]	[●]	[●]	[●]		[●]	[●]
TOTAL						[●]	[●]

* Subject to finalisation of Basis of Allotment.

The Promoter’s Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as ‘promoter’ under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter’ Contribution under Regulation 15 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 15 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets
- Equity Shares resulting from bonus issue by utilisation of revaluations reserves or unrealised profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum

promoters' contribution;

- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares issued to the Promoters upon conversion of a partnership firm;
- Equity Shares held by the Promoters that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoter upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoter and the members of the Promoter Group are held in dematerialized form.

In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoter's Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoter during the period starting from the date of filing of this Draft Red Herring Prospectus till the date of commencement of lock in period as stated in this Draft Red Herring Prospectus.

Other than the Equity Shares locked-in as Promoter's Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoter's Contribution, as per Regulation 16 (1) (b) and 17 of the SEBI (ICDR) Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

Other requirements in respect of 'lock-in'

In terms of Regulation 22 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 17 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoter which are locked in as per the provisions of Regulation 16 (1) of the SEBI (ICDR) Regulations, may be transferred to and amongst Promoter / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 21 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 16 (1) of the SEBI (ICDR) Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 16 (1) of the SEBI (ICDR) Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.

The Equity Shares held by persons other than our Promoter and locked-in for a period of one year from the date of Allotment may be transferred to any other person holding the 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 SEBI Takeover Regulations.

Lock-in of Equity Shares Allotted to Anchor Investors

In terms of Schedule XIII of the SEBI ICDR Regulations, the Equity Shares, if any, allotted to Anchor Investors shall be locked in for a period of 30 days from the date of Allotment of such Equity Shares.

15. Our Company, our Promoter, our Directors and the BRLM have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.
16. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
17. As on the date of this Draft Red Herring Prospectus, the BRLM and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The BRLM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

OBJECTS OF THE ISSUE

We intend to utilize the Proceeds of the Issue, after deducting the Issue related expenses, as estimated to be ₹ [●] million (the “**Net Proceeds**”).

Our Company proposes to utilize the Net Proceeds from the Issue towards the following objects:

1. Setting up of a manufacturing unit for knitted denim fabrics (hereinafter referred as the “**Project**”);
2. Funding the working capital requirement of the company; and
3. General Corporate Purposes.

(Collectively, referred to herein as the “**Objects**”)

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

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

Issue Proceeds

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

(₹ in million)	
Particulars	Estimated amount ⁽¹⁾
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses	[●]
Net Proceeds	[●]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in the following table:

(₹ in million)		
Sr. No.	Particulars	Estimated amount
1.	Setting up of a manufacturing unit for knitted denim fabrics	401.44
2.	Funding the working capital requirement of the Company	150.00
3.	General corporate purposes ⁽¹⁾	[●]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

Schedule of implementation

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Red Herring, our company has deployed ₹ 13.86 million from internal accruals towards the object of the issue as certified by Abhishek Kumar & Associates vide certificate dated September 25, 2019.

(₹ in million)				
Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2019-20)	Estimated Utilisation of Net Proceeds (Financial Year 2020-21)
1	To set-up a manufacturing unit for knitted denim fabrics	401.44	-	401.44
2	Funding the working capital requirement of the Company	150.00	150.00	-
3	General corporate purposes ⁽¹⁾	[●]	[●]	[●]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company,

in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) timely completion of the Issue; (iv) market conditions outside the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

The fund requirements mentioned above for purchase of plant and equipment are based on the internal management estimates of our Company and quotation received from third parties. The fund requirements mentioned above except for purchase of plant and equipment are based on the internal management estimates of our Company, and have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution. However, our Company has obtained a Techno-Economic Viability Report dated September 25, 2019 from Care Advisory Research and Training Limited, for the proposed Project. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

Means of Finance

The fund requirements set out for the aforesaid objects of the Issue are proposed to be met entirely from the Net Proceeds, internal accruals and through existing as well as proposed debt financing. In view of above, we confirm that, with respect to the Objects, our Company has made firm arrangement of finance under Regulation 7 (1)(e) of the SEBI ICDR Regulations, through verifiable means towards 75% of the stated means of finance, excluding the amount proposed to be raised through the Issue. While we have available debt financing for 75% of the funds required excluding the Net Proceeds, the expenditure already incurred and existing identified internal accruals may, at the discretion of the management be, utilize for our future internal accruals in order to reduce our financing costs.

Details of estimated means of finance for Net Proceeds are set forth below.

(₹ in million)					
Object of the Issue	Amount required	IPO Proceeds	Internal Accruals/ Net worth	Bank Finance	Unsecured Loans from Directors & Relatives
Setting up of the manufacturing unit for manufacturing knitted denim fabrics	1,401.44	401.44	-	1,000.00 [#]	-
Funding the working capital requirement of the company	938.50	150.00	326.40	370.00	92.10
General corporate purposes ⁽¹⁾	-	-	-	-	-

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC

[#]HDFC Bank Limited vide a letter of interest dated September 17, 2019 has expressed its interest in financing or arranging the finance for the purpose of part-funding the Project by way of a rupee term loan of upto ₹ 1,000 million on the following terms and conditions:

1. Personal Guarantee shall be provided by the Directors of the Company, Devkinandan Gopiram Agarwal, Mukesh Devkinandan Agarwal and Sulochnadevi Devkinandan Agarwal;
2. Creation of security within three month of the execution of the financing documents on:
 - a) First charge on all fixed assets of the Borrower;
 - b) Second charge on current assets of the Borrower;
 - c) Suitable assets acting as additional collateral for 1.00× cover of the facility; and
 - d) Unconditional and irrevocable guarantee of the personal guarantor;
3. To obtain NOC from Bank in case of availing any additional debt after drawing the facility amount;

4. *To comply with customary covenants such as Representation and warranties from the Borrower, conditions precedent to the effectiveness of the loan and conditions precedent to each disbursement, affirmative covenants, negative covenants, events of default by the borrower and consequences of the event of default, RBI disclosures norms as applicable, syndication etc.*
5. *Any other conditions as stipulated by the credit committee post detailed diligence to be mutually agreed with company.*

Details of the Object

The details of the Objects of the Issue are set out below:

1. Setting up of a manufacturing unit for knitted denim fabrics

Our current manufacturing unit is spread across survey numbers 390, 391 392, 393, 395 and 399 situated at Mouje, Isanpur, registration district and sub district of Ahmedabad- 382 443, Gujarat, India where we process, print and manufacture knitted and woven fabrics. Our Company intends to further diversify our product portfolio by manufacturing knitted denim fabric by setting up a separate manufacturing unit for the same for which the total estimated cost is ₹ 1,401.44 million. Further, we propose to utilize an aggregate of ₹ 401.44 million out of the Net Proceeds and balance ₹ 1,000.00 million will be funded by a rupee term loan shall be availed by our Company from HDFC Bank.

Estimated Costs

The total estimated cost of towards setting up of a separate manufacturing unit is ₹ 1,401.44 million of which ₹ 401.44 million will be raised through the proceeds of this Issue and ₹ 1,000.00 million will be funded by a rupee term loan which shall be availed from HDFC Bank. The total cost for setting up of a separate manufacturing unit has been estimated by our management and is based on the quotations received from third party suppliers and the Appraisal Report of Care Advisory Research & Training Limited dated September 25, 2019 and which has been approved by our Board of Directors in their meeting dated September 27, 2019.

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

(₹ in million)	
Particulars	Amount
Land	-
New building construction	218.48
Plant and Machinery	953.72
Electrification	15.15
Other assets	0.5
Contingency	105.58
Preoperative Expenses	37.70
Infrastructure Facilities (Water, raw- material and man-power)	2.30
Initial Requirement for Raw Material	68.01
Total	1,401.44

a) Land

The project is envisaged to be set up at Survey no. 1315 and 1316, Radhu, District Kheda- 387 560, Gujarat, India. Our Company has deployed ₹ 13.86 million from internal accruals for purchasing the land for the proposed manufacturing unit and therefore, the same is not included in the project cost. Further, the deployment of funds by our Company through internal accruals has been certified and confirmed by our Statutory Auditor, M/s. Abhishek Kumar & Associates, Chartered Accountant by way of a certificate dated September 25, 2019.

b) New building construction

For setting up of a manufacturing unit for knitted denim fabrics, our Company has planned a site development with requisite civil structure at an estimated cost ₹ 218.48 million. Our Company has received a quotation dated September 01, 2019 from M/s. Shreeji Construction for site development and civil structure and is yet to place order for the same, which amounts to ₹ 218.48 million. The detailed bifurcation of cost is as follows:

(₹ in million)		
Description of work	Quotation Date	Amount
Cost of compound wall with labour and materials Compound wall with brick or block Masonry and plaster PL 4' + 6' G + 3 mm Approximate quantity: 1000 RMT * 3 mht = 3000 sq. mtrs.	September 01, 2019	9.00

Description of work	Quotation Date	Amount
RCC road including excavation, levelling, filling, PCC 4 th and reinforced concrete 6 th 1:2:4 curing ETS 7500 sq/ mtrs. approximately	September 01, 2019	9.00
Factory building, offices, godowns, toilet block, labour rooms , etc. as per your requirement, approximate quantity- 18587 sq. mts.	September 01, 2019	167.28
Total		185.28
10% project supervision by Shreeji Construction		18.53
18% GST applicable on 40% amount of all bills provided by Shree Construction with Material & Labour		14.67
Total		218.48

c) Plant and machinery, technology process, etc.

Our Company proposes to acquire machineries at an estimated cost of about ₹ 953.72 million, which include core machinery of ₹ 795.32 million and non-core machinery of ₹ 158.40 million. We have identified the type of plant and machinery to be purchased for the proposed manufacturing unit but we are yet to place order for 100% of the plant and machinery worth ₹ 953.72 million. The detailed list of plant & machinery to be acquired by our Company is provided below:

S. No.	Description of Machinery to be bought	Number of Machinery	Cost of the machinery (₹ in million)	Name of the Supplier	Date of quotation relied upon for the cost estimates
Core Machinery*					
1.	Rope Dyeing Machine XRSR-40 Rope Dyeing Machine <i>Manufactured by:</i> Wuxi Xinrun Textile Machinery Company Limited <i>Model:</i> XRSR 36	01	170.13	Bestn Hongkong Industrial Limited	September 15, 2018
2.	Ball Warping Machine <i>Manufactured by:</i> Jianyin 4 Star Kaji Izumi Machinery Company Limited <i>Model:</i> KGA251C	05	30.13	Bestn Hongkong Industrial Limited	September 25, 2018
	Ball Warper Pipe	120	3.31	Bestn Hongkong Industrial Limited	September 25, 2018
	Warp Beam	120	7.75	Bestn Hongkong Industrial Limited	September 25, 2018
3.	Long Chain Beaming Machine <i>Manufactured by:</i> Jiangyin 4 Star Kaji Izumi Machinery Company Limited <i>Model:</i> KGA 261C	10	64.03	Bestn Hongkong Industrial Limited	September 25, 2018
4.	Cone Winding Machine <i>Manufactured by:</i> Jiangyin 4 Star Kaji Izumi Machinery Company Limited <i>Model:</i> KGA281	14	91.41	Bestn Hongkong Industrial Limited	September 25, 2018
5.	Knitting Machine Single Knitting Machine of 30", 34" and 38" <i>Manufactured by:</i> Feng Yuan Precision <i>Model:</i> FYSK	100	295.57	Bestn Hongkong Industrial Limited	September 25, 2018
6.	Stenter Machine "Ilsung" brand Sun Super-II Stenter 10 Chambers, <i>Manufactured by:</i> Ilsung Machinery Company Limited <i>Model:</i> ISST II-10 TP	02	105.97	Bestn Hongkong Industrial Limited	September 25, 2018
7.	Relax Washer Relax Washer which consists of Wash Box, Mangle Roller & Operation Panel	01	15.69	Bestn Hongkong Industrial Limited	September 25, 2018

S. No.	Description of Machinery to be bought	Number of Machinery	Cost of the machinery (₹ in million)	Name of the Supplier	Date of quotation relied upon for the cost estimates
	Manufactured by: BTM Overseas Private Limited				
8.	Slitting Opener Machine	01	4.19	Bestn Hongkong Industrial Limited	September 25, 2018
9.	Roll Packing & Inspection Machine	05	7.11	Bestn Hongkong Industrial Limited	August 01, 2019
Total Cost of core machinery			795.32		
Non-core Machinery					
10.	Oil Heater Boiler Thermic fluid Heater with design capacity of 40 lakh kcal/hour with VFD, stand by pumps and other parts Model: GTVA- 4000	1	10.80	M/s. Gujtex Engineering Company	June 30, 2019
11.	Heavy Duty Pallet Rack for yarn and fabric storage and MHE	-	16.77	Future Industries Private Limited	September 19, 2019
12.	Reach Truck, Power Stacker and Hand Pallet Truck	24	11.06	Future Industries Private Limited	September 19, 2019
13.	Steam Boiler 8 TPH, 10.5 Ksc (FWT 40"C), Bi-drum Type FBC Boiler) with accessories	01	23.84	Dynepro Private Limited	September 21, 2019
14.	ESP for Boiler Common ESP, 3 Field (8 TPH Boiler (Flow= 20000 m3/hr) & 3000 U Thermopac (Flow =20000 m3/hr)	01	11.68	M/s. Vapour Engineers	July 05, 2019
15.	Chimney 110 Feet Height Chimney and 1800 mm ID self-supported stack	01	2.99	M/s. Kareliya Steel Industries	July 06, 2019
16.	Rotary Screw Air Compressor with Dryer Air Compressor along with dryer ASD 60T – 8 Bar and CSD 85T -8 Bar with 01 air receiver and 01 micro filter.	03	3.82	KAESER Compressors (India) Private Limited	July 05, 2019
17.	Caustic Recovery Plant (3500 LPH (70 KLPD) Feed Capacity) Equipment for evaporation plant with accessories. Suitable for concentrating weak liquor in triple effect evaporation plant with 123 flow style with R&F- all type of evaporators.	01	6.17	Unitop Aquacare Limited	September 21, 2019
18.	Effluent Treatment Plant ETP of 500 KLD along with supply of MEE for 50 KLD capacity	01	71.28	A.T.E. Huber Envirotech Private Limited	July 08, 2019
Total cost of non-core machinery			158.40		
Total cost of machinery			953.72		

* The cost of core machinery is in US Dollar. The amount has been converted into Indian Rupees at the exchange rate of ₹ 70.937= 1 US \$ prevailing on September 20, 2019. (www.fbiil.org.in) for the purpose of this Draft Red Herring Prospectus. There may be a fluctuation in the exchange rate between the Indian Rupee and the US Dollar and accordingly such transactions may affect the final funding requirements and deployment of the Net Proceeds.

d) Electrification Cost- power increase, etc.:

Our Company has obtained a quotation dated August 27, 2018 from M/s. Goyal Electricals for 1,000 KW high tension power supply from Uttar Gujarat Vij Company Limited with complete substation installation upto LT power. The estimated electrification cost amounts to ₹ 15.15 million.

e) Other Assets.

Our Company has assumed other assets worth ₹ 0.5 million in project cost.

f) Contingency

We have created a provision for contingency of ₹ 105.58 million for the total project, which is approximately 7.53% of total project cost, to cover legal fees, professional fees to various consultants, related taxes, levies and other duties, as applicable, and any increase in the estimated cost of setting up the manufacturing unit. No second-hand machinery or material is proposed to be purchased out of the aforesaid Net Proceeds. The abovementioned plant and machinery is proposed to be acquired in a ready-to use condition. We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity of the machinery and material to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery and material at the proposed manufacturing unit, according to the business requirements of the same, which are dynamic and may evolve with the passage of time and based on the estimates of our management.

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

g) Pre-operative Expenditure

The pre-operative expenditure as estimated by our Company is ₹ 37.70 million, which is approximately 2.69% of total project cost.

h) Infrastructure facilities like raw material and utilities like water, etc.

• **Water:**

Ground water shall be utilized for running the Project, for which provision of 02 borewells has already been made *vide* a quotation dated August 28, 2018 obtained from Furaat Earth Private Limited. The approximate consumption of water per day at the manufacturing unit would be 200,000 liters, the effluent treatment plant proposed to be set up by our Company shall be a zero-discharge plant wherein 85% of the water utilized will be recycled which in turn would reduce the per day consumption of water from the borewells. The estimated cost of drilling, installation, etc of the borewells will amount to ₹ 2.30 million.

• **Raw Materials**

The major raw materials, which shall be utilized for the production of knitted denim fabrics in the proposed manufacturing unit, are cotton yarn, polyester yarn and coloring chemicals and we are estimating initial requirement of raw materials amounting to ₹ 68.01 million. Since, Gujarat and Maharashtra are leading cotton producing states, the location advantage of our Company enables us to easily procure the raw materials at lower prices.

• **Manpower requirement**

Proposed manpower for the upcoming project is given below. The manpower numbers will vary considering the requirement of the plant. Our Company proposes to have 183 skilled and 183 unskilled workers apart from management and technical personnel. Considering the location of the proposed manufacturing unit, which is in Kheda district, arrangement of unskilled manpower will not be difficult.

List of manpower requirement department wise (other than for the production purpose) is as under:

Particulars	Number of persons
Chief Executive Officer	01
Vice President	02
Manager	09
Clerks	42
Technician	04
Supervisors	12
Skilled labour	183
Unskilled labour	183
Security	18
Packing staff	18
Total	472

The above manpower requirement is projected for initial years. Company would hire the staff on need basis.

i) **Working Capital**

Our working capital requirement for the proposed Project, has already been included in the amount proposed to be raised for funding of working capital gap and therefore, has not been shown separately in the cost estimates of the Project. The working capital requirement for the Project shall be funded from the proceeds of the Issue, existing and proposed debt facilities and through internal accruals.

j) **Government and other Approvals**

Our Company will be required to obtain consent from Gujarat Pollution Control Board and other regulatory authorities for setting up our manufacturing unit for manufacturing knitted denim fabrics.

k) **Proposed Schedule of Implementation**

The proposed schedule of implementation is as follows:

S. No.	Activities	Commencement date	Estimated completion date
1.	Building approval, electric connection and other government approvals	December 2019	March 2020
2.	Ordering the plant and machinery and finalization of contractors and engineers	December 2019	March 2020
3.	Construction of building and other civil work	March 2020	October 2020
4.	Installation of plant and machinery	September 2020	March 2021
5.	Commissioning the plant and trial runs	March 2021	June 2021
6.	Initiation of commercial production	June 2021	-

2. Funding the working capital requirements of our Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, financing from various banks and financial institutions, and capital raising through issue of Equity Shares. As on March 31, 2018 and March 31, 2019, the amount outstanding on our Company's fund based working capital facility was ₹ 329.67 million and ₹ 349.63 million respectively and the amount outstanding on our Company's non-fund based working capital facility was ₹ 9.69 million and ₹ 13.07 million respectively as per Restated Consolidated Financial Information. As on March 31, 2019, our sanctioned working capital facilities comprising fund based limit of ₹ 370.00 million and non-fund facilities of ₹ 155.00 million. For further details, please refer to the chapter titled "Financial Indebtedness" beginning on page 218 of the Draft Red Herring Prospectus.

Basis of estimation of working capital requirement

Our Company's existing working capital requirement and funding on the basis of Restated Financial Information as of Fiscal 2018 and Fiscal 2019 are as stated below:

Amount (₹ in million)		
Particulars	Fiscal 2018	Fiscal 2019
Current Assets		
Inventories		
- Raw materials	235.70	156.55
- Stock in progress	204.79	286.95
- Finished goods	12.31	37.36
Trade receivables	707.20	726.62
Cash and cash equivalents & other bank balances	19.75	19.05
Other current assets	82.99	137.36
Total (A)	1,262.74	1,363.90
Current Liabilities		
Trade Payables	469.62	404.56
Other financial liabilities, current liabilities, provisions and current tax liabilities (net)	175.73	215.71
Total (B)	645.35	620.27
Total Working Capital (A)-(B)	617.39	743.63

<i>Particulars</i>	<i>Fiscal 2018</i>	<i>Fiscal 2019</i>
Existing Funding Pattern		
Working Capital funding from Banks	329.67	349.63
Unsecured Loans from Directors & Relatives	151.94	92.10
Internal accruals/Net Worth	135.78	301.90

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated September 27, 2019 has approved the business plan for Fiscal 2020. The projected working capital requirements for Fiscal 2020 is stated below:

Amount (₹ in million)

<i>Particulars</i>	<i>Fiscal 2020</i>
Current Assets	
Inventories	
- Raw materials	253.70
- Stock in progress	214.90
- Finished goods	19.10
Trade receivables	828.50
Cash and cash equivalents & other bank balances	23.63
Other current assets	119.77
Total (A)	1,459.60
Current Liabilities	
Trade Payables	253.50
Other financial liabilities, current liabilities, provisions and current tax liabilities (net)	267.70
Total (B)	521.20
Total Working Capital (A)-(B)	938.50
Existing Funding Pattern	
Working Capital funding from Banks	370.00
Unsecured Loans from Directors & Relatives	92.10
Internal accruals/Net Worth	326.40
Proceeds from IPO	150.00

Assumption for working capital requirements

Assumptions for Holding Period Levels

Particulars	Holding Level for Fiscal 2018	Holding Level for Fiscal 2019	Holding Level for Fiscal 2020 (Estimated)
Current Assets			
Inventories (<i>In months</i>)			
- Raw materials	1.62	1.11	1.66
- Stock in progress	1.19	1.69	1.07
- Finished goods	0.07	0.22	0.23
Trade Receivables (<i>In months</i>)	3.65	3.72	3.70
Current Liabilities			
Trade Payables (<i>In months</i>)	2.86	2.50	1.41

Justification for “Holding Period” Levels

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

Assets- Current Assets	
Raw Material Inventory	Our raw material requirement mainly consists of grey fabric and dyes. We have increased our raw material inventory period from 1.11 months in Fiscal 2019 to 1.66 months in Fiscal

	2020 respectively which is required to ensure uninterrupted production in our enhanced manufacturing plant.
Stock in Progress Inventory	We have assumed Stock in progress inventory of 1.07 months of cost of production for Fiscal 2020
Finished Goods Inventory	In order to meet customer requirements and looking at upcoming demand of knitted denims our company has estimated same level of holding days for Fiscal 2020 as compared to Fiscal 2019.
Trade receivables	We have trade receivables of 3.65 months and 3.72 months of revenue from operations at the end of fiscal 2018 and fiscal 2019. Our Company has anticipated to provide similar credit policy to expand our business operations.
Liabilities- Current Liabilities	
Trade Payables	Our trade payable were 2.86 months and 2.50 months of cost of material consumed for Fiscal 2018 and Fiscal 2019 respectively. We have expected to decrease our creditors holding period to 1.41 months Fiscal 2020 as going forward our Company will make early payments to creditors.

Our Company proposes to utilize ₹ 150.00 million of the Net Proceeds in Fiscal 2020 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2020 will be arranged from existing Equity, Bank loans, unsecured loans and internal accruals.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue, in compliance with Regulation 7(2) of the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

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

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

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expense, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as under:

Expenses	Estimated expenses ⁽¹⁾ (in ₹ million)	As a % of the total estimated expenses ⁽¹⁾	As a % of the total Issue Gross Proceeds ⁽¹⁾
Fees payable to BRLM (including underwriting commission)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Legal Advisors to the Issue	[●]	[●]	[●]
Fees to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to the Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of Issue stationary	[●]	[●]	[●]
Brokerage and selling commission payable to Syndicate ²	[●]	[●]	[●]
Brokerage and selling commission payable to Registered Brokers ³	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or	[●]	[●]	[●]

Expenses	Estimated expenses ⁽¹⁾ (in ₹ million)	As a % of the total estimated expenses ⁽¹⁾	As a % of the total Issue Gross Proceeds ⁽¹⁾
Registered Brokers and submitted with the SCSBs			
Processing fees to Issuer banks for UPI Mechanism w.r.t application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them ⁵	[●]	[●]	[●]
Others (bankers to the Issue, auditor's fees etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

1. To be determined on finalization of the Issue Price and updated in the Prospectus prior to filing with the RoC.

2. Selling commission payable to the members of the Syndicate, CDPs, RTA and SCSBs (for the bid cum application forms directly procured from investors), on the portion for RIIs and NIIs, would be as follows:

Portion for RIIs [●]% ^ (exclusive of GST)

Portion of NIIs [●]% ^ (exclusive of GST)

^ Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price)

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of ₹ [●] (plus applicable GST) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

4. Registered Brokers, will be entitled to a commission of ₹ [●] (plus GST) per Bid cum Application Form, on valid Bids, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the bid has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
5. SCSBs would be entitled to a processing fee of ₹ [●] (plus GST) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
6. Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹. [●] (plus GST) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them.

Appraisal by Appraising Agency

Care Advisory Research & Training Limited conducted a Techno Economic Viability Report (Appraisal Report) dated September 25, 2019 in respect of the proposed manufacturing unit to be set up for knitted denim fabrics, with the following disclaimer:

"This Report is prepared by CARE Advisory, a division of Care Advisory Research & Training Limited, (CART). CARE Advisory has taken utmost care to ensure accuracy and objectivity while developing this report based on information provided by officials of Mukesh Trends Lifestyle Limited and that available in the public domain and/or from sources it considers to be reliable. The views expressed herein do not constitute the opinion of CARE Advisory to buy or invest in (the company) and also not a recommendation to enter into or not enter into any transaction with (the company) in any manner whatsoever.

However, neither the accuracy nor completeness of the information contained in this report is guaranteed. CARE Advisory has relied on the documents as provided by the promoters/ Company and not independently verified/examined the same with originals. Opinions expressed herein are our current opinions based on the current status of the economy, industry and the company and the data and information provided to us by Mukesh Trends Lifestyle Ltd. The report has to be seen in its completeness and selective review of portions of the report may lead to inaccurate assessments.

This Report contains proprietary and confidential information regarding (the company or any of its associates). CARE Advisory recommends that the user of the Report seeks a review, if the organization experiences significant changes/events which could impact the organization.

The project cost estimates and financial projections presented in this Report have been prepared for the limited purpose of circulation to the potential lenders of the company and presents, to the best of management's knowledge and belief, the company's expected financial position, results of operations and cash flow for the projection period. Financial projections require the exercise of judgment and are subject to uncertainties concerning the effect that changes in legislation or economic or industry or other circumstances may have on future events, and different people may have a different view on future. There will usually be differences between projected and actual results because events and circumstances do not occur as expected, and those differences

may be material. Under the circumstances, no assurance can be provided that the assumptions or data upon which these projections have been based are accurate or whether these business plan projections will actually materialize.

All projections, estimates and forecasts in this Report are based on assumptions considered to be reasonable, but the actual outcome may be materially affected by changes in economic and other circumstances, which cannot be foreseen while preparing this report.

CARE Advisory has obtained separate mandate for updating the report for incorporating the developments/transactions informed to CARE Advisory after submission of the earlier report.

CARE Advisory operates separately of Credit Analysis and Research Ltd. (CARE) and does not have access to information obtained by CARE's Rating Division which may have as a part of its own regular operations obtained information in a confidential manner. The views of CARE expressed herein are independent and cannot be compared with the rating assigned or outlook developed on (the company), if any by the Ratings Division of CARE.

Nothing contained in this Report is capable or intended to create any legally binding obligations on the sender or CARE Advisory who accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CARE Advisory specifically states that it, or its Directors, employees, parent company CARE or its Directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorised recipient in India only. This report or part of it should not be reproduced or redistributed or communicated directly or indirectly in any form to any other person or published or copied for any purpose.

CARE Advisory reserves the right to disclose the organisation's assessment and the assessment report to Government and/or Regulatory Authorities/Courts of Law if required to do so.

Any reproduction of the report or part of it would require explicit written approval of CARE Advisory.

By accepting a copy of this Report, the recipient accepts the terms of this Notice, which forms an integral part of this Report."

The fund requirements mentioned above except for setting up of a manufacturing unit are based on the internal management estimates of our Company and have not been verified by the BRLM or appraised by any bank, financial institution or any other external agency. The fund requirements for setting up of a manufacturing unit are based on the Appraisal Report of Care Advisory Research & Training Limited. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. The actual costs would depend upon the negotiated prices with the suppliers/contractors and may vary from the above estimates. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking additional debt financing.

Bridge Financing

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

Interim Use of Funds

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

Monitoring Utilization of Funds

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 1,000 million. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(5) of the Listing Regulations, our Company shall disclose to the Audit Committee the uses and applications of the Net Proceeds. Our Company shall prepare an annual statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus, certified by the statutory auditors of our Company and place it before the Audit Committee, as required under applicable laws. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. Further, in accordance with the Regulation 32(1) of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects of the Issue as stated above; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

Variation in Objects

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

Other Confirmations

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

BASIS FOR ISSUE PRICE

The Price Band and Issue Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10/- each and this Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections titled “Risk Factors”, “Our Business”, “Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 24, 131, 191 and 192 of this Draft Red Herring Prospectus, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following are our strengths which form the basis for computing the Issue Price are:

1. One of the leading textile manufacturer with long standing market presence;
2. Location advantage;
3. Quality Assurance and Quality Control of our products;
4. In-house design capabilities and techniques;
5. Diversified product portfolio;
6. Government Incentives;
7. Cost effective production and timely fulfilment of orders; and
8. Well Experienced Management team with proven project management and implementation skills.

For further details please refer to the section titled, “Our Business – Our Strengths” on page 132 of this Draft Red Herring Prospectus.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements for the financial year ended March 31, 2019, 2018 and 2017. For details, please refer to the section titled “Financial Information” on page 191 of this Draft Red Herring Prospectus.

Some of the quantitative factors, which may form the basis for computing the Issue Price, are as follows:

1. Basic and Diluted Earnings Per Share (“EPS”), pre-issue (as adjusted for changes in capital):

As per our Restated Consolidated Financial Statements

Year/Period ended	Basic and diluted EPS (₹)	Weight
March 31, 2019	6.18	3
March 31, 2018	3.92	2
March 31, 2017	1.65	1
Weighted average		4.67

Note:

- 1) Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/period.
- 2) Diluted Earnings per share = Net profit after tax, as restated attributable to equity shareholders / Weighted average number of potential equity shares outstanding during the year/period.
- 3) Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights].
- 4) Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year
- 5) The EPS has been calculated in accordance with Indian Accounting Standard 33 – “Earnings per Share” prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act.
- 6) The face value of each Equity Share is ₹ 10/-.
- 7) The figures disclosed above are based on the Restated Consolidated Financial Information of our Company
- 8) The above ratios has been adjusted for issuance of bonus of 56,12,779 equity shares on September 27, 2019.

2. Price/ Earning (P/E) ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of face value of ₹ 10 each fully paid up

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on Basic & Diluted EPS for FY 2018-19 on Restated Consolidated Financial Statements	[●]	[●]
Based on weighted average EPS for FY 2018-19 on Restated Consolidated Financial Statements	[●]	[●]

Industry Peer Group P/E ratio

Particulars	P/E Ratio
Highest	83.67
Lowest	9.18
Average	45.85

Note-The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this chapter. For further details, see “– Comparison of Accounting Ratios with Listed Industry Companies” on Note 5 of this chapter. (Source: www.nseindia.com)

3. Return on Net worth (RoNW)

As per our Restated Consolidated Financial Statements

Financial Year/Period ended	RoNW (%)	Weight
March 31, 2019	19.06	3
March 31, 2018	15.25	2
March 31, 2017	6.95	1
Weighted Average		15.77

Note:

- 1) Return on Net Worth (%) = Net Profit after tax attributable to equity shareholders, as restated / Net worth as restated as at year end.
- 2) Weighted average RoNW = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- 3) Net worth is aggregate value of the paid-up share capital of the Company and other equity, excluding revaluation reserves if any, as per Restated Consolidated Financial Statements.

4. Net Asset Value (NAV) per Equity Share of Face value of ₹ 10 each

As per our Restated Consolidated Financial Statements

Financial Year or period ended	(₹) per equity share
Net Asset Value per Equity Share as of March 31, 2019	31.15
Net Asset Value per Equity Share after the Issue- At Floor Price	[●]
Net Asset Value per Equity Share after the Issue - At Cap Price	[●]
Issue Price per equity share	[●]

Note:

- 1) Issue Price per Equity Share will be determined on conclusion of the Book Building Process.
- 2) Net Asset Value per Equity Share has been computed as net worth, as restated at the end of the year divided by total number of Equity Shares outstanding at the end of the year.
- 3) Net worth is aggregate value of the paid-up share capital of the Company and other equity, excluding revaluation reserves if any, as per Restated Consolidated Financial Statements.

5. Comparison with listed industry peers

Name of the Company	CMP*	EPS (Basic & Diluted (₹))	P/E Ratio	RONW (%)	NAV (₹)	Face Value (₹)	Total Income (₹ in million)
Mukesh Trends Lifestyle Limited	[●]	6.18	[●]	19.06	31.15	10.00	2,366.20
Peer Group**							
Jindal Worldwide Limited	59.00	1.32	44.70	7.64	17.24	1.00	21,195.21
Vishal Fabrics Limited	343.90	4.11	83.67	8.24	49.34	5.00	9,995.29
Maral Overseas Limited	18.00	1.96	9.18	8.08	24.23	10.00	7,718.20

* Issue Price of our Company is considered as CMP.

**Source: www.bseindia.com and www.nseindia.com

Note:

1. Considering the nature, range of products/services, turnover and size of business of the Company, the peers are not strictly comparable. However, above Companies have been included for broad comparison.
2. The figures for Mukesh Trends Lifestyle Limited are based on the restated consolidated financial information for the year ended March 31, 2019.
3. The figures for the peer group are for the year ended March 31, 2019, for Jindal Worldwide Limited, Vishal Fabrics Limited and Maral Overseas Limited are based on their respective standalone financial statement filed with Stock Exchanges.
4. Current Market Price (CMP) is the closing price of the peer group scrip as on September 26, 2019 on National Stock Exchange of India Limited.
5. NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.
6. P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on September 26, 2019 sourced from website of National Stock Exchange of India Limited as divided by the Basic EPS.
7. RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.
8. Mukesh Trends Lifestyle Limited is a Book Built Issue and price band for the same shall be published 2 working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.
9. The price band/floor price/Issue Price shall be determined by the company in consultation with the BRLM on the basis of assessment of market demand from investors for the equity shares by way of Book Building and is justified based on the above qualitative and quantitative parameters.
10. The Issue price is [●] times of the face value of the Equity Shares

The Issue Price of ₹[●] has been determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Financial Information” on pages 24, 131, 192 and 191, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

Statement of possible special tax benefits available to the Company and its Shareholders

To,

The Board of Directors

Mukesh Trends Life Style Limited

(Formerly known as Mukesh Industries Limited)

National Highway No. 08,

Narol Naroda Road,

Ahmedabad- 382 443,

Gujarat, India.

Dear Sir(s):

Sub: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of Mukesh Trends Life Style Limited (the “Company” and such offering (the “Issue”).

We report that the enclosed statement in **Annexure A**, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘Act’), as amended by the Finance Act, 2018 i.e. applicable for FY 2018-19 and AY 2019-20, and other direct tax laws 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 statute. Hence, the ability of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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. Neither are we suggesting nor advising the investor to invest money based on this statement.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of tax benefits in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange(s)/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus.

Yours sincerely,

For M/s. Abhishek Kumar & Associates

Chartered Accountants

ICAI Firm Registration No.: 130052W

Sd/-

Abhishek Agrawal

Membership No: 143601

Place: Ahmedabad

Date: August 02, 2019

UDIN: 19132305AAAACV7361

Annexure – A

Annexure to the Statement of Tax Benefits

A. Direct Taxation:

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislations may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISOR CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

a) Special Income-tax benefits to the Company

There are no special tax benefits available to the Company.

b) Special tax benefits available to Shareholders

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

Notes:

1. 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.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

B. Indirect Taxation

Benefits available under the Goods and Service Tax Act, 2017 (read with the Goods and Service Tax Rules, Circulars and Notifications) (together referred to as “GST Regime” or “GST Law”)

a) Special Income-tax benefits to the Company

There are no special tax benefits available to the Company.

b) Special tax benefits available to Shareholders

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

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section has been obtained and derived from the “Research Report on Textile Industry” report of July 2019 issued by CARE Advisory Research & Training Limited (“CART”) as well as publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

The report is prepared by CARE Advisory Research & Training Limited, (CART). CART has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CART operates independently of ratings division and this report does not contain any confidential information obtained by ratings division, which they may have obtained in the regular course of operations. The opinion expressed in this report cannot be compared to the rating assigned to the company within this industry by the ratings division. The opinion expressed is also not a recommendation to buy, sell or hold an instrument.

CART is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of CART.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that prove to be incorrect and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” and related notes beginning on pages 24 and 191 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

Outlook of Global and Indian Economy

Global Economy

The World Bank, in its recently released Global Economic Prospects Report – January 2019 has sketched gloomy outlook for the global economic growth in the upcoming years, reiterating the fears of global slowdown. Worries over trade war, weak global growth and financial stress in the developing economies are likely to weigh on global growth outlook.

For 2018, the global growth estimate has been revised downwards by 0.1 percentage points from 3.1% as per June 2018 report to 3% in January 2019 report. Likewise, in 2019, the global economic growth is projected to grow by 2.9% compared with earlier 3% amid softer international trade and manufacturing activities, elevated trade tensions and financial market pressures in some of the emerging market economies. In 2020 and 2021, the global economic growth has been forecasted to be at 2.8% in each year, 0.1 percentage point lower than earlier projections.

Despite all odds, India is expected to remain the fastest growing emerging market economy and its growth forecast has been kept unchanged at 7.3% in FY19 while the economy is expected to grow at 7.5% in the next 3 years. The advanced economies are expected to grow at 2% in 2019, lower than 2.2% in 2018 owing to capacity constraints and withdrawal of policy accommodation except the US where fiscal stimulus is boosting the economic activities.

Emerging and developing market economies (EMDEs) growth forecasts have been revised downwards by 0.5 percentage points to 4.2% in 2019. Slowing external demand, rising borrowing costs and persistent policy uncertainties, pressures in financial markets and weaker than expected pick up in commodity trade are likely to weigh on the growth.

East Asia and Pacific remains one of the world's fastest-growing developing regions despite a moderated 6% growth in 2019 following broadly stable commodity prices, a moderation in global demand and trade and a gradual tightening of global financial conditions.

In Europe and Central Asia, the growth has been revised downwards by 0.8 percentage points to 2.3% mainly on account of lingering effects of financial stress in Turkey.

Latin American and Caribbean region growth is expected to be at 1.7%, which is likely to be supported by pick up in private consumption.

Middle East and North Africa region is expected to grow by 1.9% in 2019 where policy reforms are expected to bolster growth.

South Asia's growth will be at 7.1%, more than 6.9% growth in the previous year and retained at June 2018 forecasts underpinned by strengthening investment and robust consumption. This mainly reflects strengthening domestic demand in India, as the benefits of structural reforms such as GST harmonization.

Regional growth of Sub-Saharan Africa is projected to be at 3.4% for 2019.

Summary of Real GDP Growth is given below:

Real GDP Growth (%):

Particulars	2018e	2019f	2020f	2021f
World	3.0	2.9	2.8	2.8
Advanced economies	2.2	2.0	1.6	1.5
United States	2.9	2.5	1.7	1.6
Euro Area	1.9	1.6	1.5	1.3
Japan	0.8	0.9	0.7	0.6
Emerging market and developing economies (EMDEs)	4.2	4.2	4.5	4.6
East Asia and Pacific	6.3	6.0	6.0	5.8
China	6.5	6.2	6.2	6.0
Indonesia	5.2	5.2	5.3	5.3
Thailand	4.1	3.8	3.9	3.9
Europe and Central Asia	3.1	2.3	2.7	2.9
Russia	1.6	1.5	1.8	1.8
Latin America and the Caribbean	0.6	1.7	2.4	2.5
Brazil	1.2	2.2	2.4	2.4
Mexico	2.1	2.0	2.4	2.4
Argentina	(2.8)	(1.7)	2.7	3.1
Middle East and North Africa	1.7	1.9	2.7	2.7
Saudi Arabia	2.0	2.1	2.2	2.2
South Asia	6.9	7.1	7.1	7.1
India*	7.3	7.5	7.5	7.5
Sub-Saharan Africa	2.7	3.4	3.6	3.7

Note: e – estimate f- forecast

* for the corresponding financial year
(Source: CARE Ratings)

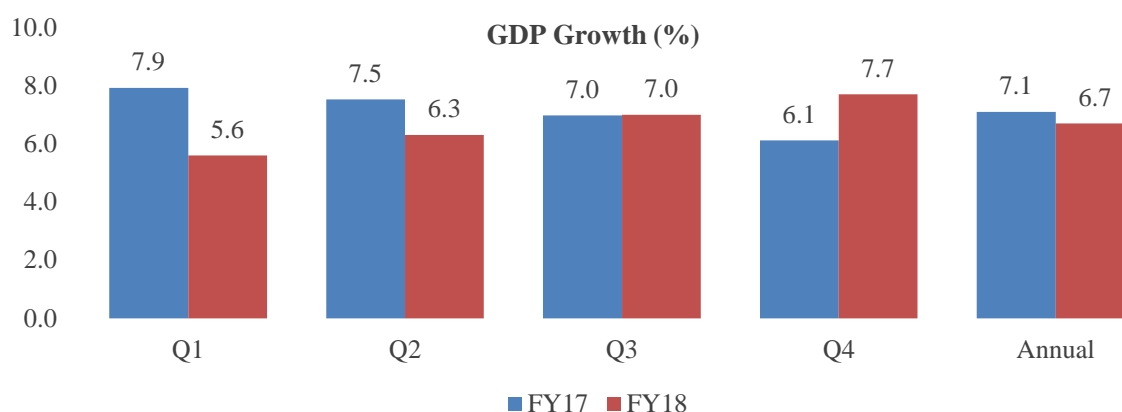
Indian Economy:

1. Analysis of GDP FY 2017-18 (Source: CARE Ratings)

As per the provisional estimates for Gross Domestic Product (GDP) growth of FY18 put forward by CSO, the Indian economy is expected to grow at 6.7%. In FY18, the growth was driven by services sector, construction and pick up in the manufacturing sector.

In real terms, the GDP growth fell for the second consecutive year after recording a growth of 8.2% in FY16 and 7.1% in FY17. In nominal terms, the GDP has grown at 10% in FY18, lower than 10.8% growth in FY17. Gross value added (GVA) is slated to grow by 6.5% in FY18, lower than 7.1% growth registered in the previous year. On the quarterly basis, the GDP for Q4 FY18, grew by substantial 7.7% compared with 6.1% growth in the comparable quarter in the previous year and higher than 7% growth in Q3 FY18. GVA grew by 7.6% as against

6.6% growth in Q3 FY18 and 6% growth in Q4 FY17. During the quarter, the GDP was supported by growth in public admin, defence, and other services (13.3%), agriculture (4.5%), manufacturing (9.1%) and construction sector (11.5%) while the growth has been capped by subdued performance of services.



Source: MOSPI

Sectorial Growth

- In FY18, the agricultural sector grew at 3.4% lower than 6.3% growth recorded in FY17. The agriculture sector did not see much improvement due to 5% deficient monsoon along with uneven spread across regions.
- The growth in mining and quarrying sector declined substantially from 13% in FY17 to 2.9% in FY18.
- The manufacturing sector grew at 5.7% than 7.9% growth in the previous year. The sector was affected due to lacklustre performance in the first quarter of FY18 when the producers undertook destocking activities with the implementation of the GST. However, the sector witnessed improvement in the last 3 quarters after the restocking activities were undertaken following waning of disruptions post implementation of the GST.
- The growth of construction sector stood at 5.7% for the fiscal year FY18 as against 1.3% growth in the previous year.
- During the year, the growth was majorly led by the services sector.
 - Trade, hotels, transportation, communication and services grew at 8% during the fiscal compared to 7.2% growth in FY17.
 - Financial services grew by 6.6%, higher than 6% growth in the previous year. Its growth was led by pick up in credit off take.
 - Public administration, defense and other services grew at 10% on the annual basis, marginally lower than 10.7% growth in the previous year.

Sectoral growth of GDP (At constant 2011-12 prices)

Growth (%)	FY17	FY18 (Prov.)
GDP	7.1	6.7
Per capita GDP	5.8	5.3
GVA at basic prices	7.1	6.5
Agriculture	6.3	3.4
Mining and quarrying	13.0	2.9
Manufacturing	7.9	5.7
Electricity, gas water supply & other utility services	9.2	7.2
Construction	1.3	5.7
Trade, hotels, transport communication and services related to broadcasting	7.2	8.0
Financial, real estate and professional services	6.0	6.6
Public administration, defense and other services	10.7	10.0

Source: MOSPI

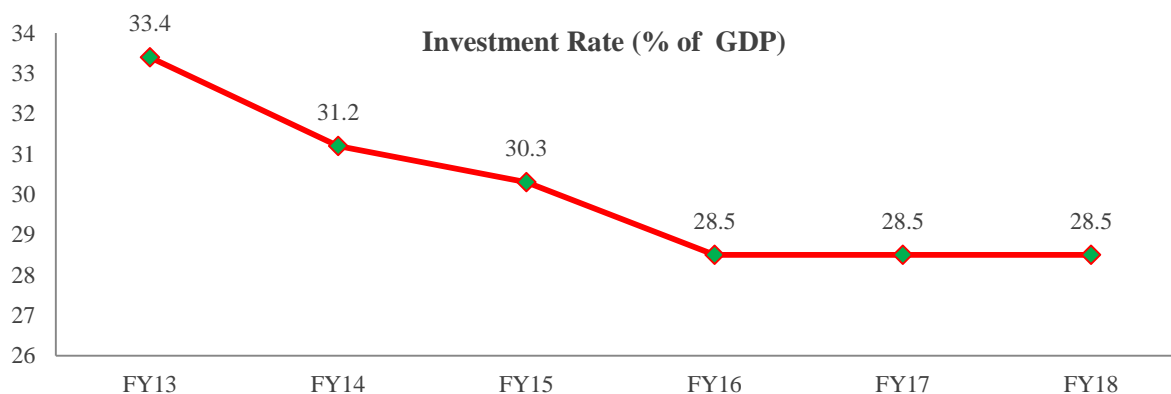
Expenditure

- Pick up in investment in yet to materialise. Gross fixed capital formation (GFCF) as a % of GDP is stagnant at 28.5% for the last 3 years since FY16. It has declined from 33.4% in FY13. However there has been an improvement in the Q3 (28.2%) and Q4 (29.1%) in the investment rate.
- The private final consumption expenditure increased marginally from 59% in FY17 to 59.1% of GDP in FY18.
- The government expenditure has increased from 10.9% of GDP in FY17 to 11.4% in FY18.
- Change in stocks has declined marginally from 0.7% of GDP in FY17 to 0.6% in FY18. In FY18 it grew by 4.5% than the negative growth of -61.2% in FY17.
- Valuables have seen improvement from 1.2% of GDP to 1.5% of GDP. In FY18, it has grown by 58.8% as against the contraction of -13.9% in the previous year.

Final Expenditure as % of GDP (At current prices)

Growth (%)	FY16	FY17	FY18
Private Final Consumption Exp.	58.8	59.0	59.1
Government Final Consumption Exp.	10.4	10.9	11.4
Gross Fixed Capital Formation	28.5	28.5	28.5
Change in Stocks	1.9	0.7	0.6
Valuables	1.5	1.2	1.5

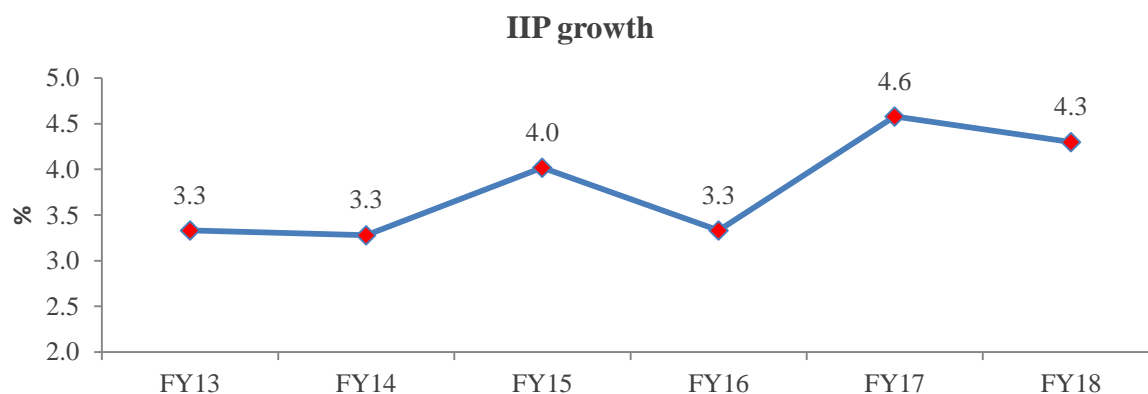
Source: MOSPI



Source: MOSPI

2. Industrial Growth for FY 2017-18 (Source: CARE Ratings)

In FY18, the IIP grew by 4.3%, lower than 4.6% growth recorded in the previous year. It is the highest growth recorded in the past 6 years barring FY17.



Source: MOSPI

The growth in FY18 has been supported by broad based growth across segments. *Manufacturing sector indicated highest growth since FY14.* Within the used based classification, capital goods, infrastructure/construction goods

and consumer non-durables aided the overall growth during the year. The capital goods and consumer non-durables grew at a highest rate in the past 5 years.

- The manufacturing sector, heavyweight in the IIP, grew by 4.5% in FY18 nearly at a constant level of previous year 4.4% in FY17. The growth was supported by the restocking activities undertaken by the sector post the implementation of the GST.
- The growth was registered by pharmaceuticals, medicinal chemical and botanical products at 23.1% followed by computer electronic and optical products (16.9%) and other transport equipment (14%).
- Apart from these, motor vehicles, trailers and semi-trailers (12.6%), and furniture (11.9%) recorded double digit growth.
- Tobacco products witnessed highest contraction in FY18 by (-) 17.9% followed by other manufacturing (-14.9%), electrical equipment (-12.6%) and wearing apparel (-11%).
- Mining sector grew at a lackluster rate of 2.3% in FY18 compared with 5.3% growth in the previous year.
- Electricity sector grew at 5.4% marginally lower than 5.8% growth witnessed in FY17.

Summary of Sectorial IIP Growth is as under:

IIP Growth

%	Weight	FY 2016-17	FY 2017-18
All industries	100	4.6	4.3
Mining	14.37	5.3	2.3
Manufacturing	77.63	4.4	4.5
Electricity	7.99	5.8	5.4

Source: MOSPI

Use Based Classification

The use based analysis depicted below further reveals the segment wise industrial performance.

Particulars	Weight	FY 2016-17	FY2017-18
Primary Goods	34.05	4.9	3.7
Capital Goods	8.22	3.2	4.4
Intermediate Goods	17.22	3.3	2.2
Infrastructure /Construction Goods	12.34	3.9	5.5
Consumer Durables	12.84	2.9	0.6
Consumer Non-Durables	15.33	7.9	10.3

Source: MOSPI

- Within the used based classification, the growth in industrial production is led by improved performance of capital goods, infrastructure/construction goods and consumer non-durables.
- Capital goods grew at a highest rate in the past 5 years. This segment grew at a higher rate of 4.4% compared with 3.2% in FY17. However, in the month of March'18, the capital goods witnessed a contraction by -1.8%. The higher growth in capital goods was supported by the restocking activities of the manufacturing sector post the implementation of the GST.
- The output of infrastructure/construction goods increased at 5.5% than 3.9% growth in the previous fiscal.
- Consumer non-durables saw a notable double digit growth at 10.3% in FY18, higher than 7.9% growth in FY17. It is also the highest growth registered by this segment in the last 5 years.
- The growth in overall IIP was however capped by lower growth in primary, intermediate and consumer durables goods.
- Primary goods that that highest weight in the IIP grew at 3.7%, 1.2 percentage points lower than the 4.9% growth recorded in the previous year.
- Intermediate goods grew by 2.2% while consumer durables grew at a subdued rat of 0.6% in FY18.

3. Indian Economy outlook

As per the report, the domestic demand is improving owing to structural reforms undertaken by the country recently and a revival in credit growth. India's growth is expected to be at 7.3% in FY19, making it a fastest growing emerging economy, as economic activity has showed sustained recovery with strong domestic demand. While investment continued to strengthen amid GST harmonization and a rebound of credit growth, consumption

remained the major contributor to growth. Private consumption is projected to remain robust. As per the World Bank's estimates, current account deficit is expected to widen to 2.6% of GDP while the Inflation is projected to rise somewhat above the midpoint of the Reserve Bank of India's target range of 2-6%, mainly owing to energy and food prices.

However, the risks to the projected growth could arise from fiscal slippages, rising inflation and possibility of delays in structural reforms to address the weakness in the balance sheets of banks and non-financial corporates. The external risks pertain to a further deterioration in current accounts and a faster than expected tightening of global financial conditions.

CARE Ratings expect GDP to grow by 7.4% in FY19, current account deficit will be between 2.25% - 2.5% of GDP and retail inflation to average 4% for the remainder of the fiscal FY19.

Global Textile Industry

Global apparel and textile

The current global apparel market was worth US\$ 1.89 trillion in 2018 and it constitutes around 2% of the world's GDP. EU, USA & China are the world's largest apparel markets with a combined share of approximately 54%. The top 8 apparel consuming nations form a dominating share of 70% of the global apparel market size.

Global Apparel Market Size (US\$ Bn)

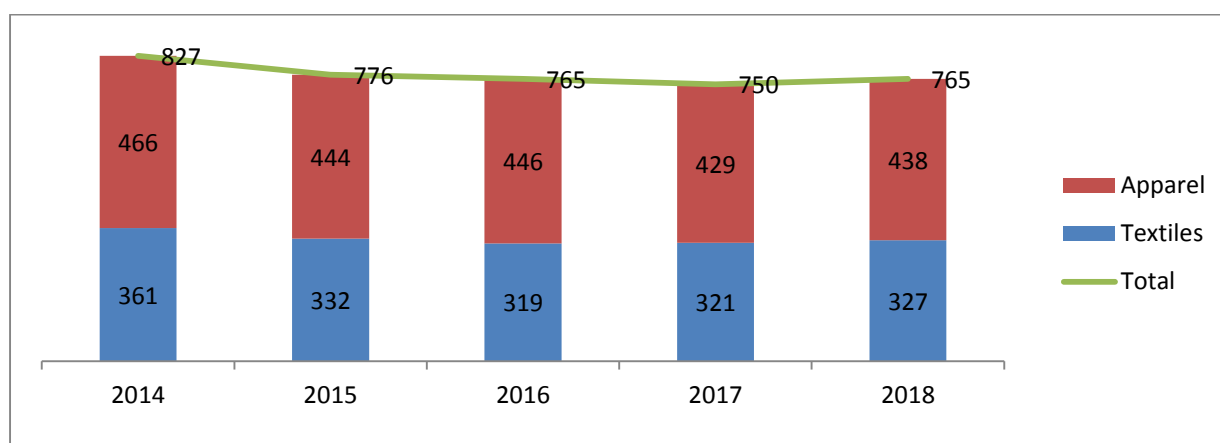
Sr. No	Region	2018	Projected CAGR	2025
1	EU-28	421	1.00%	452
2	USA	348	2.00%	400
3	China	233	11.00%	484
4	Japan	100	1.00%	107
5	India	74	11.00%	154
6	Brazil	65	6.00%	97
7	Russia	41	-1.00%	38
8	Canada	33	2.00%	37
	Others	578	5.00%	813
	Total	1892	4%	2582

(Source – CARE Research and Wazir Research)

The global apparel market size is expected to reach US\$ 2.58 trillion in 2025 growing at estimated CAGR of 4%. The major growth drivers of the global apparel market will be the developing economies, mainly China & India, both expected to be growing in double digits. China will become the biggest apparel market adding more than US\$ 400 bn. in market size by 2025 while India will be the second most attractive apparel market adding around US\$ 150 bn. by 2025.

A large & growing domestic demand coupled with increasing spending power of people in these two countries will result in the combined addition of around US\$ 500 bn. in the global apparel market size by 2025.

Global trade of textile and apparel



(Global Textile and apparel exports : Source : CARE Research and Wazir)

Global textile and Apparel trade in 2017-18 stood at US\$ 765 Bn. Apparel contributed to 58% of the Textile & Apparel trade in the previous year.

Trends impacting the global textile sector

Growing Domestic Market of India and China

It is expected that over the next decade, domestic apparel market of India & China will attain high growth rates of 11% each, to add a cumulative market size of US\$ 331 bn. by 2025.

Markets	Market size (2018)	Expected Growth Rate (2018-2025)	2025 Market Size
India	74	11%	154
China	233	11%	484
India & China	307		638

(Global Textile and apparel exports : Source : CARE Research and Wazir)

High economic growth will be a major factor behind increasing apparel market size in both these countries. Other trends facilitating the growth in India are increasing youth population and high purchasing power, shift from need-based purchase to aspiration-based purchase, growing urbanization increasing the market demand, increased penetration of technology and greater access to internet resulting in significant growth in online retail sales.

Trends which will catalyze growth in Chinese market demand are boosting demand of outdoor wear and fast fashion categories, end of the one-child policy fostering demand of kid's wear segment, gradual increase in spending of Chinese customer from offline to online retail channel.

Growth in retail front will lead to a trickle-down effect in the local manufacturing value chain benefitting national manufacturers the most. Huge growth will make domestic market more attractive than exports in many cases for manufacturers.

Slower Expected Export Growth of China

China dominates the global apparel trade with a share of approximately 34%. However in the recent years, a continuous decline in China's textile and apparel exports has been observed. Between 2014 and 2017, apparel exports from China reduced by ~33% to reach a level of US\$ 145 bn (2017).

In future, China's share is expected to further reduce because of gradual shift of global buyers from China due to rising manufacturing costs in China and availability of other lower cost destinations in the region. Apart from this, China is also shifting from a cost driven to innovation driven manufacturing destination. Also the focus of Chinese manufacturers is expected to increase towards their fast growing domestic market.

China's loss of share in global apparel trade will throw up opportunities for emerging exporters including Vietnam, Ethiopia, Kenya, Myanmar, Bangladesh and India.

Platforms first

Consumers will look to online platforms to search for products, attracted by convenience, relevance and offerings range. Correspondingly, platforms will grow in scale and reach fashion brands.

Sustainability credibility

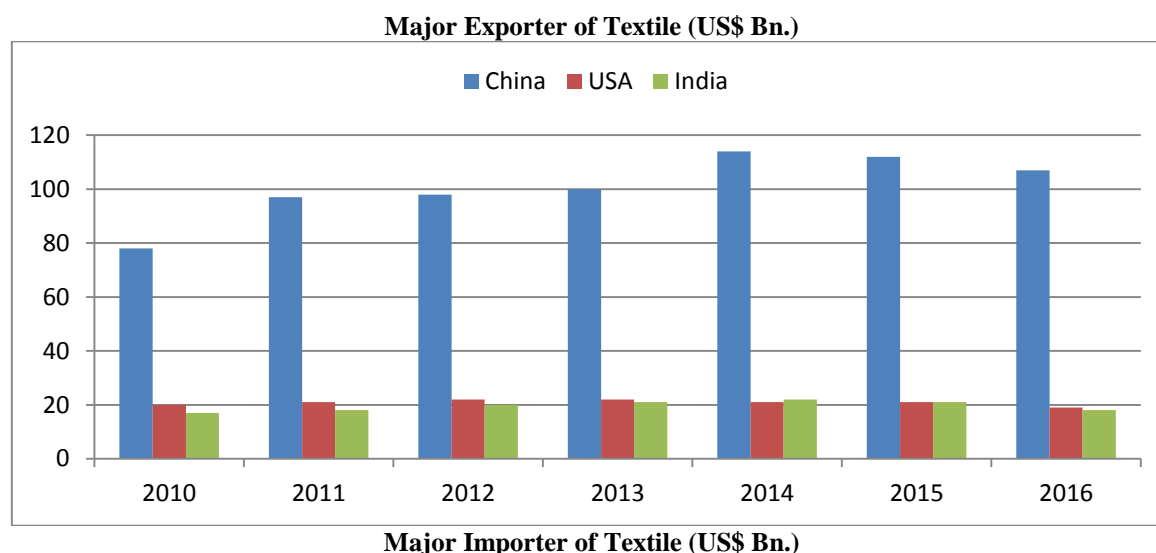
More fashion brands will plan for recyclability from the fibre stage of the supply chain; many will harness sustainability to unlock efficiency, transparency and genuine ethical upgrades. (Source: McKinsey and Wazir)

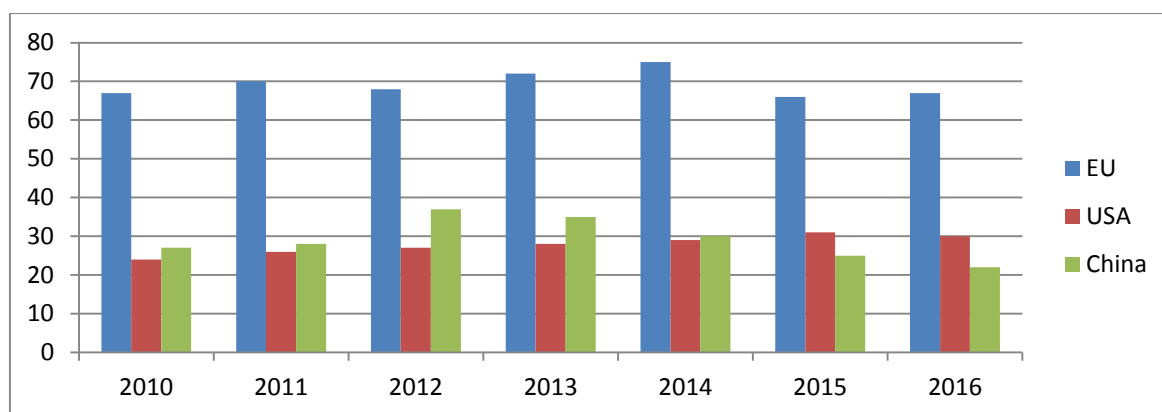
Outlook

According to World Trade Organisation, global trade is set to expand by 3.3% in 2108 and 4% in 2019, strengthening prospects for the apparel industry. Economic growth could be broad-based across United States, Euro area, Japan, China, emerging Europe and Russia, translating into increased clothing demand in 2018. Oversupply could remain a significant challenge for the apparel industry in 2018. While global population increased 21.6% between 2000 and 2016, the value of clothing exports (inflation-adjusted) surged 123.5% over the same period. Between 2000 and 2016, the total U.S. population increased by 14.5% and the GDP per capita increased by 22.2%, while apparel supply to the U.S. retail market surged 67.8% during the period. Oversupply affects a number of apparel companies as well as intense competition, need to control production and sourcing costs, managing excessive inventory while balancing sustainability and business growth. (Source: WTO and IMF)

Major markets & supplier

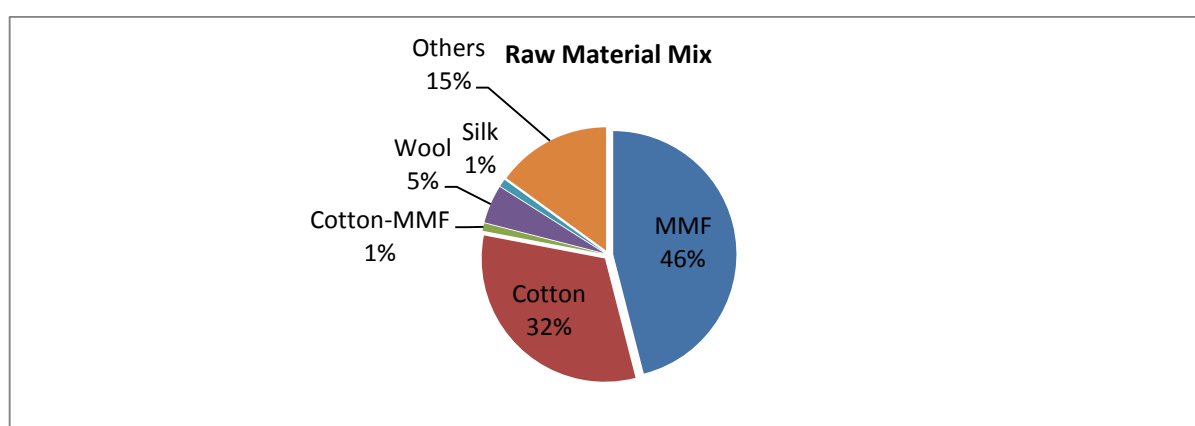
EU & USA are the largest markets for textile and apparel with a share of 36% and 14% respectively. On the supply side, China is the largest supplier of textile and apparel in the world with a dominating share of 40%. It is distantly followed by countries like US, India, Italy, and Germany etc. each with an approximate share of 5% in the global textile and apparel exports.





(Care Research and UN Comtrade)

Raw Material Mix in Textile

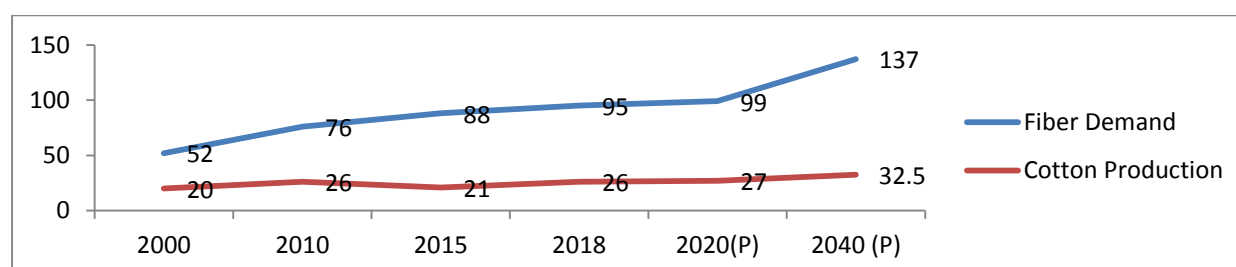


(Source UN Comtrade)

Globally, area under cotton cultivation was good, with major contribution from US, India and China. The consumption that was at 26 million tonne is expected to go up to 27.4-27.5 million tonne. In the 2018-19 season, the area under cultivation is likely to be at the same level, but production is likely to come down by 0.9-1 million tonne. (Source: Centrum Wealth Research)

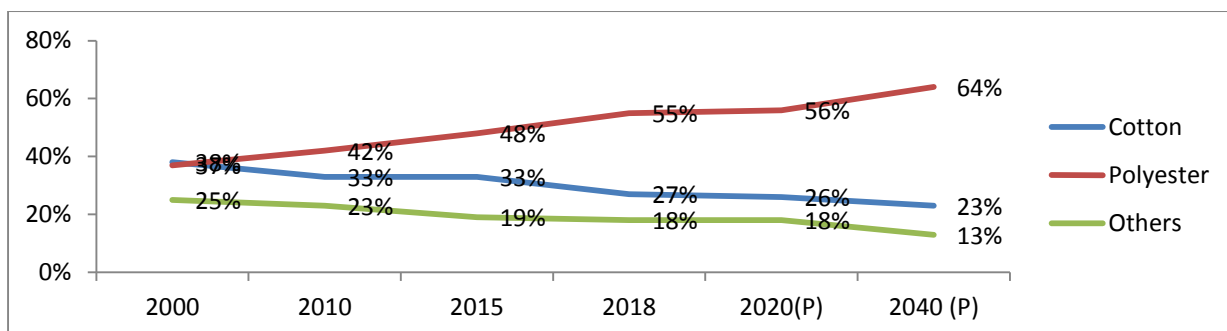
Man Made Fiber (MMF) has the largest share of 46% in the Global Textile trade in 2017-18. The second largest segment is cotton at 32%. MMF based textile and apparel account for 54% of China's export, while for India it is 50% cotton. All other countries have a higher share of MMF Apparel exports than India. Vietnam has as high as 49% share, compared to 17% in India. (Source : Wasir Research)

Global Total Fiber Demand and cotton production (Bn Kg)



Fiber demand is expected to increase 137 Bn kg by 2040 at CAGR of 1.7% from 2018. Cotton production is expected to increase to 32.5 Bn kg with a CAGR of 0.5%. The gap between fiber demand and cotton production is expected to widen as the global fiber demand is project to grow faster than the cotton production.

Global Fiber Consumption Trend



Polyester, the most widely used MMF fiber has seen a growth in demand in recent years. Polyester demand will be almost three times to that of cotton in 2040.

Indian Textile Industry

Index of Industrial Production (IIP)

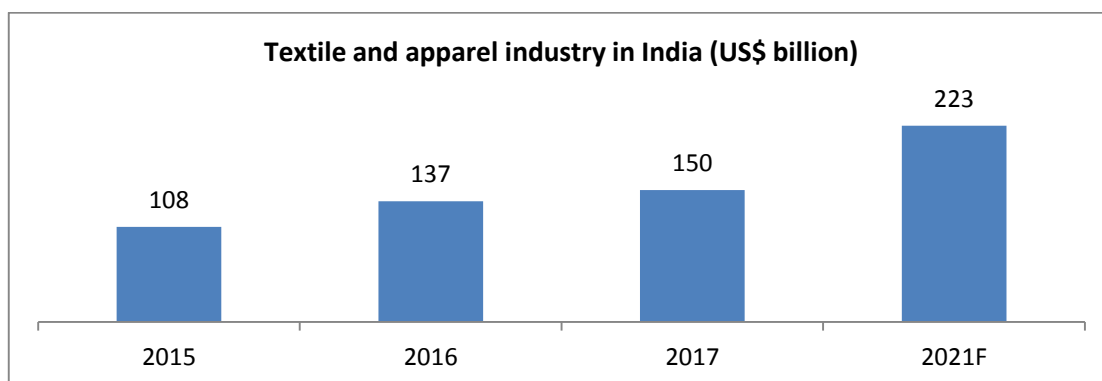
The Index of Industrial Production (IIP) in the month of November 2018 was higher by 5% over the index of November 2017. The Index of Industrial Production for the month of November 2018 for the Textiles Sector decreased by -4.8 % as compared previous month. There has been a cumulative growth of 2.5% in Textiles Sector during April-November 2018-19 over the corresponding period of 2017-18. The Index of Industrial Production for wearing apparel for November 2018 increased 22.1% and increase of 8.4 % during the period April- November 2018-19 over the corresponding period of the previous year.

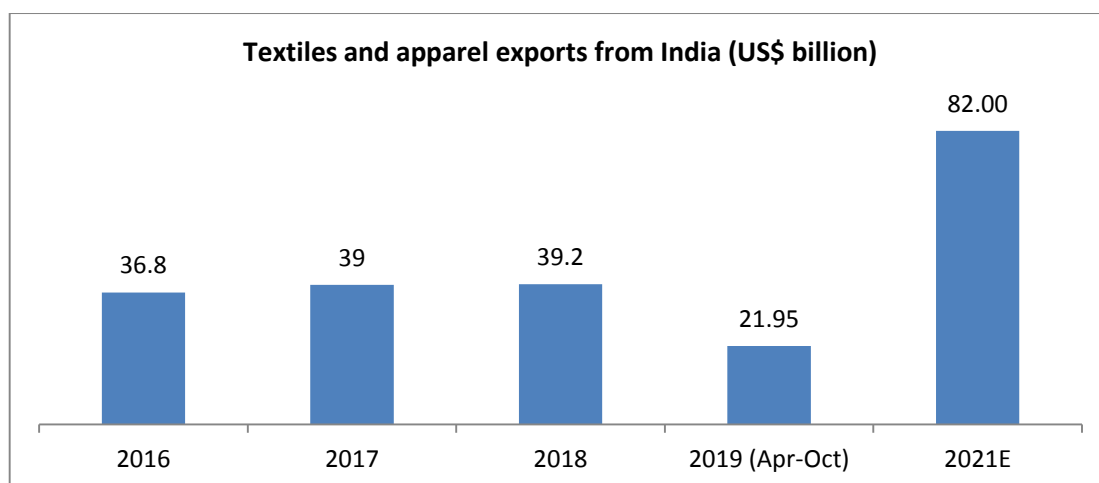
Description	Percentage growth				
	November 2018	April 2017	April 2018	Apr-Nov 2017-18	Apr-Nov 2018-19
Textiles	-4.8	2.1	-1.6	-1.9	2.5
Wearing apparel	22.1	0.8	-13.4	-9.8	8.4

(Source : Ministry of Statistics & Programme)

Domestic Textile Industry & Apparel Industry

The domestic textile industry in India is projected to reach US\$ 223 billion by 2021(F) from US\$ 150 billion in November 2017. The new textile policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs. By 2022, the Indian textile sector will require additional 17 million workforces. Rising per capita income, favorable demographics and a shift in preference to branded products to boost demand.

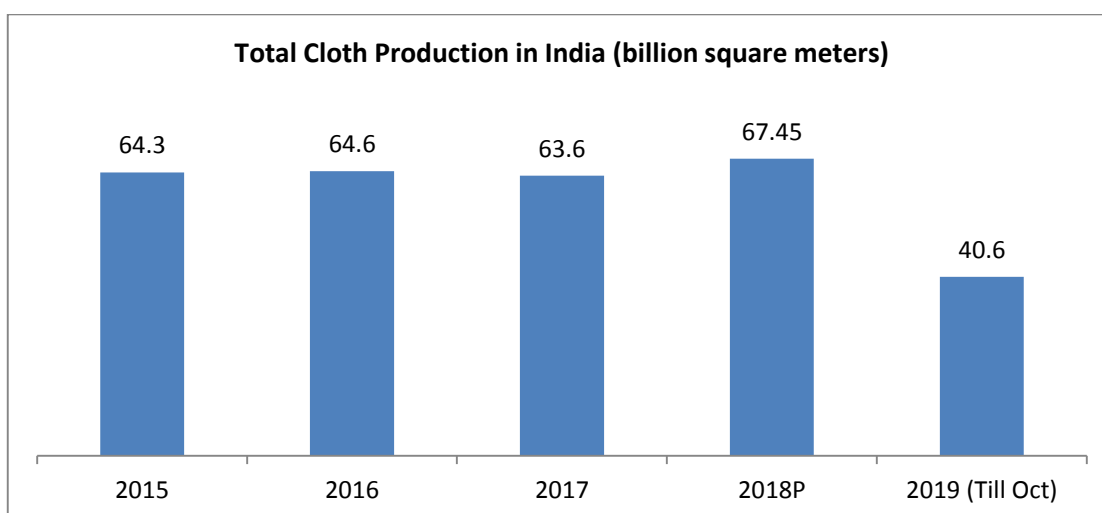




(Source : IIBF)

India's textile and apparel exports stood at US\$ 39.2 billion in FY18 and is expected to increase to US\$ 82 billion by 2021. Between April to October for FY 2019, the textiles and apparel exports from India stood at US\$ 21.95 billion. Favorable trade policies and superior quality will be going to drive textile exports.

Cloth production FY2018 stood at 67.45 billion square meters (provisional) and stood at 40.6 billion square meters (provisional figures till October) in FY19.



The fundamental strength of the textile industry in India is its strong production base of wide range of fibre / yarns from natural fibres like cotton, jute, silk and wool to synthetic / man-made fibres like polyester, viscose, nylon and acrylic. India's textiles industry contributed seven per cent of the industry output (in value terms) of India in 2017-18. It contributed two per cent to the GDP of India and employs more than 45 million people in 2017-18. The sector contributed 15 per cent to the export earnings of India in 2017-18.

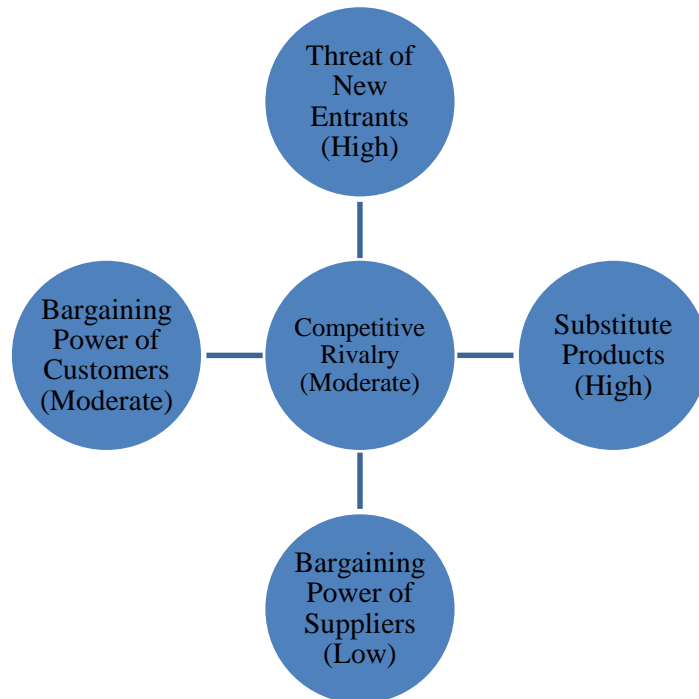
Cost Competitiveness of Indian Textile Industry

At overall level, India is a cost-competitive manufacturing base for many types of products across the textile value chain. The lending rates in India are on the higher side as compared to China and Vietnam; however, with special government support available for the sector, the effective cost of capital becomes comparable. Buyers look at India as the next alternative to China since it offers large domestic market, better compliance and political stability. The major advantage of other competing nations (except China) over India is their duty-free access to EU and/or USA whereas India only has 20% duty abatement for apparel exports to EU. India's labour cost is much cheaper than China and comparable to south-east Asian counties of Vietnam and Cambodia. However, Ethiopia and Bangladesh have much lower labour costs. In terms of power cost, India is competitively positioned against most of the competing nations except Ethiopia where power cost is extremely low.

Cost Elements	Units	India	Bangladesh	China	Vietnam
Labour Cost*	US\$/month	160-180	100-110	550-600	170-190
Power Cost	US\$/kwh	0.10-0.12	0.09-0.12	0.15-0.16	0.08-0.10
Lending Rates	%	11%-12%	12-14%	5-6%	6-7%
Water Cost**	US Centa/m3	16-20	20-22	55-60	50-80

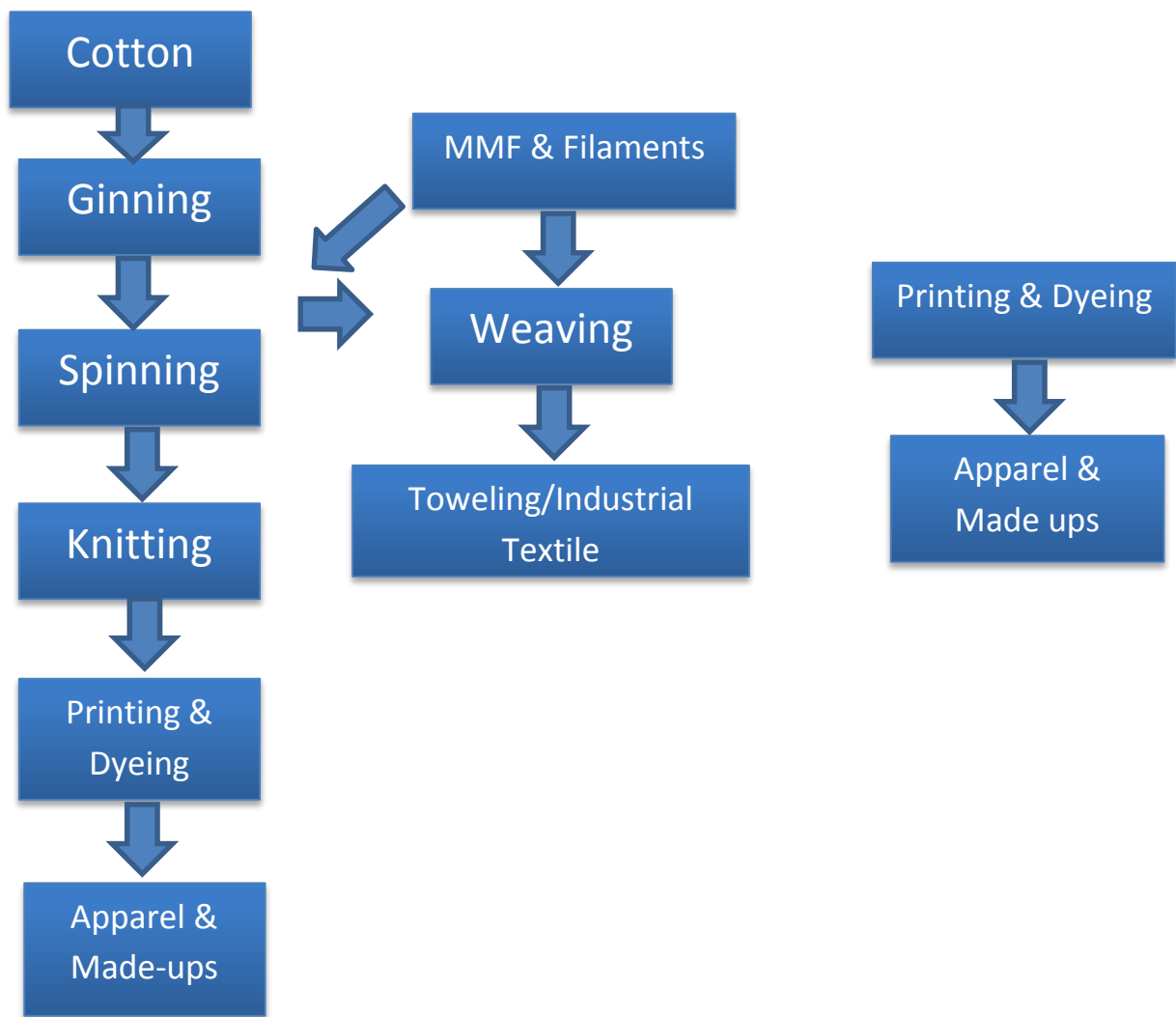
* Cost of Semi-skilled worker, **Water cost is based on the average tariff of the water supply companies of specific countries, (Source: Wazir)

Porters Five Forces Analysis of Industry



Competitive Rivalry	Threat of New Entrants	Substitute Products	Bargaining Power of Suppliers	Bargaining Power of Customers
<ul style="list-style-type: none"> • Intense competition between establish brands and private label brands • Industry is highly fragmented with organised sector contributing around 30% 	<ul style="list-style-type: none"> • 100% FDI (automatic route) is allowed in the Indian textile sector • A few large suppliers are focusing on forward integration 	<ul style="list-style-type: none"> • Low cost substitute products from countries like Pakistan and Bangladesh • Treat from unorganised sector 	<ul style="list-style-type: none"> • Significant presence of small suppliers has reduced the bargaining power 	<ul style="list-style-type: none"> • Major clothing brands have better bargaining power as the product differentiation is low and number of players are high and fragmented

Textile Value Chain



The structure of cotton textile industry ranges from hand spinning and hand weaving to most sophisticated automatic spindles and looms. The textile value chain extends from raw material (fibres) to finished products (clothing and made-ups) with spinning, weaving, knitting and processing coming in between as intermediate processes.

Spinning

Spinning is the process of converting cotton or manmade fibre into yarn then to fabrics, bleaching is done on fabrics to produce textiles and finally clothes are manufactured. These spinning mills are primarily located in North India. This sector is technology intensive and productivity is affected by the quality of cotton and the cleaning process used during ginning.

The production process in spinning starts from blow room operations in which impurities of cotton are cleaned. Carding and drawing is done on the material received from blow room to produce a thin sheet of uniform thickness called sliver. This process also removes remaining impurities from the cotton. Roving is performed on slivers to make them thin to level required for the yarn to be spun. The roving bobbins are passed through the ring frames where it is drafted to the desired level called count. Then spindle along with the ring traveller mounted on a ring imparts the requisite amount of twist into the yarn. The yarn is wound over paper cones to make final packages after passing through electronic yarn cleaners for removal of any defects.

Weaving and Knitting

Weaving and knitting converts cotton, manmade, or blended yarns into woven or knitted fabrics. The weaving and knits sector lies at the heart of the industry. India has one of the highest weaving capacities in the world. Weaving and knitting sector is highly fragmented, small-scale, and labour-intensive (*Ministry of Textiles, 2011*).

Fabric Finishing

Fabric finishing includes dyeing, printing, and other cloth preparation prior to the manufacture of clothing, and is dominated by a large number of independent, small-scale enterprises.

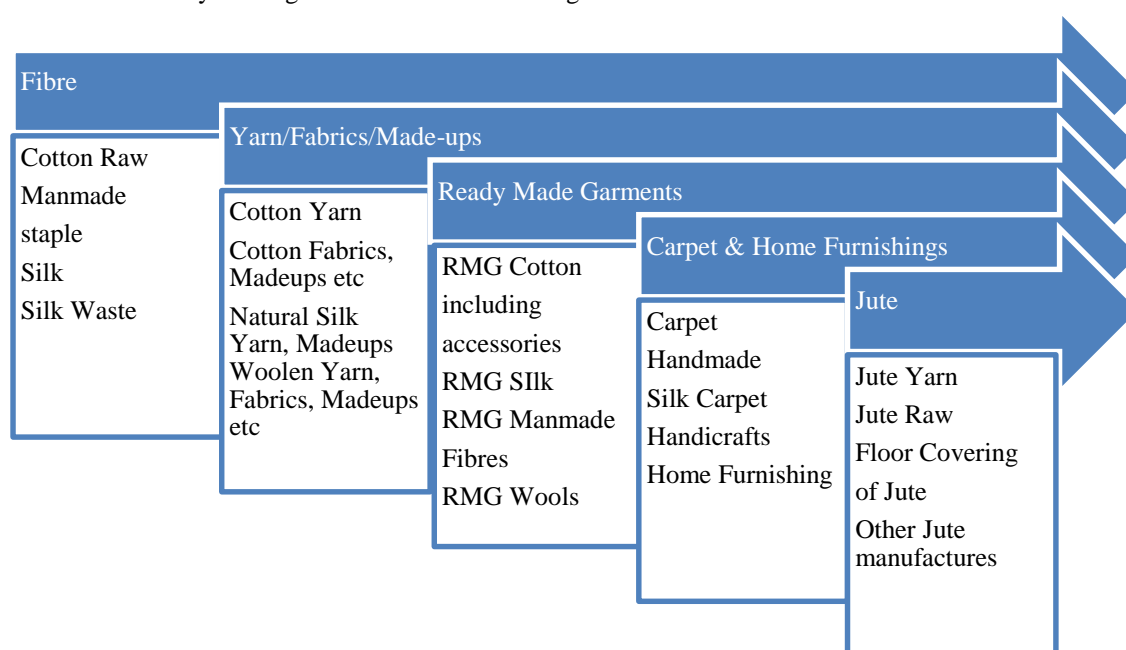
Clothing

In garment manufacturing, small-scale fabricators dominate and the bulk of apparel is produced by about small-scale units classified as domestic manufacturers, manufacturer exporters and fabricators.

India has a large textile manufacturing set-up and is among the very few countries with production facilities across each level of the manufacturing value chain, from fiber to finished product (garments, home textiles and technical textiles).

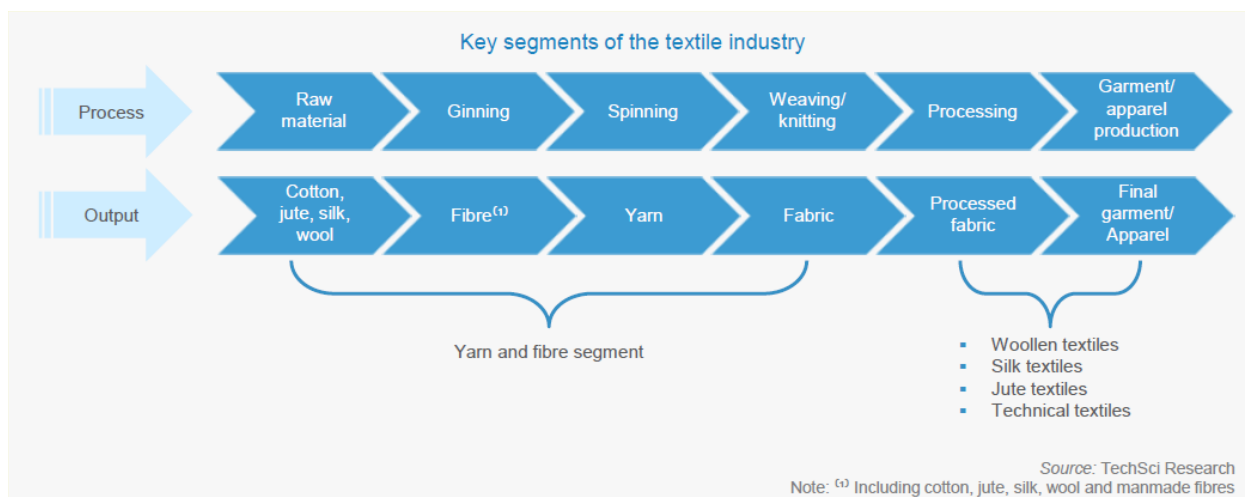
Categorization of Indian Textile Industry

Indian textile industry is categorized into the various segments as shown:



Also, the textile and apparel industry can be broadly divided into two segments:

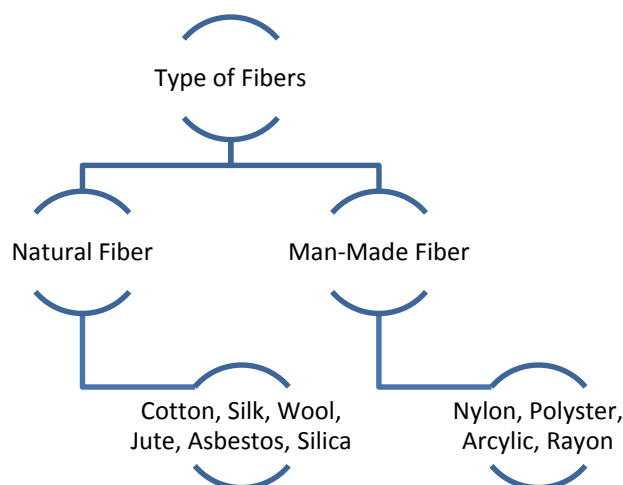
- Yarn and fibre (include natural and man-made)
- Processed fabrics (including woolen textiles, silk textiles, jute textiles, cotton textiles and technical textiles), Readymade Garments (RMGs) and apparel



Indian Fabric Manufacturing and Processing:

Indian textile sector is largely unorganized and small in size, especially the fabric manufacturing, fabric processing, and garment manufacturing segments. These segments suffer from lack of capacities and use old technologies. Capacity expansion or technology upgradation is a big challenge for these small and medium scale units with limited resources because of the higher risks perceived by lenders and also because of lack of awareness. Fabric processing is the one of the link of India's Textile Supply chain. Fabric Processing depends on fabric production, apparel and retail industry. Broadly, overall textile industry growth contributes to individual section of textile value chain including fabric processing.

Based on the raw material, textile industry is classified following:



MMF fibers can be classified into Artificial and Synthetic fibers on the basis of nature of raw materials used for manufacturing.

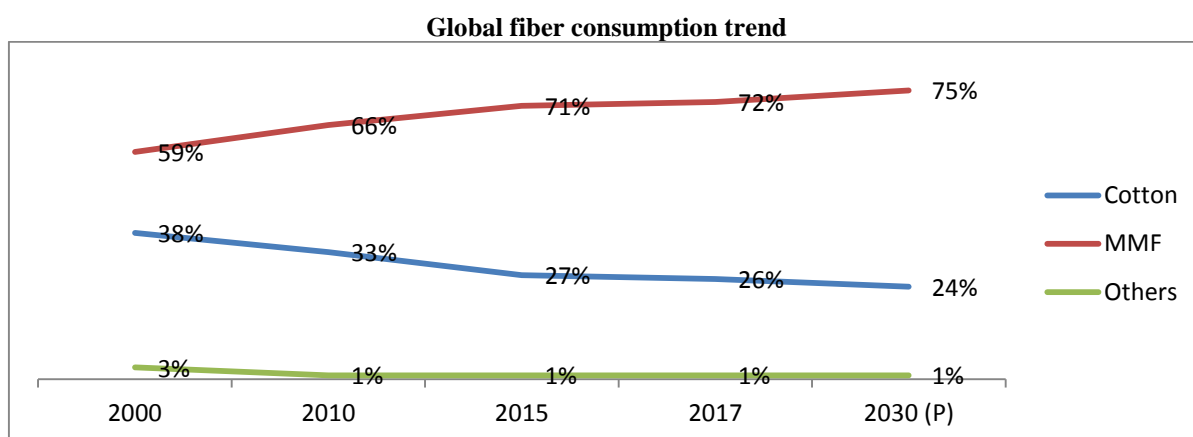
Artificial Fibers are the fibers derived from natural sources (which in most cases are cellulose) which are then modified into fiber like structure using special chemical agents. These include Rayon/Viscose, Modal, Lyocell Acetate, Triacetate and Cuprammonium. Viscose is gaining large popularity in the recent past owing to its cotton like appearance and properties.

Synthetic Fibers are the fibers derived from substances that are not present in nature, but instead created through chemical reactions (synthesis) from petrochemical products. These include Polyester, Acrylic, Aramid, Vinyl Chloride, Modacrylic, Polyamide (Nylon), Polyethylene, Polypropylene, Polyurethane and Polytetrafluoroethylene. Polyester is the most commonly used fibers among synthetic category.

Global Scenario of MMF Industry

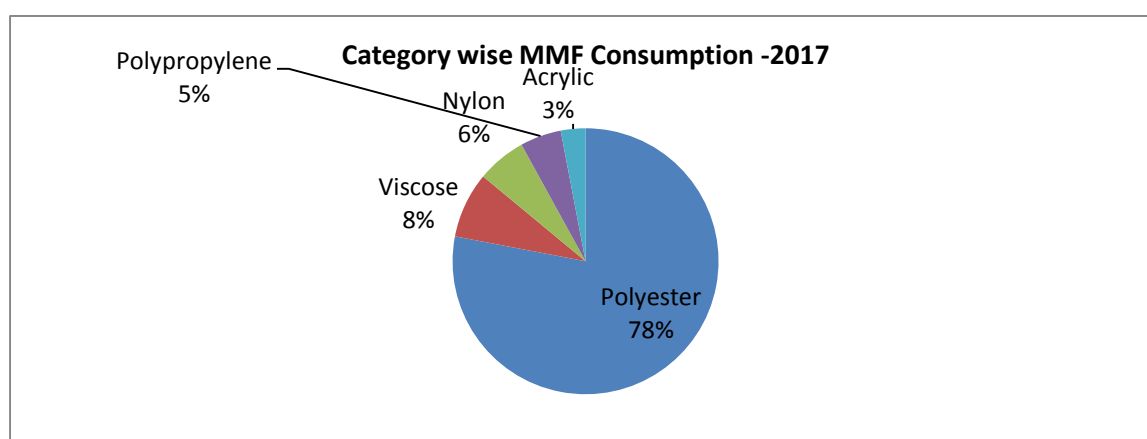
Global fibre consumption is estimated at 92 million tonnes in 2017. MMF fibre accounts for 72% of the total fibre consumption, which is followed by cotton with a share of 24%. Within manmade fibres, Polyester accounts for 78% share. This makes polyester a dominant fibre within the manmade category over its counterparts such as nylon, acrylic, viscose, etc.

It is noteworthy to mention that by 2030, the share of MMF in the total fiber consumption will go up to 75% from present share of 72% while the share of cotton will come down to 24%. Among all fiber categories, Polyester and Viscose are expected to witness highest growth in the coming decade.



Source: World synthetic fibers report 2015, PCI Fibers

MMF textiles and apparel trade stood at US\$ 387 Billion in 2017, accounting to about 49% share. China is the leading supplier of MMF fabrics (47% share in MMF woven fabric and 48% share in MMF knit fabrics), followed by Korea and Taiwan. In terms of fabric trade, MMF categories are growing faster than the cotton ones.



India's MMF Industry

The textile industry of India covers all the segments of MMF based textile value chain i.e., from fiber /filament manufacturing to cut & sew operation of final products. India is the second largest producer of polyester fiber globally with presence of large companies. The polyester based textile value chain of India beyond fiber can be divided into organized and unorganized sectors. The unorganized sector primarily consists of small and medium scale units which normally focus on only one process (e.g., weaving or knitting, processing etc.). On the other hand, organized sector units have large, more integrated or composite type production capacities and normally focus on multiple processes (e.g., spinning + weaving or weaving + processing etc.). Polyester fiber manufacturing and spinning are majorly organized sectors, whereas many small and medium enterprises exist in weaving, processing, cut and sew and embroidery sectors. Participation of the organized sector is limited in the fabric manufacturing (weaving & knitting) and processing sectors.

Production

Man-made fibres production in India has increased marginally from 1,307 Mn. Kg. in 2013-14 to 1,319 Mn. Kg. in 2017-18 registering a CAGR of 0.2%. Production of MMF filament yarn declined at a CAGR of 2% during the same period to reach 1,187 mn. kg in 2017-18. Production of MMF fabric declined at a CAGR of 3% to reach 15,236 mn. sq. meter in 2017-18.

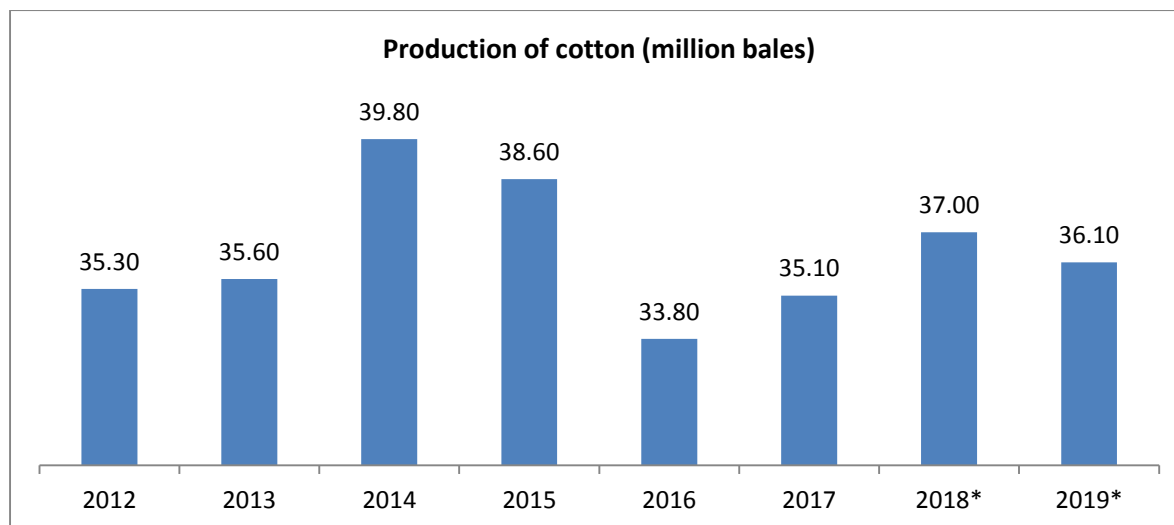
Production of Man-made textile items in India

	2014	2015	2016	2017	2018	CAGR
MMF (Mn. Kg)	1307	1344	1347	1363	1319	0.20%

MMF Filament Yarn (Mn. Kg)	1293	1248	1164	1159	1187	-2.10%
MMF Fabric (Mn. Sq. Mtr)	17049	16924	15335	13563	15236	-2.80%

(Source: CARE & Gherzi)

Raw Cotton Production in India:

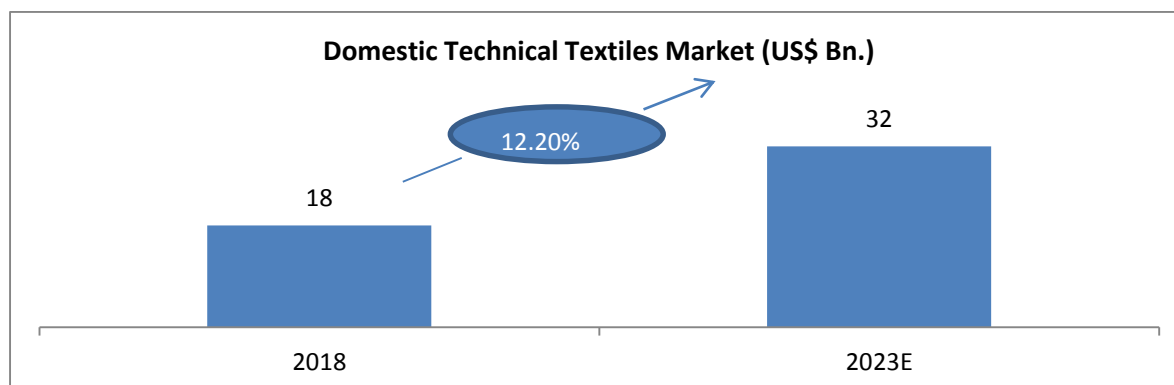


(Source: IBEF, *Cotton Season)

India is world's largest producer of cotton. Production of cotton in India grew from 35.30 million bales in FY12 to 36.10 million bales in FY19.

Technical Textiles

The major service offerings of the technical textile industry include thermal protection and blood-absorbing materials, seatbelts and adhesive tapes. India is expected to be a key growth market for the technical textile sector due to cost-effectiveness, durability and versatility of technical textiles. The targeted market size would be achieved by targeting non-woven technical textiles. Healthcare and infrastructure sectors are major drivers of the technical textile industry. The government has supported the technical textile industry with an allotment of US\$ 1 billion for SMEs and an exemption in custom duty for raw materials used by the sector.

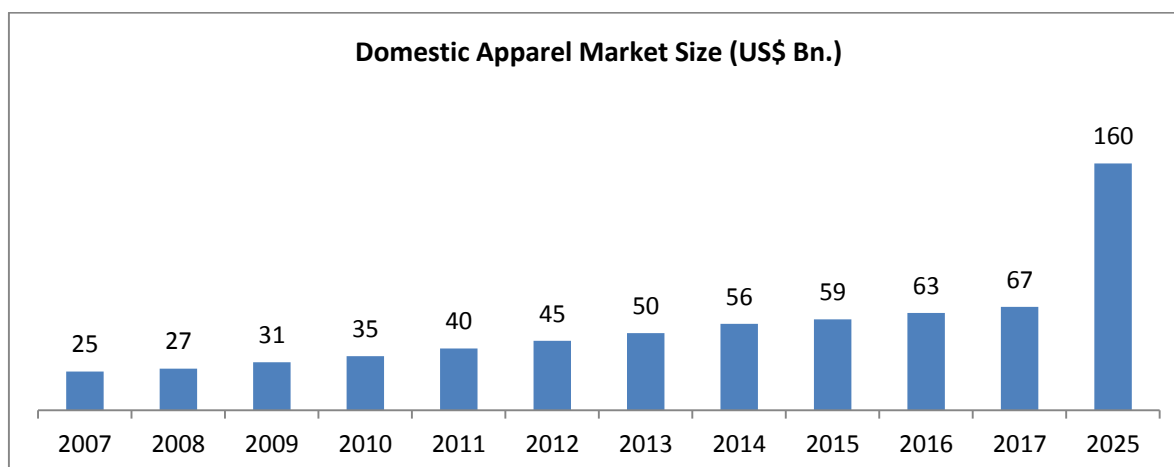


(Data Source: IBEF)

The technical textile industry is expected to expand at a CAGR of 12.20 per cent during FY18–23 to US\$ 32 billion in FY23. In FY18 it reached Rs 116,0000 million (US\$ 18 billion) and is forecasted to grow at the rate of 20 per cent year-on-year supported by various flagship schemes by the government to promote full potential and expected to reach Rs 200,8230 million(US\$ 29.96 billion) by 2020-21.

Indian Apparel Industry

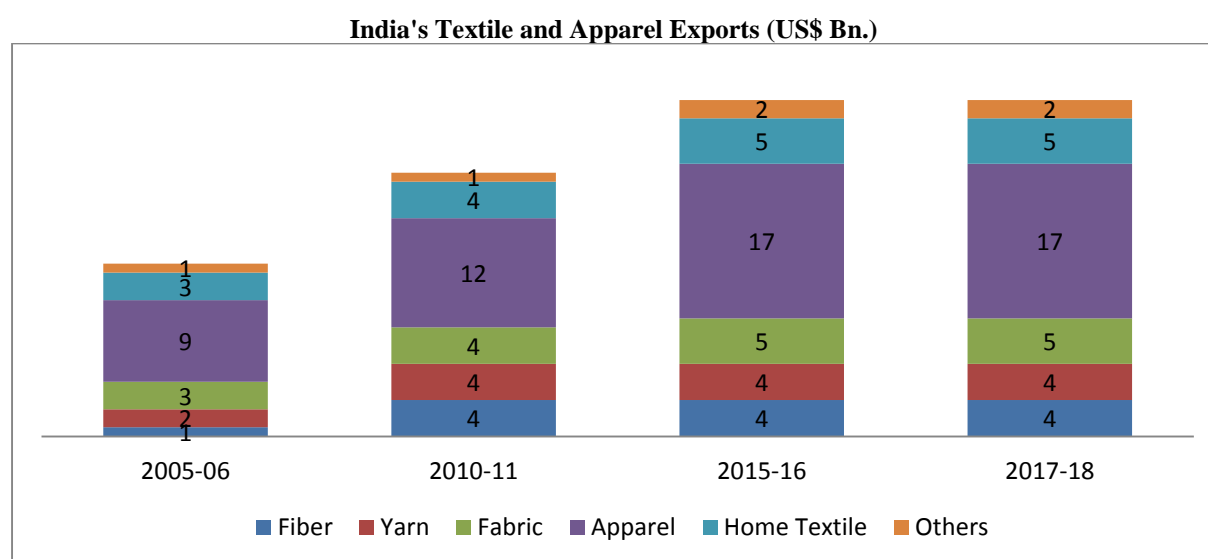
In recent times, Indian domestic market has performed better than the largest textile consumption regions like US, EU and Japan, registering a healthy CAGR of 10% between 2007 & 2017. Domestic apparel market size of India is expected to maintain this growth & reach a level US\$ 160 bn. in 2025 by growing at a CAGR of 11%.



(Source: Wazir)

India is the second largest exporter of textiles & apparel in world

In terms of global ranking, India is ranked 2nd in textile export with 6% share and 5th in apparel export with 4% share. Overall, India holds second position with 5% share of global exports. India's textile and apparel exports were US\$ 37 billion in 2017-18 and have grown at 6% CAGR since 2005. Availability of raw material, skilled manpower and favorable central & state govt. schemes would further help Indian exporters increase their market share and global competitiveness.



(Data Source: DGCIIS, Ministry of Commerce)

Apparel is the largest exported category in India's exports with a dominant share of 48%. It is followed by the exports of "others" category which includes home textile products, made- ups etc. with a share of 14%. Fibre/Filament category has registered the highest growth in India's export of textile and apparel with a CAGR of 11% over the last decade. EU and USA are the largest markets for Indian textile and apparel exports with shares of 19% & 18% respectively. The other major export markets for India are UAE, China & Bangladesh which have a share of 9%, 8% and 5% respectively.

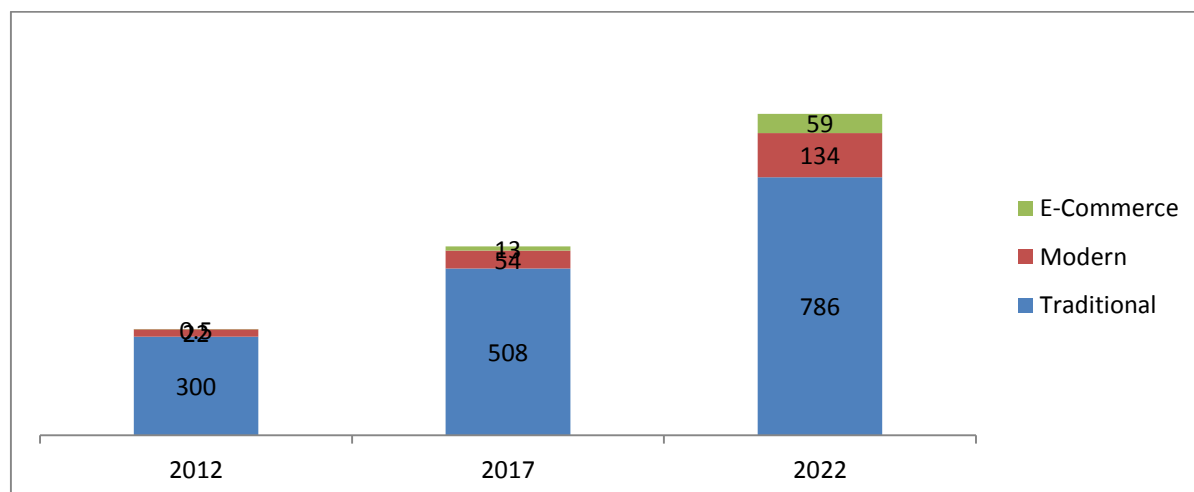
Indian Retail Market

The Indian retail market was worth Rs 41,66,5000 million (US \$641 billion) in 2016 and is expected to reach Rs 1,02,50,5000 million (US \$1,576 billion) by 2026, growing at a Compound Annual Growth Rate (CAGR) of 10

per cent. It is envisaged that the current fashion retail market worth Rs 2,97,0910 million (US \$46 billion) will grow at a promising CAGR of 9.7 per cent to reach Rs 7,48,3980 million (US \$115 billion) by 2026.

The segmentation of retail channels in India is unique. According to a Technopak report, Traditional retail (mom & pop independent stores) continue to dominate the landscape with over 18 million such independent outlets spread across 5500 towns and about 600,000 villages, while Modern brick & mortar retail accounts for just about 8% of the total retail by share of channel, and e-tail by merely 2.3%.

The below graph shows the changes in the retail channels' share over a 10-year period:



Retail Size – (All values are in Euro Billion)

A steady increase in the overall retail spending, the fashion/apparels retail sector is where the most growth in the future will be centered. Transforming rapidly in terms of competition and consumer behavior, fashion retail's growth has been the result of rising disposable incomes, changing consumer preferences, greater brand awareness, ever-increasing internet/ smartphone penetration, and a rapidly growing millennial/Gen Z population.

In the fashion / apparel retail, the men's share of the fashion market is higher than that of women. However, the gap is expected to reduce and by 2022 both men's and women's share of the total fashion market is likely to be at 39% each.

India's demographic statistics shows that almost 28% of the population is below 15 years of age (325 – 320 million) the kids account for nearly 20% of the total fashion market in 2017 and their share is actually expected to increase marginally to 22% by 2022.

Fashion Category splits into Men, Women & Kids				
	Men	Women	Kids	
2012	44%	37%	19%	
2017	42%	38%	20%	
2022	39%	39%	22%	

Fashion Category splits into Sub-categories			
	Apparel	Accessories	Footware
2012	84%	3%	13%
2017	79%	8%	13%
2022	73%	13%	13%

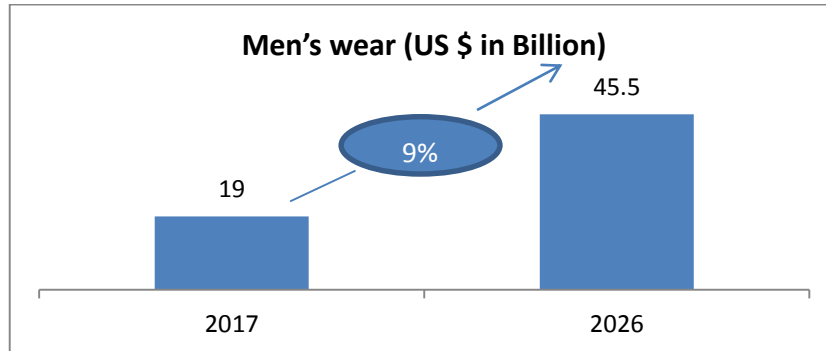
Fashion Category splits into Branded & Unbranded		
	Branded	Unbranded
2012	25%	75%
2017	37%	63%
2022	50%	50%

Fashion Category splits on basis Retail Type			
	Traditional	Modern	E-commerce

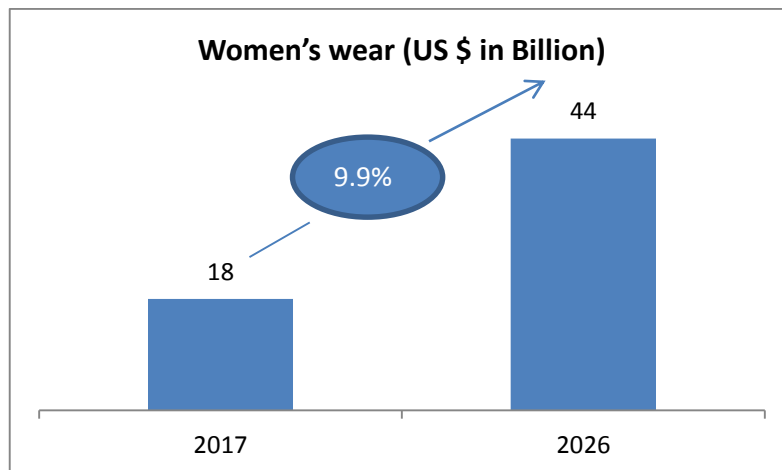
Fashion Category splits on basis Retail Type				
2012	80%	20%	<1%	
2017	70%	24%	6%	
2022	52%	33%	15%	

(Source: Tecknopark)

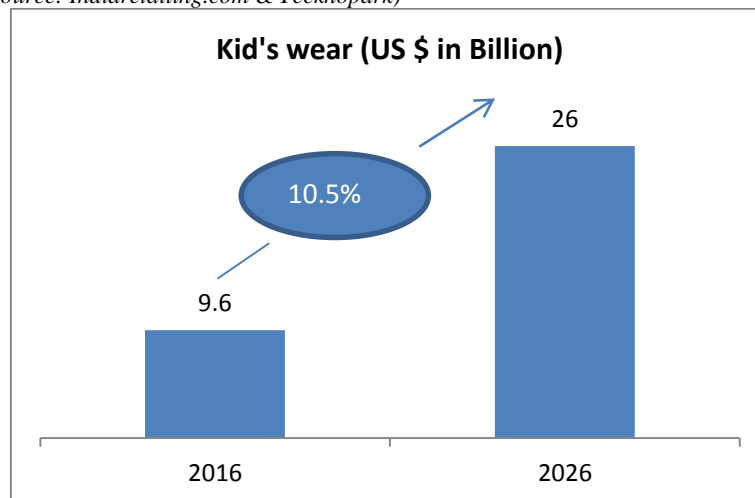
The Indian apparel market can be broadly classified into men's wear, women's wear and kidswear. Currently, men's wear holds major share in the apparel market. It accounts for 41 per cent of the total market. Women's wear contributes almost 38 per cent, while kidswear contributes 21 per cent of the market. It is estimated that over the next decade women's wear and kids wear will demonstrate high CAGR of 9.9 and 10.5 per cent respectively, resulting in rise in market share of these categories. Both, men's wear and women's wear is expected to contribute 39 per cent each to the total market in 2026, with kidswear accounting for the rest 22 per cent.



(Source: Indiaretailing.com & Tecknopark)



(Source: Indiaretailing.com & Tecknopark)



(Source: Indiaretailing.com & Tecknopark)

Region-Wise Distribution of Apparel Market

Demand for various apparel categories varies substantially across the country. The urban market that mainly comprises of metro cities such as Delhi/ NCR, Mumbai, Bengaluru, Chennai, etc., are the biggest markets for apparel in India and contribute 23 per cent to the Indian apparel market. Considering the fact that almost 70 per cent of the population resides in villages, the major contribution of urban cities to the apparel market indicates the higher purchasing power of the people in urban cities, their frequency of purchases and tendency to purchase premium and quality products. The metro cities house almost all the big national and international brands, driven by the well informed and employed population. The metros also witness huge penetration of women's western wear as compared to Tier -I or Tier -II cities of the country. The well informed and trend conscious female customer base has led to deeper penetration of brands and private labels in the metros.

But lately, many global brands have started penetrating into Tier -I and -II cities, while domestic brands are also strengthening their position in these markets. Many fashion retailers and apparel brands have already established themselves in smaller cities. High real estate costs, competition among branded players and saturation in metro cities of the country have made big brands to move towards the smaller cities of the country. The increasing purchasing capacity and awareness of fashion and trend in small cities has resulted in providing a huge market to the organised players of the country.

The rural apparel market in India is still primarily catered by unbranded and unorganised local players. Need based clothing and price sensitivity among people of rural India does not make it a lucrative market for branded players.

Price Segmentation of Apparel Market

The apparel market can be broadly divided into super premium, premium, medium, economy and low price segments. The medium price segment holds majority of the share among apparel segment by holding 29 per cent followed by economy which holds 28 per cent of the share of the apparel market of the country. The price sensitive rural population forms a major chunk of 54 per cent of the low and economy price segments of apparel market.

Customers across income groups purchase medium priced apparel at varying frequencies. Sometimes the customers of the premium and super premium segment wish to trade down to medium segment while in some other cases the low income customer prefers to trade up to medium segment depending on the requirement of the attire and look. Many Indian consumers of the medium income level prefer medium price segments as it offers the assurance of certain minimum quality standards at a reasonable and affordable price.

The super-premium and premium price categories are value driven categories and the product offerings of these segments come from established brands.

Textile Clusters in India

North: Kashmir, Ludhiana and Panipat account for 80 per cent of woollens in India.

West: Ahmedabad, Mumbai, Surat, Rajkot, Indore and Vadodara are the key places for cotton industry.



East: Bihar for jute, parts of Uttar Pradesh for woollen and Bengal for cotton and jute industry.

● Major textile and apparel zones

South: Tirupur, Coimbatore and Madurai for hosiery. Bengaluru, Mysore and Chennai for silk.

Note: 2011-12 As Per Latest Available Information
Source: Aranca Research

Advantage for India in Textile Industry

Rubost Demand	Increasing Investement	Competitive Advatnage	Policy Support
<ul style="list-style-type: none"> Increased penetration of organised retail, favourable demographics and rising income levels to drive textile demand. Growth in building and construction will continue to drive demand for non-clothing textiles. In FY19, growth in private consumption is expected to create strong domestic demand for textiles. 	<ul style="list-style-type: none"> Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP) - (US\$ 184.98 million) and Technology Upgradation Fund Scheme (TUFS) - (US\$ 216.25 million released in 2017) to encourage more private equity and to train workforce In May 2018, textiles sector recorded investments worth Rs 27,0000 million (US\$ 4 billion) since June 2017 	<ul style="list-style-type: none"> Abundant availability of raw materials such as cotton, wool, silk and jute. India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to major textile producers. 	<ul style="list-style-type: none"> 100 per cent FDI (automatic route) is allowed in the Indian textile sector. Under Union Budget 2018-19, the government has allocated Rs 300 million (US\$ 4 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects. Under interim Budget 2019, the government had allocated Rs. 7000 million to ATUFS and Rs. 10000 million to ROSL respectively. Free trade with ASEAN countries and proposed agreement with European Union will boost exports.

Government Initiative and Industry Policy

Notable Trends in India's Textile Sector

Textile Parks	<ul style="list-style-type: none"> As of November 2018, Odisha is planning to build three textiles parks with the aim to promote investments in the textile sector. Since 2014, 19 Textile Park projects have been sanctioned under Scheme for Integrated Textile Park (SITP) under Public Private Partnership mode (PPP) with 40 per cent government assistance of upto Rs 400 million (US\$ 6 million).
Multi-Fibre Arrangement (MFA)	<ul style="list-style-type: none"> With the expiry of MFA in January 2005, cotton prices in India are now fully integrated with international rates.
Public-Private Partnership (PPP)	<ul style="list-style-type: none"> The Ministry of Textiles commenced an initiative to establish institutes under the Public-Private Partnership (PPP) model to encourage private sector participation in the development of the industry.
Technical textiles	<ul style="list-style-type: none"> Technical textiles industry, which has a market size of Rs 116,0000 million (US\$ 18 billion) in 2017-18 is projected to grow at the rate of 20 per cent year-on-year supported by various flagship schemes by the government to promote full potential.

	<ul style="list-style-type: none"> US\$ 70.83 million has been allocated to promote the use of geotechnical textiles in the North East states.
Promotion of Khadi	<ul style="list-style-type: none"> The Government of India plans to connect around 50 million women in Indian villages to charkha (spinning wheel) in the next five years with the aim of providing employment and promoting the khadi brand. Indian khadi sales grew three-fold between FY15-18 to reach Rs 2,5090 million (US\$ 389.29 billion).
Focus on high growth domestic markets	<ul style="list-style-type: none"> In strategic alliance with importers from UAE, the 1st ever exhibition of, “Incredible Indian Textiles” was held in Dubai in February 2017. The event was organised by Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) of India and witnessed participation of 19 Indian companies. In March 2017, Welspun India Ltd opened a new plant - Needle Entangled Advance Textile Plant in Anjar, Gujarat, to manufacture multi-layer composites for various applications. The plant is worth US\$ 23.35 million. As of August 2018, the Government of India has increased the basic custom duty to 20 per cent from 10 per cent on 501 textile products, to boost Make in India and indigenous production.
Focus on backward integration	<ul style="list-style-type: none"> During Textiles India 2017, the Ministry of Textiles signed 65 memorandum of understandings (MoUs). MoUs were signed between various domestic and international organizations from industry and government; three of the MoUs signed are G2G MoUs. The MoUs signed relate to exchange of information and documentation, Research & Development, commercialisation of handloom products and silk production, cooperation in Geo textiles, skill development, supply of cotton and trade promotion with overseas partners, etc.
Focus on forward integration	<ul style="list-style-type: none"> In February 2017, Future Retail, entered into an agreement with UK based home furnishing brand - Laura Ashley, to operate and own stores and websites in India. The Indian fashion retailers online market is poised to grow to US\$ 30 billion by the 2020, currently the online market is valued at US\$ 7-9 billion.

Government Initiative and Industry Policy

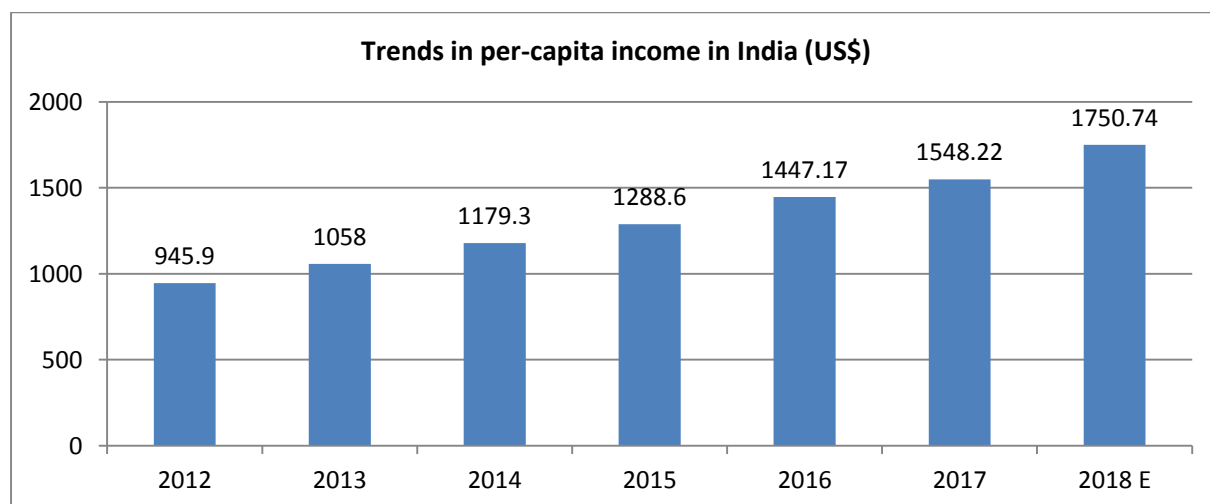
Technology Up-gradation Fund Scheme (TUFS)	<ul style="list-style-type: none"> Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates. A subsidy of Rs 1,4000 million (US\$ 216.25 million) was released under this scheme in 2017. Under the Union Budget 2018-19, Rs 2,3000 million (US\$ 355.27 million) have been allocated for this scheme.
National Textile Policy - 2000	<ul style="list-style-type: none"> Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements. New draft for this policy ensures to employ 35 million by attracting foreign investments. It also focuses on establishing a modern apparel garment manufacturing centre in every North Eastern state for which Government has invested an amount of US\$ 3.27 million.
FDI	<ul style="list-style-type: none"> Foreign direct investment (FDI) of up to 100 per cent is allowed in the textile sector through the automatic route
SAATHI Scheme	<ul style="list-style-type: none"> The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India.
Merchandise Exports from India Scheme	<ul style="list-style-type: none"> The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.
Scheme for Capacity Building in Textiles Sector (SCBTS)	<ul style="list-style-type: none"> The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,3000 million (US\$ 202.9 million) from 2017-18 to 2019-20. The scheme is aimed at providing a demand driven and placement oriented skilling program to create jobs in the organised textile sector and to promote skilling and skill up-gradation in the traditional sectors.
Textile Incentives	<ul style="list-style-type: none"> The Textile Ministry of India earmarked Rs 6900 million (US\$ 106.58 million) for setting up 21 readymade garment manufacturing units in seven states for development and modernisation of Indian Textile Sector. The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.
Khadi App Store	<ul style="list-style-type: none"> The National Board of Khadi and Village Industries Commission (KVIC) launched a mobile phone application for locating 4,000 khadi stores in India.

Government Incentives	<ul style="list-style-type: none"> The Government of India announced a Special Package to boost exports by US\$ 31 billion, create ten million job opportunities and attract investments worth Rs 800.00 billion (US\$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth Rs 253.45 billion (US\$ 3.78 billion) and exports worth Rs 57.28 billion (US\$ 854.42 million). The Government of India has taken several measures including Amended Technology Upgradation Fund Scheme (A-TUFS). The scheme is estimated to create employment for 3.5 million people and enable investments worth Rs 950.00 billion (US\$ 14.17 billion) by 2022. The government has supported the technical textile industry with an allotment of US\$ 1 billion for SMEs and an exemption in custom duty for raw materials used by the sector Encourage new entrepreneurs to invest in sectors such as knitwear by increasing allocation of funds to Mudra Bank from Rs. 1,36,0000 million to Rs. 2,44,0000 million. Under interim Budget 2019, the government had allocated Rs. 7000 million to ATUFS and Rs. 10000 million to ROSL respectively.
SAMARTH	<ul style="list-style-type: none"> In December 2017, Rs 1,3000 million (US\$ 201.71 million) were approved for providing employment oriented training to 10 lakh people in various segments including one lakh in traditional sectors, by March 2020, under the Scheme for Capacity Building in Textile Sector (SCBTS).
Integrated Wool Development Programme	<ul style="list-style-type: none"> Integrated Wool Development Program (IWDP) approved by Government of India to provide support to the wool sector starting from wool rearer to end consumer which aims to enhance the quality and increase the production during 2017-18 and 2019-20.
Anti-dumping Duty	<ul style="list-style-type: none"> India has imposed anti-dumping duty of 20 percent on a Chinese polyester yarn and other countries. The move will provide a level playing field to domestic players and guard them against below-cost imports.

Growth Drivers for Textile Industry

• Rising Incomes and Changing Lifestyles

A study by the McKinsey Global Institute suggests that if India continues on its current high-growth path, over the next two decades the Indian market will undergo a major transformation. Average household incomes will triple over the next 20 years and India will become the fifth largest consumer economy in the world by 2025. Rising disposable incomes and evolving lifestyles of India's prospering urban consumer, are broadening their clothing needs. Today, Indians are more inclined to buy apparels for a specific purpose, than consumers in other markets. Family celebrations and weddings in India continue to eat up an enormous share of Indian consumers' clothing budgets.



(Source: IBEF)

Rising incomes has been a key determinant of domestic demand for the sector; with incomes rising in the rural economy as well, the upward push on demand from the income side is set to continue. Rising industrial activity would support the growth in the per capita income.

• Increasing Urbanisation and Growing Female Participation in the Workforce

India is witnessing an increasing rate of urbanisation with a large number of people shifting to the cities and towns for better livelihoods. According to Census 2011, the current rate of urbanisation in India stands at 31.16% rising from 27.86% in 2001 and 25.72% in 1991.

As a growth driver, rising urbanisation leads to increase in demand for new designs and fashions to match new lifestyles. A large percentage of these new city dwellers are expected to be in their twenties, possibly making first-time independent choices for various categories of clothing items including denims, shirts, and footwear. Rising urbanisation leads to increase in demand for new designs and fashions to match new lifestyles. The growing participation of women in the workforce is also contributing a great deal to this demand.

- **Skill Development**

As the textiles industry grew in India, a large number of textiles institutes were founded across the country teaching mainly conventional technologies. They mainly provided structured educational inputs for supervisory and middle level positions, at pre-employment stages. Skill development and up-gradation of skills at the operators' level were neglected till the establishment of the Textiles Research Associations post-independence. This industry is a skill oriented one which requires innovation and knowledge at every stage of production. It is essentially a labour intensive industry, offering enormous labour absorption capacity. In the backdrop of continuously rising demand, as a result of rising incomes, changing lifestyles, increasing urbanisation and female workforce participation in India, backed by the enormous capacity to absorb labour, skilled human capital to meet this growing demand is one of the important and necessary factors that will drive growth of this industry.

According to a report by Ministry of Skill Development and Entrepreneurship, Government of India, the textiles and apparels industry has a major role to play in the Government's 'Make in India' campaign through its contribution to employment generation. The report states that the overall employment in the sector would increase from about 33-35 million in 2008 to about 60-62 million by 2022.

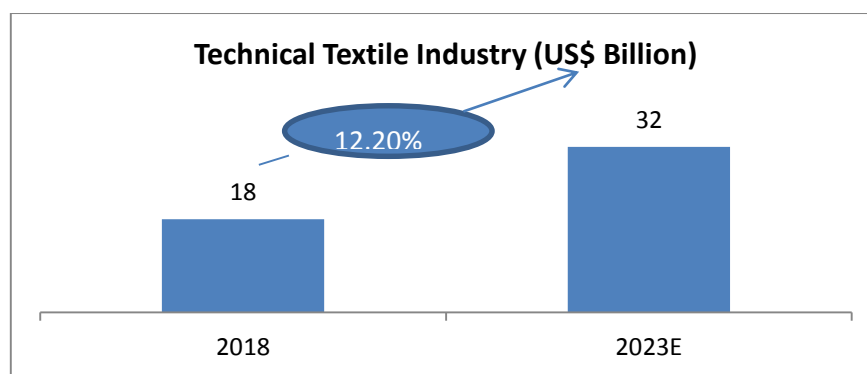
In the context of new trade regimes, the demand for trained manpower, competent to manufacture quality products, with high productivity, and to handle sophisticated machines, has been increasing rapidly in textiles and garment manufacturing. Being labour intensive, these sectors will require focused training for skill development and skill-up gradation. Training and retraining in these areas will be a wise investment in the human resources, to exploit the full potential of the textiles and garment industry.

- **Focus On Technical Textiles**

Technical textiles is a knowledge based, research oriented industry and has been slowly but steadily gaining ground due to its functional requirement, health & safety compliance, cost effectiveness, durability, high strength, light weight, versatility, customisation, user friendliness, eco friendliness, logistic convenience etc. The main users of technical textiles are industries like, automobile, railways, garments, medical, sports, protective clothing, packaging, construction etc. The general public also uses technical textiles, particularly disposable technical textile products. Technical textiles are also referred to as industrial textiles, functional textiles, performance textiles, engineering textiles, invisible textiles and hi-tech textiles.

The Indian Technical Textile Association has stated that while the world over, the share of technical textiles among all forms of textiles is 65 per cent, its share in India is only 10 to 15 per cent. This indicates the massive growth potential in this segment, which is purely based on technology and innovation. India is expected to be a key growth market for the technical textile sector due to cost-effectiveness, durability and versatility of technical textiles.

The technical textile industry is expected to expand at a CAGR of 12.20 per cent during FY18–23 to US\$ 32 billion in FY23. In FY18 it reached Rs 116,000 million (US\$ 18 billion) and is forecasted to grow at the rate of 20 per cent year-on-year supported by various flagship schemes by the government to promote full potential and expected to reach Rs 200,8230 million (US\$ 29.96 billion) by 2020-21.



(Source: IBEF)

- **Growth in Exports**

India is world's second largest textile exporter. Capacity built over years has led to low cost of production per unit in India's textile industry; this has lent a strong competitive advantage to the country's textile exporters relative to key global peers.

Exports of textiles and clothing products from India have increased steadily over the last few years, particularly after the expiry of the Multi Fibre Agreement in 2004, which imposed quotas on the amount that developing countries could export in the form of yarn, fabric and clothing to developed countries.



(Source – IIBF)

The strong performance of textile exports is reflected in the value of exports from the sector over the years. Textile exports increased to US\$ 39.20 billion in FY18 and witnessed a growth (CAGR) of 6.90 per cent over the period of FY06 to FY18. It reached US\$ 21.95 billion in FY19(Apr-Oct 2019). In the coming decades, Africa and Latin America could very well turn out to be key markets for Indian textiles.

- **Growth in Electronic Commerce**

The proliferation of digital internet technology in India coupled with wide scale ownership of devices such as smart phones, laptops and tablets that support internet usage, have resulted in an unprecedented growth of Electronic Commerce (e-commerce). As incomes are rising and lifestyles are changing, people have little time to spare. E-commerce has leveraged this opportunity and is providing consumers with what they want, with just a few simple clicks, making their shopping experience easier, faster and convenient.

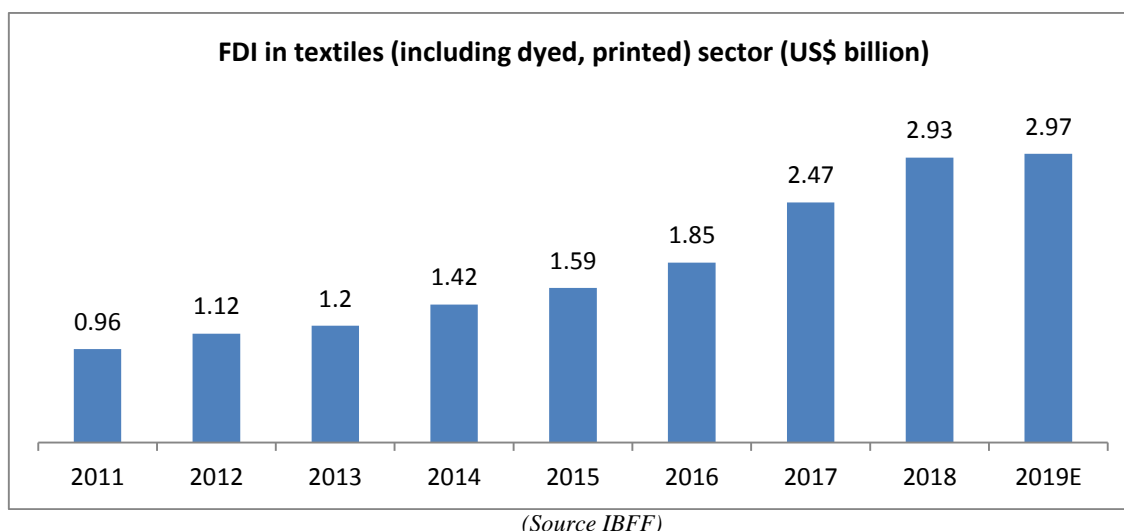
Textiles companies are increasingly looking to build up consumer loyalty by selling their products on their websites and establishing a direct connect with their consumers.

- **Government Support**

The textile industry, being one of the most significant sectors in the Indian economy, has been a key focus area for the Government of India. A number of initiatives have been taken by the Government to make the industry more competitive. More information and Government incentive is discussed in Industrial policy section.

- **Foreign Investment**

100 per cent FDI is approved in the sector. Cumulative FDI inflows into the textiles sector over April 2000 – June 2018, totalled to US\$ 2.97 billion.



The textiles industry in India is experiencing a significant increase in collaboration between global majors and domestic companies. International apparel giants, such as Hugo Boss, Liz Claiborne, Diesel and Kanz, have already started operations in India. Furthermore, the Government of Gujarat expects that the extension of its textile policy by a year will attract investments worth Rs 5,0000 million (US\$ 775 million) in various sectors across the value chain.

Challenges faced by Industry

Though Government has taken various initiatives to boost investment in textile and apparel sector in India, the sector has not exploited its full potential. Some of the key challenges faced by the industry today are:

1. **Fragmented Nature of Industry, Lacking Economies of Scale:** World's major textile producing countries like China, Bangladesh etc. works on the principle of large scale production with large manufacturing set-ups. But in India, textile sector is majorly fragmented and dominated by the SSI sector. Due to this, Indian textile manufacturers are unable to offer better prices and cater to large orders. This scenario is mostly visible in segments of fabric production, fabric processing and garment manufacturing. These small scale units have limited resources and lack awareness thus, expansion of capacity and upgradation of technology becomes a huge challenge. Lenders perceive it as a huge risk and manufacturers are satisfied in the meager resources.
2. **High Cost of Capital:** In India, rate of interest charged on the finance provided by commercial banks is very high as compared to various global competing countries. In India, the interest rate is 11-12% while in China it ranges from 5-6% and 6-7% in Vietnam. High interest rate affects the cost of production and thus competitiveness of the textile sector.
3. **Lack of Free Trade Agreements (FTAs):** India's major competing countries have preferential market access to major global markets. Examples include Bangladesh, Pakistan and Turkey, etc. Vietnam has also signed a trade agreement with EU which will be implemented soon. India till date does not have any trade agreement with a major textile and apparel consumption base which could have helped in exponential growth of India's textile and apparel exports. This differential duty puts India in a weaker competitive position in the world market.

4. **Raw Material Challenges:** Globally India is the largest producer of cotton with a share of 25% of the global cotton production. It also has 43% share of the world's cotton harvested area which is the largest in the world. However, India has the lowest yield amongst the top 10 cotton producing nations i.e. 550 Kg/Hectare which is even lower than the world average of 603 kg/ hectare. Also, the contamination in cotton has remained a big challenge for Indian cotton. This due to the fact that processing facilities at picking and ginning stages are not completely mechanized. According to ITMF's Cotton Contamination Survey 2016 "The most contaminated cotton descriptions originate in India (India-Others, J -34, MCU-5, Shankar, DCH), Pakistan Others) & Ivory Coast (Ivory Coast), etc.
5. **Limited Skill Availability:** In order to achieve global competitiveness, availability of productive and skilled manpower is very important. At present, the education and training infrastructure is not geared up to meet the demand of skilled labour. Investment in improving the skills and productivity of the workforce, by both private industry as well as the Government in genuine partnership is missing.
6. **Levy of Anti-dumping duties:** Indian MMF textile manufacturers face the challenge of higher fibre prices as against their global counterparts on account of levy of anti-dumping duties on imports of majority of man-made fibres. This in turn affects the availability of fibres to MMF textile manufacturers at competitive prices. Recently, USA has put anti-dumping duty on PSF imports from India. Whereas, India has not put any antidumping duty on PSF imports from China which doesn't boost domestic businesses and cheaper imports dominate the market.
7. **Safety and Health Concerns of Workers:** The Indian textiles and apparels industry consists of a large number of units, small, medium and big engaged in multiple processes including spinning, weaving, dying, printing, and finishing, that convert fibre into finished fabric or garments. While the skill and hard work that goes into manufacturing a garment is widely recognized and appreciated, one often tends to forget the health hazards faced by the workers involved in manufacturing process. According to research firm Fibre2fashion, the important safety and health issues associated with this industry are a result of exposure to cotton dust, chemicals and excessive noise. Chemicals based on benzidine, optical brighteners, solvents and fixatives, crease-resistance agents releasing formaldehyde, flame retardants and antimicrobial agents, are used in textile operations which pose severe health threats to workers engaged in dyeing, printing and finishing activities.
8. **Impact on Environment:** Like any other industrial activity, the manufacturing activities of the textiles and apparels industry also impact the environment in many ways. Although there are environmental hazards that occur during the entire manufacturing process chain, the textile wet processing activities pose serious environmental problems. According to a study by Department of Textile Technology, IIT, Delhi, a large number of chemicals in vast quantities, are used in textile wet processing to cater to varying consumer demands. While some of the chemicals such as dyes and finishing agents remain attached to the product, some of them get washed away causing water pollution. Textile manufacturing therefore urgently requires alternative process solutions that are sustainable, ecofriendly, and cost effective while meeting the demands of the ever-growing and competitive market.

Outlook of Textile Industry

The domestic textile industry in India is projected to reach US\$ 223 billion by 2021(F) from US\$ 150 billion in November 2017. The new textile policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.

India's textile and apparel export stood at US\$ 39.2 billion in FY18 and is expected to increase to US\$ 82 billion by 2021. Cloth production FY2018 stood at 67.45 billion square meters (provisional) and stood at 40.6 billion square meters (provisional figures till October) in FY19.

At overall level, India is a cost-competitive manufacturing base for many types of products across the textile value chain. The lending rates in India are on the higher side as compared to China and Vietnam; however, with special government support available for the sector, the effective cost of capital becomes comparable. Buyers look at India as the next alternative to China since it offers large domestic market, better compliance and political stability. Man-made fibres production in India has increased marginally from 1,307 Mn. Kg. in 2013-14 to 1,319 Mn. Kg. in 2017-18 registering a CAGR of 0.2%. But, production of MMF filament yarn declined at a CAGR of 2% during the same period to reach 1,187 mn. kg in 2017-18.

Domestic apparel market size of India is expected to maintain this growth & reach a level US\$ 160 bn. in 2025 by growing at a CAGR of 11%. In terms of global ranking, India is ranked 2nd in textile export with 6% share and 5th in apparel export with 4% share. India's textile and apparel exports were US\$ 37 billion in 2017-18 and have grown at 6% CAGR since 2005. Availability of raw material, skilled manpower and favorable central & state govt. schemes would further help Indian exporters increase their market share and global competitiveness.

The Indian retail market was worth Rs 41,66,5000 million (US \$641 billion) in 2016 and is expected to reach Rs 1,02,50,5000 million (US \$1,576 billion) by 2026, growing at a Compound Annual Growth Rate (CAGR) of 10 per cent. It is envisaged that the current fashion retail market worth Rs 2,97,0910 million (US \$46 billion) will grow at a promising CAGR of 9.7 per cent to reach Rs 7,48,3980 million (US \$115 billion) by 2026.

The Indian apparel market can be broadly classified into men's wear, women's wear and kidswear. In the fashion / apparel retail, the men's share of the fashion market is higher than that of women. With the market size of Rs 1,24,4230 million (US \$19 billion), men's wear is the largest segment in apparel market and is expected to grow at a CAGR of 9 per cent for next 10 years to reach Rs 2,95,7950 million (US \$45.5 billion) by 2026. The women's wear market in India contributes 38 per cent of the total apparel industry. It is estimated to be worth Rs 1,11,4670 million (US \$17.5 billion in 2016) and is expected to grow at a CAGR of 9.9 per cent to reach Rs 2,86,4560 million (US \$44 billion in 2026). Hence, the gap between men's wear and women's wear is expected to reduce and by 2022 both men's and women's share of the total fashion market is likely to be at 39% each. The kidswear segment is one of the fastest growing segments in the Indian apparel market. The Indian kids wear market in 2016 was estimated to be worth Rs 61,2010 million and accounted for 21 per cent of the total apparel market of the country. It is expected to grow at a CAGR of 10.5 per cent to reach Rs 1,66,1470 million by 2026.

The government has been implementing various policy initiatives and programmes for development of textiles and handicrafts, particularly for technology, infrastructure creation, skill development, including:

- Amended Technology Upgradation Funds Scheme (ATUFS)
- PowerTex India Scheme
- Scheme for Integrated Textile Parks
- SAMARTH- scheme for capacity building in Textile Sector
- Silk Samagra- integrated silk development scheme
- North Eastern Region Textile Promotion Scheme (NERTPS)
- National Handicraft Development Programme (NHDP)
- Comprehensive Handicrafts Cluster Development Scheme (CHCDS).

The New Textile policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25, which currently stood at 39.2 US\$ billion.

Major growth drivers for textile industry are going to be following:

- Rising Incomes and Changing Lifestyles
- Increasing Urbanization and Growing Female Participation in the Workforce
- Skill Development
- Focus On Technical Textiles
- Growth in Exports
- Growth in Electronic Commerce

Though Government has taken various initiatives to boost investment in textile and apparel sector in India, the sector has not exploited its full potential. Some of the key challenges faced by the industry today are

- Fragmented Nature of Industry, Lacking Economies of Scale
- High Cost of Capital
- Lack of Free Trade Agreements(FTAs)
- Levy of Anti-dumping duties

It has become necessary for the textile industry to upgrade their technology and implement Enterprise resource planning (ERP) to streamline supply chain and enhance customer relations management activities. These measures are enabling the industry in becoming competitive in the global market.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the last decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read “Forward Looking Statements” on page 17 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company’s strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in “Risk Factors” on page 24. This section should be read in conjunction with such risk factors.

Unless otherwise indicated, industry and market data included in this section has been derived from the industry report titled “Research report on textile industry” released in July 2019 prepared by CARE Advisory Research & Training Limited (“CART”). This section should be read in conjunction with the “Industry Overview” on page 99 of this Draft Red Herring Prospectus. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information, included in this Draft Red Herring Prospectus on page 191.

OVERVIEW

We are engaged in the business of fabric processing, including bleaching, dyeing, printing and finishing of grey fabric to produce finished knitted and woven fabrics. We specialize in processing of a wide range of fabrics like 100% cotton, polyester, nylon, acrylic, linen, viscose, vortex viscose, cotton elastane, cellulosic fibers, blended fabric, etc. We procure grey fabric, dyes and chemicals from the market to process, dye and print fabrics and sell them to various retailers, garment manufacturers, brands, textile traders and other textile intermediaries. The fabric manufactured by us is suitable for suiting, shirting, men’s wear, women’s wear, kids wear, baby clothing, nightwear and sportswear. Apart from manufacturing products for direct sale to our customers, to ensure the full utilization of the installed capacity of our manufacturing unit, we are also engaged in manufacturing and carrying out various textile processes for third parties on a job work basis. We generally provide job work services to our customers for processing, dyeing and printing of fabrics. Additionally, in the Fiscal year 2015, we started exporting our printed fabrics to United Arab Emirates, further in the year 2018, we started exporting to countries such as Bangladesh and Sri Lanka, where our fabrics are used as raw materials for manufacturing finished products.

Our current manufacturing unit consists of five facilities, namely, knit facility, woven facility, print facility, R&D facility and other utilities. Our knit and woven facilities form a part of the unit where knitted and woven products are processed and manufactured, respectively; in these facilities, we use the machineries installed to process, dye and manufacture finished fabrics. We are also engaged in manufacturing printed knitted and woven fabrics, which we undertake in our print facility. Our in-house design team creates innovative designs and styles or executes the designs specified by our customers in our in-house design studio, which are then printed on the fabrics in this facility with the help of our rotary printers. To ensure that we supply quality products which meet the applicable standards, we have set up a Research and Development facility (“**R&D facility**”), which consists of our quality assurance and quality control teams who check and conduct various tests in our ‘in-house laboratory’ on the fabrics at various stages starting from grey cloth to the finished fabrics manufactured by us. All our facilities are supplemented by our utilities, such as water, power, effluent treatment plant, etc. which makes it an important link between all our facilities. In addition to our existing manufacturing unit and facilities, we are proposing to set up a separate manufacturing unit to process and manufacture knitted denim fabrics. We intend to utilize the proceeds of this Issue, to set up this manufacturing unit to diversify our business operations by manufacturing knitted denim fabrics as a separate product, which in turn will add to our business operations, expand our customer base and also add to our international operations.

We commenced our commercial production in 1990 with an installed capacity of 5 million meters per annum for the production of woven fabrics (*Source: Appraisal Report*). Thereafter, in the year 2016, the installed capacity for processing of woven fabric under the guidance of our Promoter and with regular modernization of our machinery and technology processes in addition to the expansion programs was increased to 50 million meters per annum. Subsequently, because of our marketing network and favorable demand of knitted fabrics, we successfully diversified our manufacturing facilities to manufacture knitted fabrics by starting a separate

commercial division for processing and printing knitted fabrics in April 2016 with an installed capacity of 3,600 MT per annum.

Our in-house design studio and our R&D facility complemented by our quality assurance and quality control department has enabled us to expand our business from domestic markets to international frontiers. The knitted fabrics manufactured by us have been nominated by renowned international brands like George, Primark and M&S, which has enabled us to export our products to countries such as Bangladesh and Sri Lanka. Our quality control and quality assurance teams carry out various technical and manual tests on our fabrics to ensure they do not suffer rejections and are eligible to be exported and used in the manufacture of apparels by our international customers, thereby generating value for us.

We work under the guidance of our Promoter, Whole-time Director and Chief Executive Officer, Mukesh Devkinandan Agarwal, who has over 14 years of experience, in the textile business and has been instrumental in increasing our business operations, growth and future prospects. We work under the constant guidance of our Chairman and Managing Director, Devkinandan Gopiram Agarwal who has an experience of more than three decades and has been associated with us since its incorporation and is one of our founding members.

Our revenues from operations for Fiscals 2019, 2018 and 2017 were ₹ 2,341.81 million, ₹ 2,325.43 million and ₹ 2,100.10 million respectively, and grew at a CAGR of 5.60% over such period. Our EBITDA for Fiscals 2019, 2018 and 2017 were ₹ 369.36 million, ₹ 293.06 million and ₹ 184.06 million, respectively, and grew at a CAGR of 41.66% over such period. Our profit after tax for Fiscals 2019, 2018 and 2017 was ₹ 133.28 million, ₹ 74.08 million and ₹ 28.52 million respectively, and grew at a CAGR of 116.18%. For further details, please refer to the section titled “*Financial Information*” on page 191 of this Draft Red Herring Prospectus.

OUR OPERATIONS

Following is our detailed revenue breakup in the financial years ending March 31, 2019, 2018 and 2017:

(₹ in million)				
S. No.	Particulars	FY 2019	FY 2018	FY 2017
1.	Manufacturing	1,525.79	1,574.28	1,132.58
2.	Trading	-	-	366.24
3.	Job Work	816.02	751.15	601.28
Total		2,341.81	2,325.43	2,100.10

For further details, please refer to the section titled “*Financial Information*” on page 191 of this Draft Red Herring Prospectus.

OUR COMPETITIVE STRENGTHS

- ***One of the leading textile manufacturers with long standing market presence***

We have been able to expand our business operations in 09 states and 01 union territory where we presently cater to various retailers, garment manufacturers etc. Our core competencies lie in our deep understanding of customers’ buying preferences and behavior for over two decades across the Indian markets. We have a dedicated in-house design, merchandising team of 13 members who develop and create styles that meet the latest fashion trends. Additionally, we have a dedicated team of professionals for production, marketing and selling our products. However, what makes us stand out is our quality control and quality assurance team, which ensures that we manufacture defect free quality products.

We believe, being an integrated manufacturer, we have a competitive advantage to customize our products with variations as per the specific requirements of our customers and even manufacture and deliver quantities. We believe this differentiates us from other players in the industry as each of our manufacturing activity is sourced, conceptualized and designed from our ‘in-house team’ of professionals, which has helped us to emerge as one of the few integrated players in India.

- ***Location Advantage***

Gujarat is an industrially robust state; be its geographic advantage owing to its ports or its fertile black soil producing highest amount of cotton amongst the Indian states. Gujarat as “*Manchester of East*” as it was hailed earlier, has now established itself as the “*Textile State of India*”. Therefore, by running a textile business in and

around Gujarat, one can derive many advantages from the location of the business. (*Source: Scheme for Assistance to Strengthen Specific Sector in the Textile Value Chain issued by Government of Gujarat (Industries & Mines Department)*). Since, Gujarat is the largest producer of natural, manmade and synthetic fabrics, easy availability of cotton, and abundant spinning, knitting, weaving and manufacturing of grey cloth, significantly reduces the transportation cost incurred. Our second major raw material, dyes and chemicals, are also easily available, due to the presence of various intermediate manufacturing units, storage units of chemical and dyes domestically as well as imported; which enables us to procure raw materials easily and at lower prices. With presence of a competitive market for raw materials required in production of our products, it becomes easy to buy quality raw materials at competitive rate.

Gujarat has the presence of a significant portion of the textile and apparel value chain, including availability of raw material, yarn production, fabric production, apparel and made-up manufacturing units, which makes it the hub of textile products and its manufacturing and provides us with a market for selling and distributing our products, with the help of various dealers, trader and garment manufacturers who deal and specialize in textile manufacturing and distribution. Our marketing team regularly scours the market for setting up a network of dealers/distributors/traders who can supply our products to the end customer at competitive prices. The presence of numerous textile-manufacturing units also helps us get access to exceptionally skilled labour specialised in textiles and its manufacturing processes, our R&D facility and our design team is highly dependent upon skilled professionals, who help us survive in such dire market conditions. Our skilled employees help us to keep a track of the rapidly changing market to be in tune with such changes. We employ skilled, semi-skilled and unskilled labour for carrying out various processes for manufacturing fabrics and the availability of labour in abundance in India helps us to maintain our low labour costs. Added to that we have kept ourselves updated on the latest available technologies and continuously look for new technological developments and value adding equipment to enhance the performance of our machines such that the labour input required is maintained while the production/productivity is improved. Therefore, the location of our manufacturing unit helps us in cutting the cost of manufacturing of our products and enables us to manufacture quality products with the help of domestic and imported raw materials and skilled labour.

- ***Quality Assurance and Quality Control of our products***

Our clients require various quality assurance and quality check steps before a fabric is dispatched. We have separate quality assurance and quality check teams which are led by quality assurance officer and quality control officer, respectively, who ensure that the fabrics manufactured by us are of the desired quality and do not suffer rejections. Additionally, our quality check officer carries out a detailed physical check of our finished fabrics in order to achieve total accuracy. The quality control measures taken by us include thorough checking of all raw materials and other inputs right upto the finished goods. We maintain standards in conformity with our international customers for quality control, which are executed with the help of our in-house laboratory, which houses several semi- automatic/ mechanical machines, which are operated by skilled operators under proper quality control and strict supervision in addition to a manual check carried out by our quality control officer. The quality assurance system and processes are initiated after the quality control checks are done and our quality control department approves the fabric. The quality assurance department undertakes a final inspection, which is termed as the 4-point inspection system, followed by a physical check by our quality assurance officers, after which the fabrics are dispatched.

With continuous efforts and expertise of our quality assurance and quality check team, we have received a certificate from the director of laboratories, STANDARD 100 by OEKO-TEX®, authorizing us to use the STANDARD 100 by OEKO-TEX® mark on our products. STANDARD 100 by OEKO-TEX® is a globally standardized, independent mark of quality for raw, semi-finished and finished textile products from all stages of production and for all accessory materials used in the process. Further, we have also received a membership certificate of LIVA Accredited Partner Forum which certifies the technical competency, infrastructure and quality management system for our products. Our Company has also received a membership certificate under the Better Cotton Initiative programme, which strives to train and adopt sustainable cotton farming practices in 21 countries in the world. For further details, please refer to the chapter titled “*Government and other Statutory Approvals*” on page 231 of this Draft Red Herring Prospectus.

- ***In-house design capabilities and techniques***

Our core competencies lies in our deep understanding of the customers buying preferences and behavior over two decades across the Indian market. We believe that we have competitive advantages due to our dedicated in-house design and merchandising team and our manufacturing facilities for our product categories. Design development

and sampling forms an integral part of our operations and is considered as an effective tool for converting customer's need into a product. We have a team of professionals who are responsible for developing products and styles, which are based on prevalent fashion trends. This helps us to keep pace with international trends.

Our design studio holds knowledge of styles, innovations, raw material quality, etc. which is valuable to the development of our products. New designs are developed on a regular basis to add to our library of designs, concepts, features, material specifications and product specifications, we believe this differentiates us from our players in the Industry. Our manufacturing unit is also equipped with design development and printing technology such as, use of photo exposure to fix the designs on the on the printer rolls of our printing machine in our in-house designing and exposing facility, use of nickel screens for printing the desired designs, etc. We have also employed a team of colour technicians who first develop the colour on their computers, to match the order requirement of our customers and then materialize the same by developing a paste with the help of synthetic or natural thickening agents with other additives like ph. buffer, fixing agents, stabilizer, etc. We have over 13 professionals in our design, development and merchandising department dedicated to develop new products, improving existing ones and forecasting fashion trends.

- ***Diversified product portfolio***

We started with manufacturing, processing and printing woven fabrics. In 2004, we commenced the production of cellulosic products, like cotton, rayon & viscose, an initiative to focus more on natural-fiber based textile production keeping in mind the future of the textile industry, which then led to total conversion to 100% cellulose - based textiles with a view to add more value addition to the textile manufactured. Further, in the year 2016, we decided to diversify our product portfolio, to include knitted fabrics to the product list and therefore started the manufacturing of dyed and printed knitted fabrics and therefore our product portfolio now includes woven and knitted fabrics. Presently, we deal in a range of quality products meant for suiting, shirting, men's wear, women's wear, kids wear, baby clothing, nightwear and sportswear. We specialise in processing of a wide range of fabrics such as, 100% cotton, polyester, nylon, viscose, vortex viscose, cotton elastane, cellulosic fibers and blended fabrics. These products have wide scale applications in the readymade garment industry. Our initiative towards setting up a separate manufacturing unit for the manufacture of knitted denim fabric will add a new product to our portfolio and open doors for us to expand our business and operations domestically and internationally.

- ***Government Incentives***

We are located in the state of Gujarat and enjoy the benefits of incentives under the "Technology Upgradation Fund Scheme" (TUFS) and "Amended Technology Upgradation Fund Scheme" ("ATUFS") provided by the Central Government of India and "Gujarat Textile Policy, 2012" (the "Policy") by the State Government of Gujarat. An interest subsidy of 5 % on the loans availed by us is provided under both TUFS and the Policy. Further, in addition to the above, under the Policy, we are also eligible for 100% reimbursement of the VAT, SGST or in lieu of the same any other tax incurred by our Company to the extent of the amount invested in the manufacturing process.

TUFS was introduced in 1999 to catalyze investments in all the sub-sectors of textiles and jute industry by way of 5% interest reimbursement. The Ministry of Textiles, Government of India notified ATUFS in the year 2018, to promote ease of doing business, make in India and increase the employment, provides credit linked capital investment subsidy. It facilitates augmenting investment, productivity, quality, employment and exports and increases investment in the textile industry. Taking cue from Ministry of Textiles, the Government of Gujarat promulgated the Scheme for Assistance to Strengthen Specific Sectors in the Textile Value Chain in supersession of the Policy which provides incentives such as; interest subsidy, power tariff subsidy, assistance for energy etc. For further details in respect to TUFS, ATUFS and the Policy, please refer to the chapter titled, "*Key Industrial Regulations and Policies*" on page 150 of this Draft Red Herring Prospectus.

- ***Cost effective production and timely fulfilment of orders***

Timely fulfilment of the work orders is a prerequisite in our industry. We have taken various steps in order to ensure adherence to timely fulfilment of orders and to achieve greater cost efficiency at our existing processing units. These steps include identifying grey fabric, dyes and chemical suppliers (which forms a bulk of our raw material cost), smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. We cater to various domestic as well as international customers and try to provide customer specific solutions and offer our products not only in standard but also in customized manner so as to best suit their requirements. Easy and timely procurement of grey fabric,

dyes and chemicals, which constitute the primary raw material for our products thereby, achieving timely fulfilment of our orders resulting in customer satisfaction.

- ***Well experienced management team with proven project management and implementation skills.***

We are led by a group of individuals, having an experience of about three decades and have a proven background and rich experience in the textile industry. Our Chairman and Managing Director has been associated with us since the inception and has an experience of more than three decades in the textile industry. He is one of our founding members and is actively involved in the strategic decision making for the Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. Our Promoter, Whole-time Director and Chief Executive Officer has an experience of over 14 years in the textile industry. He has been instrumental in developing our business activities, growth and future prospects. He heads our purchase division, marketing and sales team and takes overall care of our functional attributes.

We have an experienced and professional management team with strong asset management, execution capabilities and considerable experience in this industry. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is well qualified and experienced in textile industry and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong reputation, will enable us to continue to take advantage of future market opportunities and expand into new markets. For further details of the educational qualifications and experience of our management team and our Key Managerial Personnel please refer the chapter titled “*Our Management*” beginning on page 164 of this Draft Red Herring Prospectus.

OUR BUSINESS STRATEGIES

Our strategic objective is to improve and consolidate our position as a major textile manufacturer with a continuous growth philosophy and to enter in value services from farm to fashion retail. Below points represent our continuous growth philosophy being implemented:

- ***Setting up of new manufacturing unit for Knitted Denims***

We started commercial production in July 1990 with an installed capacity of 5 million meters per annum for the production of woven fabrics, which was further diversified to manufacture knitted fabrics by starting a separate commercial division in April 2016 with an installed capacity of 3,600 MT per annum. Through the proceeds of this Issue, we intend to further diversify our product portfolio by setting up a new manufacturing facility for manufacturing knitted denim fabric which would be located at survey no. 1315 and 1316, Radhu, District Kheda-387 560, Gujarat. The proposed facility will be fully equipped to carry out all the processes and procedures to manufacture knitted denim fabric.

We have decided to diversify our product base to include this particular fabric due to its varied advantages such as high quality fabric which provides comfort and enables free and easy movements; its popularity in terms of bottom wear in the garment industry and diversified usage. Due to high demand in countries like China, Turkey and Brazil, the knitted denim fabric has become a separate diversification in the textile industry and is now being used to manufacture garments/apparels such as jeggings, jogger denims and jogger jeans. Therefore, our move towards manufacturing, selling and exporting this fabric could help us substantially expand our business operations and the increasing demand of such fabrics in the international market can prove to be a profitable investment, which in turn can add to our international dealings.

- ***Diversifying and increasing penetration in markets***

We are engaged in processing and printing of knitted and woven fabrics for direct sale to our customers domestically and internationally and also provide job work services for processing, dyeing and printing of fabrics in the domestic market to substantially utilize our installed capacity. The domestic market offers various opportunities in terms of sub-geographic penetration and product/ market diversification which we intend to seize and increase our market reach domestically to explore untapped markets and segments as part of our strategy to mitigate market risk and widen growth prospects. We shall continue to explore opportunities in different countries where we can supply value added products to enhance our geographical reach.

- ***Increasing our Global presence***

Our income from exports grew at a CAGR of 366.80% from ₹ 5.01 million in Fiscal 2017 to ₹ 109.17 million in Fiscal 2019. We currently export our knitted fabrics to Bangladesh and Sri Lanka and plan to expand our export operations globally. India accounts for a sizeable portion of worldwide export of textiles and therefore continues to be a major exporter of textiles while developed economies such as US and Europe are major importers of textile products. Our product portfolio is primarily focused on offering differentiated products based on customer's requirements. Through a combination of increased capacities, reduced costs, wider range of products and services adhering to global standards, marketing initiatives, competitive pricing and more efficient use of our resources, we intend to expand our global footprint and become a preferred exporter of textiles.

- ***Strengthen our marketing network***

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product-mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products. Presently, our marketing and sales division consists of 16 members who are responsible for marketing and supplying our products in the unorganized and the organized sector of the textile industry. We intend to strengthen our existing marketing team by inducting personnel with expertise in the textile industry, who will supplement our existing marketing strategies in the domestic and international markets. Further, we also plan to diversify our business operations from printing and processing of woven and knitted fabrics to also include knitted denim fabrics as a separate product in order to set up our products in several value chains of the textile industry. Our move towards setting up a separate manufacturing unit for diversifying our products will help us add a new product line in our portfolio and therefore increase our operations and clientele.

With the nomination of our products by George, M&S and Primark, we have started exporting our knitted fabrics to Bangladesh and Sri Lanka thereby making the quality of our products an effective marketing strategy. We have already started out on our journey as a supplier and exporter of our existing products in the international market, by supplying products in conformity with the international standards, which makes the quality of our products, our biggest marketing technique. Our international operations have enabled us to learn and follow the global trends, improve our efficiency, quality and trend analysis and better customer servicing, which shall in the future help us in penetrating global markets with a wide market reach.

DETAILS OF OUR BUSINESS

- **PRODUCTS AND SERVICES**

We are engaged in the business of fabric processing, including bleaching, dyeing, printing and finishing of grey fabric to produce finished knitted and woven fabrics. We specialize in processing of a wide range of fabrics like 100% cotton, polyester, nylon, acrylic, linen, viscose, vortex viscose, cotton elastane, cellulosic fibers, blended fabric, etc. In order to carry out our business operations, we procure grey fabric from the market and further dye, print and finish the same as per the client's requirements on the basis of quality of the fabric, design and sizing requirements etc. Our finished products are suitable to be used for suiting, shirting, men's wear, women's wear, kids wear, baby clothing, nightwear and sportswear. We generally manufacture our products for direct sale to our customers such as retailers, garment manufacturers, brands, textile traders and other textile intermediaries, but we also engage in providing job work services for processing, dyeing and printing of fabrics.

The Product Portfolio is as follows:

Our products can be broadly classified into woven and knit facility, the details of which are given below:

Woven Fabrics	Knitted Fabrics
Shirting	Jersey
Suiting	Interlock
Women's wear/ Dress Material	Rib
	Elastane Jersey
	Pique
	Fleece
	Melange

Woven Fabrics	Knitted Fabrics
	Active Wear

• MANUFACTURING PROCESS

The finished fabric manufactured by us has to go through various machines and undergo a number of processes, which are detailed below.

Raw Material Procurement

i) Grey Fabric

Grey fabric is the most vital raw material used in our manufacturing process for both our woven and knitted fabrics, as we process this fabric to manufacture our finished products. We use grey fabric as major input apart from colours, chemicals, coal, power and machinery for processing. Our R&D team ensures that the quality of all our raw materials is maintained in order for them to help us manufacture quality fabric. Since, our manufacturing process is highly dependent on the grey fabrics we procure, to ensure its quality it is passed through several processing stages, which enhance the appearance, durability and serviceability of the fabric and makes the fabric worth of apparel making.

ii) Grey inspection and checking

Every supply of grey cloth needs a thorough check for quality of the material. The following procedure is followed by us for checking of grey material:-

- Checking of damage made during the transit;
- Checking of quantity supplied;
- Checking of count, reed and pick for woven fabrics and stitch length for knitted fabrics;
- Checking of gram per square meter (“GSM”) and gram per linear meter (“GLM”) of the cloth;
- Checking of width for woven fabrics/ diameter and gauge for knitted fabrics of the grey cloth;
- Checking of knots in every meter of quantity;
- Checking of any deformity of construction of grey and
- Checking of any unusual cuts in the cloth

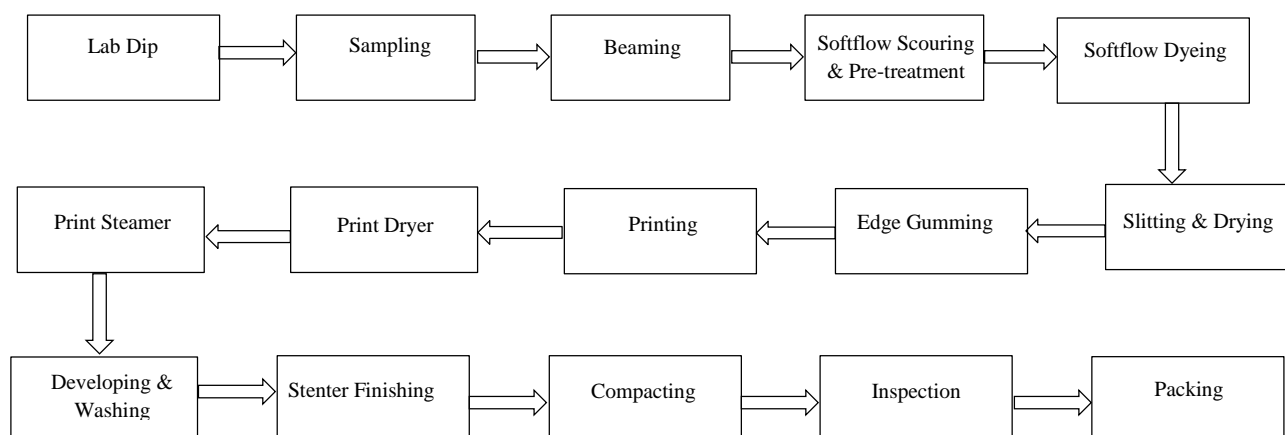
After conducting all the aforementioned tests, the full and final payment to the vendor is released. These checks are essential before further processing of the grey cloth.

We manufacture two types of fabrics i.e. knitted and woven and the manufacturing process of both the fabrics is different. Based on the above-mentioned classification, below is the manufacturing process of our products:

a) *Knitted Fabrics*

In April 2016 we extended and diversified our business operations to manufacture knitted fabrics along with woven fabrics. We process and clean the grey fabric received from our raw material suppliers and based on the orders received it is then sent for dyeing or printing.

We manufacture dyed and printed knitted fabrics and the manufacturing process is broadly mentioned below:



- **Lab Dip:** An order received for dyed knitted fabrics is confirmed when the requirements of the customer or client is brought out on the fabrics by testing at our ‘in-house laboratory’. The requirement of the order is brought out on the fabric, by dipping the fabric in dyes to confirm if the finished product will match with the requirement of the customer. Once the customer approves the sample of the finished fabric, the order is confirmed and the appropriate quantity of grey fabric is ordered for initiating the manufacturing process.
- **Sampling:** An order received for print knitted fabrics on which a particular design is to be printed, is confirmed only when a sample of such design is printed on the desired fabric and is approved by our customer or client. Our in-house design team develops a computer-aided design as per the order received from the customer and prints the same on a piece of fabric to mirror the finished products for sampling purposes. The requirement of the order is brought out on the fabric, with the help of this computer-aided design confirming that the finished product will match with the requirement of the customer and required grey fabric, chemicals and dyes can be ordered to execute the same.
- **Beaming:** The grey fabric received from mills, yarns and other raw material suppliers, is in a tubular form. Before the fabric is processed, it is inspected and checked for quality purposes and then stitched together to form beams with the help of a batching machine. Once the beams are formed the fabric is then sent for pre-treatment to be cleaned where the synthetic and natural impurities which get accumulated in the grey fabric during its manufacture are effectively removed.
- **Soft flow scouring and pre-treatment:** The beams of grey fabric received from the batching machine are sent for pre-treatment to remove the added, acquired or inherent ingredients and impurities such as lubricants, anti-microbial, anti-static substances, natural pigments, proteins, soil, dirt, oils, etc. Another objective of conducting this process is to obtain uniform whiteness of the fabric and improve the absorbency, which will make it easier to dye the fabric and bring consistency in the finished fabric. The process of scouring the fabric is carried out through a soft flow machine, which is designed to remove natural impurities such as wax, oil, proteins, etc. from the fabric using detergent and caustic (sodium hydroxide).

After scouring, the oxidation process or the pre-treatment of the fabric is necessary as the fabric still contains colours in the form of natural pigments and proteins, which pale the natural colour of the fiber. Pre-treatment helps in manufacturing white knitted fabric either as a finished product or further dyeing of the fabric in a pastel or a dark shade, scouring and pre-treatment also help in bringing evenness to the dyed shade.

- **Soft flow dyeing:** After the scouring and cleaning process is complete, the fabric is coloured or dyed as per the requirement of the customers. This is a customised process undertaken to meet the requirements of the customers laid down in their respective orders, in case a white fabric is required, this step can be skipped and the fabric can be sent directly for slitting. We use the batch process for dyeing the scoured fabric, wherein the fabric is dyed in the soft flow machine itself where it was treated and cleaned. The fabric is dyed with the help of reactive dyes, which help in bringing the desired shade on the product and fixes the dyes on the fabric, ensuring that the desired shade is achieved and the colour is not washed away leaving the fabric patchy or uneven. We procure dyes from the dealers or directly from various dye-manufacturing companies, which are further used in the processing and manufacturing of fabrics.

- **Slitting and drying:** The dyed fabric is loaded on the slitter cutter machine to untwist and open the fabric, as the dyed fabric, which is extracted from the soft flow machine, is in a tubular form. Once the fabric is spread, the machine cuts or slits the fabric from the center using an auto cutter or sensor guide. In this process, the fabric is also washed to remove the excess dye, surface fabric and the excess water retained during the process. Once the fabric is cut and washed, the fabric goes through the relax dryer or a stenter machine, where the knitted fabric is dried and further squeezed to remove the water retained. Once the fabric is dried, it becomes fit to be sent for printing, in case of printed knitted fabrics or for finishing in case of dyed knitted fabrics.
- **Edge Gumming:** For print knitted fabrics, after the slit fabric is received it is passed through a stenter machine for drying and edge gumming to maintain stability on the printing machine as the fabric does not have even straight edges. The attachments on the drier/stenter use a paste of emulsifiers to create edges on both the ends of the fabric (width wise edges) after which the fabric is passed through the chambers of the stenter machine for drying, once the fabric has dried up it exits the machine in a plaited form which is collected in lorries to be taken for printing.
- **Printing:** We are engaged in printing of fabric since incorporation and presently, we have five (05) rotary printers for printing which we have purchased from various manufacturers around the globe. The pre-treated white fabric (in case the print is to be done on a fabric with white base) or the dyed fabric, is taken for printing on a rotary machine. Once our 'in-house' design team finalizes the designs, the roller screens of the printers are exposed to such designs with the help of photo exposure in our in-house designing and exposing facility for fixing the designs on the printer rolls. We also use nickel screens for printing the desired design. We have employed a team of colour technicians who first develop the colour on their computers, to match the order requirement and then develop a paste which is first prepared for printing using synthetic or natural thickening agents and mixed with dyes i.e. the colour desired in various proportions along with other additives like ph. buffer, fixing agents, stabilizer, etc. to support it. The fabric is laid on the rotary printer and paste is inserted in to the nickel screens, while the fabric is running on the rubber blanket of the printer with the help of the rods or squeeze, this paste is printed on the fabric. Once the design is printed on the rotary printers, the fabric is passed through steamers or agers to fix the dyes on the fabric.
- **Print Dryer:** The rotary screen-printing machine is connected to a dryer, so that after printing of the fabric, it can subsequently be dried. This process is undertaken after printing of the fabric as the freshly printed fabrics, are wet, therefore to prevent the print from being tarnished it become mandatory to dry the fabric. Drying of the fabric is done with the help of heat exchangers located near the fans of the dryer.
- **Print Steamer:** Once the fabric is printed it is passed through a steamer or a polymerize machine which helps in fixing of the dye on the fabric subsequent to which the fabric is washed to remove the excess dye and various other chemicals like thickening agent, etc. after which the fabric is sent for finishing.
- **Developing and washing:** The remnants of the unfixed colours or dyes on the fabrics are washed away from the fabric, post which the colours and designs printed on the fabric are fixed for improving the colour fastness of the fabric and brightening the print on the fabric. Post washing the fabric, it is dried with the help of a drier attached in continuity to the washing range, after which the fabric is sent for finishing.
- **Stenter Finishing:** The last stage of processing the print and dyed knitted fabrics is finishing, the first and the most important step for finishing the fabric is placing the fabric on a stenter machine, which dries the fabric and removes the dimensional unevenness and instability in the fabric. The finishing process starts when the fabric first passes through a padder, where softeners and silicon based finishing agents are added to soften and finish the fabric. Then the fabric is made to pass through a bow and a weft correction device, which arranges the dimensions of the fabric and removes unevenness in the size and the texture. Once the fabric is finished, it is dried by passing hot air through the fabric while holding it horizontally using pair chains in the drying chamber of the stenter,
- **Compacting:** The fabric when is received from the stenter machine, it is made to pass through the compacting machine for giving it a mechanical finish, which stays permanently on the fabric. The compacting machine shrinks the fiber depending upon the requirement of the composition of the fiber and of the customer, in order to maintain the requisite elasticity and stability. It also ensures that the size and the dimensions of the fabric are stable and do not undergo a change once the fabric is further used for manufacturing by the end use customers. This gives a certain luster and sheen to the fabric with enhanced natural softness.
- **Inspection:** Once the finished fabric is received from the compacting machine, it is taken for quality check to our R&D facility. The said facility is run by our quality assurance and quality control department, the former carries

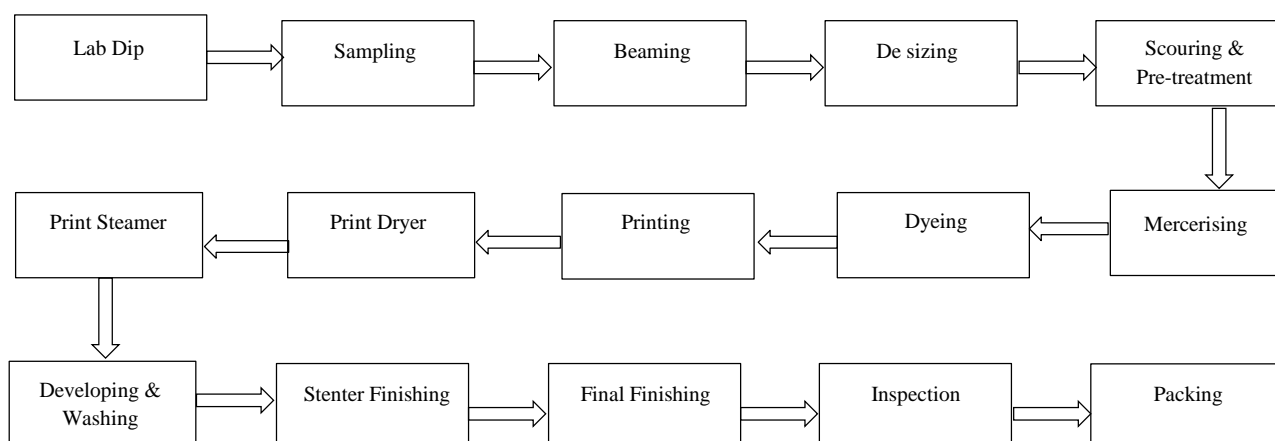
out certain tests in our in-house laboratories to check that the international standards are met and complied with before the fabric is packed and dispatched. Additionally, in order to ensure the quality of our fabrics, we outsource the services of various international labs at an interval to confirm the quality of our products and the reports of our in-house laboratory and quality assurance and control teams. Along with carrying out tests, our quality assurance team conducts manual checks on the fabric with the help of the inspection machines installed on which the finished fabric received from the quality control department is laid down, the quality assurance team carries out various inspection methods such as the 4-point inspection system on the fabric wherein the fabric is inspected for defects, which are marked and a report of the same is prepared in addition to the same manually checks are carried out on the fabric for any defect, unevenness, rips, etc. Once the fabric is checked and the defected pieces are removed, the same is transferred to the packing section of the unit.

- **Packing:** After inspecting the fabric, it is passed through the roll packing machine to form rolls after which the finished fabric is packed in a shrink wrap with the help of shrink wrapping machine, details of the fabric such as lot number, roll number, etc. are placed on the rolls which are then finally dispatched.

b) Woven Fabrics

We have since inception been involved in the business of processing and manufacturing of woven fabrics, we had started the manufacturing of such fabrics with a capacity of 12 million meters per annum which has now increased to 42 million meters per annum. Since, our motive was to add value to our products in the year 2008, we converted the production of our fabrics to 100% cotton/cellulose based fabrics with a view of value addition to our products. Today our complete facility of woven fabrics processes cellulosic fiber mixed products i.e. cotton, viscose, cotton viscose blends as well as blended products.

Presently, we are engaged in the process of dyeing and printing of woven fabrics, for various manufacturers, traders and on a job work basis. Provided below is the process of printing and dyeing of woven fabrics:



- **Lab Dip:** An order received for dyed woven fabrics is confirmed, when the requirements of the customer or client is brought out on the fabric by testing in our 'in-house laboratory'. The requirement of the order is brought out on the fabric, by dipping the fabric in dye to confirm if the finished product will match with the requirement of the customer. Once the customer approves the sample of the finished fabric, the order is confirmed and the appropriate quantity of grey fabric is ordered for initiating the manufacturing process.
- **Sampling:** An order received for print woven fabrics on which a particular design is to be printed, is confirmed only when a sample of such design is printed on the desired fabric and is approved by our customer or client. Our in-house design team develops a computer-aided design as per the order received from the customer and prints the same on a piece of fabric to mirror the finished products for sampling purposes. The requirement of the order is brought out on the fabric, with the help of this computer aided design confirming that the finished product will match with the requirement of the customer and required grey fabric, chemicals and dyes can be ordered to execute the same.
- **Beaming:** The grey fabric received from mills, yarns and other raw material suppliers, is in a tubular form. Before the fabric is processed, it is inspected and checked for quality purposes and then stitched together to form beams with the help of a batching machine. Once the beams are formed the fabric is then sent for pre-treatment to be

cleaned where the synthetic and natural impurities which get accumulated in the grey fabric during its manufacture are effectively removed.

- **De-Sizing:** Once the lots are formed, the grey fabric is sent to a desizing range, for removal of sizing agents added by yarns and grey fabric manufacturers. In the desizing range, the fabric is soaked in enzyme solutions to remove the sizing chemicals added to the fabric which is then rotated in batches in the said solution for a long period for effectively removing such chemicals from the fabric.
- **Scouring and Pre-treatment:** The desized fabric is sent to be treated to remove the added, acquired or inherent ingredients and impurities such as lubricants, anti-microbial, anti-static substances, natural pigments, proteins, soil, dirt, oils, etc. Another objective of conducting this process is to obtain uniform whiteness of the fabric and improve the absorbency for further processing, which will make it easier to dye the fabric and bring consistency in the finished fabric. The desized fabric is washed and then treated with the process of scouring where the fabric is carried out through a maxi machine, which is designed to remove natural impurities such as wax, oil, proteins from the fabric using detergent and caustic (sodium hydroxide).

During the process detergent, soap, caustic, peroxide, ph. buffer, absorbents, stabilizers, neutral agents, etc. are added to clean the fabric. After scouring, the oxidation process or the pre-treatment of the fabric is necessary as the fabric still contains colours in the form of natural pigments and proteins, which pale the natural colour of the fiber. Pre-treatment helps in manufacturing white woven fabric either as a finished product or further dyeing of the fabric in a pastel or a dark shade; scouring and pre-treatment also help in bringing evenness to the dyed shade.

- **Mercerising:** The pre-treated fabric is sent to a merceriser to be processed, which brings luster, better absorbency and good appearance to the fabric. The quality of the fabric is enhanced and the absorption of the dye is increased therefore, the quantity of dye required to be used is decreased and the process of dyeing becomes effective and less time taking. In the merceriser the fabric is dipped in caustic solution and washing agent, after which it is rotated further under tension to increase the effectiveness of this process. The fabric is then washed to remove the surplus caustic soda and to neutralise it before it is sent for dyeing.
- **Dyeing:** Fabrics are mostly dyed with reactive dyes using the pad-batch process or on jigger machines, subsequent to which the fabrics are washed in continuous washers or jigger machines. The pad-batch process is a commonly used and accepted process for dyeing cotton or cellulose fabrics, with the help of reactive dyes. In this process, the fabric is padded with reactive dyes and batched in rolls, which are then rotated for a long period. Once the process is complete, the unfixed dye is washed off and the fabric is sent to continuous washers or jiggers for developing and fixing the colour. For short batch length the fabric is directly dyed, washed and colour fixed in the jigger machine itself. Once the fabric is dyed, it becomes fit to be sent for printing, in case of printed woven fabrics or for finishing in case of dyed woven fabrics.
- **Printing:** We currently have five (05) rotary printers for printing which have been purchased from various manufacturers around the globe. The pre-treated white fabric (in case the print is to be done on a fabric with white base) or the dyed fabric, is taken for printing on a rotary machine. Once our 'in-house' design team finalizes the designs, the roller screens of the printers are exposed to such designs with the help of photo exposure in our in-house designing and exposing facility for fixing the designs on the printer rolls. We also use nickel screens for printing the desired design. We have employed a team of colour technicians who first develop the colour on their computers, to match the order requirement and then develop a paste which is first prepared for printing using synthetic or natural thickening agents and mixed with dyes i.e. the colour desired in various proportions along with other additives like ph. buffer, fixing agents, stabilizer, etc. to support it. The fabric is laid on the rotary printer and paste is inserted in to the nickel screens, while the fabric is running on the rubber blanket of the printer with the help of the rods or squeeze, this paste is printed on the fabric. Once the design is printed on the rotary printers, the fabric is passed through steamers or agers to fix the dyes on the fabric.
- **Print Dryer:** The rotary screen-printing machine is connected to a dryer, so that after printing of the fabric, it can subsequently be dried. This process is undertaken after printing of the fabric as the freshly printed fabrics, are wet, therefore to prevent the print from being tarnished it become mandatory to dry the fabric. Drying of the fabric is done with the help of heat exchangers located near the fans of the dryer.
- **Print Steamer:** Once the fabric is printed it is passed through a steamer or a polymerize machine which helps in fixing of the dye on the fabric subsequent to which the fabric is washed to remove the excess dye and various other chemicals like thickening agent, etc. after which the fabric is sent for finishing.

- **Developing and washing:** The remnants of the unfixed colours or dyes on the fabrics are washed away from the fabric, post which the colours and designs printed on the fabric are fixed for improving the colour fastness of the fabric and brightening the print on the fabric. Post washing the fabric, it is dried with the help of a drier attached in continuity to the washing range, after which the fabric is sent for finishing.
- **Stenter Finishing:** The last stage of processing the print and dyed woven fabrics is finishing, the first and the most important step for finishing the fabric is placing the fabric on a stenter machine, which dries the fabric and removes the dimensional unevenness and instability in the fabric. The finishing process starts when the fabric first passes through a padder, where softeners and silicon based finishing agents are added to soften and finish the fabric. Then the fabric is made to pass through a bow and a weft correction device, which arranges the dimensions of the fabric and removes unevenness in the size and the texture. Once the fabric is finished, it is dried by passing hot air through the fabric while holding it horizontally using pair chains in the drying chamber of the stenter,
- **Final Finishing:** Once the finished fabric is received from the stenter machine, it is made to pass through a calender machine and shrinking range for giving it a mechanical finish. The shrinking range shrinks the fiber depending upon the requirement of the composition of the fiber and of the customer, in order to maintain the requisite elasticity and stability. The calendar machine also plays a major role in finishing the fabric, the basic function of the machine is to control the shrinking wrap wise and weft wise, a fabric which has gone through this machine will never shrink abnormally even after repeated wash. It ensures that the size and the dimensions of the fabric are stable and do not undergo a change once the fabric is used for manufacturing of apparels/garments.
- **Inspection:** Once the finished fabric is received from the calendar machine, it is taken for quality check to our R&D facility. The said facility is run by our quality assurance and quality control department, the former carries out certain tests in our in-house laboratories to check that the international standards are met and complied with before the fabric is packed and dispatched. Additionally, in order to ensure the quality of our fabrics, we outsource the services of various international labs at an interval to confirm the quality of our products and the reports of our in-house laboratory and quality assurance and control teams. Along with carrying out tests, our quality assurance team conducts manual checks on the fabric with the help of the inspection machines installed on which the finished fabric received from the quality control department is laid down, the quality assurance team carries out various inspection methods such as the 4-point inspection system on the fabric wherein the fabric is inspected for defects, which are marked and a report of the same is prepared in addition to the same manually checks are carried out on the fabric for any defect, unevenness, rips, etc. Once the fabric is checked and the defect pieces are removed, the same is transferred to the packing section of the unit.
- **Packing:** After inspecting the fabric, it is passed through the roll packing machine to form rolls after which the finished fabric is packed in shrink wrap with the help of shrink wrapping machine, details of the fabric such as lot number, roll number, etc. are placed on the rolls which are then finally dispatched.

Quality control and tests at each stage at the manufacturing process:

The knitted and woven fabrics are inspected at various stages starting from raw material inspecting, fabric processing and fabric finishing, the details of which have been provided below:

- a) After passing through the scouring process, the woven and knitted fabrics undergo the pilling test to determine the pilling and fuzzing characteristics of the fabric. Thereafter another test is conducted to determine the abrasion and pilling resistance of the fabric. If the sample fails this test as per specifications provided by the buyer then the grey cloth is sent back again for scouring.
- b) The Absorbency test, Whiteness test and Ph. testing are carried out in the lab after the process of bleaching, washing and drying are completed.
- c) Post completion of the dyeing process, a number of tests are carried out to test the colour matching of the sample as per the buyer's demand and colour fastness of the cloth. The dyeing process has to be repeated in the event the fabric fails these tests.
- d) After completion of printing on the fabric, the tests relating to colour matching and fastness are carried out once again. Once the finishing process is completed, lab tests are conducted for carrying out the shrinkage tests, tensile strengths and tear strengths of the fabric.

- **PLANT AND MACHINERY**

Our processing unit houses various material handling and preparation equipment for the purpose of preparing the grey fabric into finished fabric to be used in the further process of manufacturing. Our processing house facilitates various plant & machinery for the following facilities:

a) Knit Facility:

The following is the list of major plant and machineries we have installed at our knit facility:

S. No.	Name of the Machinery	Domestic/ Import	Quantity	Utility/Process
1.	Softflow Machine	Imported	07	Pre-treatment
2.	Slitter Cutter Machine	Imported	01	Pre-treatment
3.	Stenter Machine	Imported	02	Finishing
4.	Compactor	Imported	02	Finishing

b) Woven Facility:

The following is the list of major plant and machineries we have installed at our woven facility:

S. No.	Name of the Machinery	Domestic/ Import	Quantity	Utility/Process
1.	Desizing Range	Domestic	01	Pre-treatment and dyeing
2.	Maxi Jiggers	Imported	12	Pre-treatment
3.	Atmospheric Jigger machine	Domestic	01	Pre-treatment
4.	Continuous Pressure Jigger machine	Domestic	01	Pre-treatment
5.	Jet flow machine	Domestic	01	Pre-treatment
6.	Merceriser	Domestic	02	Pre-treatment
7.	Jiggers	Imported and Domestic	30	Pre-treatment and dyeing
8.	Continuous Pad Batch	Domestic	01	Finishing
9.	Stenter Machine	Imported and Domestic	02	Finishing
10.	Calender Machine	Domestic	02	Finishing
11.	Shrinking Range	Domestic	02	Finishing

c) Print Facility:

The following is the list of major plant and machineries we have installed at our print facility:

S. No.	Name of the Machinery	Domestic/ Import	Quantity	Utility/Process
1.	Rotary Printer	Domestic and Imported	05	Printing
2.	Steamer/Ager	Domestic and Imported	02	Developing
3.	Polymerise Machine	Domestic	01	Developing
4.	Print Continuous Washer (woven fabrics)	Imported	01	Washing
5.	Print Continuous Washer (knitted fabrics)	Imported	01	Washing
6.	Wash Dryer (woven fabrics)	Imported	01	Washing
7.	Wash Dryer (knitted fabrics)	Imported	01	Washing
8.	Inkjet Rotary Engraver	Imported	01	Exposing the printing rolls
9.	LED Rotary Engraver	Imported	01	Exposing the printing rolls
10.	Stripping Machine	Imported	01	Exposing the printing rolls
11.	Flat Inkjet Engraver	Domestic	01	Exposing the printing rolls
12.	Colour Dispenser	Domestic	03	Print paste preparation

d) R&D Facility:

The following is the list of major plant and machineries we have installed at our R&D facility:

S. No.	Name of the Machinery	Domestic/ Import	Quantity	Utility/Process
1.	Bursting Tester	Domestic	01	Lab test and quality check
2.	Washing Machine	Domestic	02	
3.	Tumbler Dryer	Domestic	02	
4.	Crockmeter	Domestic	01	
5.	Pilling Testing Machine	Domestic	01	
6.	Perspirometer	Domestic	01	
7.	Tear Tester	Domestic	01	
8.	Viscometer	Imported	01	
9.	Hot Air Oven	Domestic	01	
10.	Colour Matching Cabinet	Domestic	01	
11.	Muffle Furnace	Domestic	01	
12.	Lab Dyeing Machine	Imported	01	
13.	Auto Dispenser	Imported	01	
14.	Lab Padding Mangle	Domestic	01	
15.	Spectra Photometer	Imported	01	
16.	PH Balance	Imported	01	
17.	Weight Balance	Imported	02	
18.	Rotary Sampling Print Machine	Domestic	02	Print Sampling
19.	Flat Sampling	Domestic	01	Print Sampling
20.	Dyeing Machine	Domestic	01	Print Sampling

e) Support equipment:

These Facilities are equipped with support facilities to ensure smooth process and for the maintenance of the processing units with minimum down time and ensuring maximum utilization of resources. The support facilities/equipment are detailed as under:

S. No.	Name of the Machinery/Equipment	Domestic/ Import	Quantity	Utility/Process
1.	Steam Boiler	Domestic	01	Common utility for all facilities
2.	Oil Boiler	Domestic	01	Common utility for all facilities
3.	Electrostatic Percipitator	Domestic	01	Common utility for all facilities
4.	Compressor	Domestic	02	Common utility for all facilities
5.	Borewell	Domestic	02	Common utility for all facilities
6.	Heat Recovery System	Imported	02	Common utility for all facilities
7.	Caustic Recovery System	Domestic	01	Common utility for all facilities
8.	Effluent Treatment Plant	Domestic	01	Common utility for all facilities
9.	Transformer	Domestic	01	Common utility for all facilities
10.	Earth Mover (Vehicle)	Domestic	01	Fuel handling and feeding
11.	Coal Crusher	Domestic	01	Fuel handling and feeding
12.	Coal Feeder	Domestic	01	Fuel handling and feeding
13.	Inspection Machines	Domestic	08	Packing
14.	Roll Packing Machine	Domestic	03	Packing
15.	Shrink Wrapping Machine	Domestic	01	Packing

We have an ‘in-house maintenance team’, which consists of thirty- two (32) employees who have been specifically employed by us to oversee the functioning of the machinery installed in our manufacturing unit. Additionally, we also outsource the services of various third parties to maintain and ensure smooth functioning of our plant and machineries.

Revenue Break-up

We currently sell our products to various retailers, garment manufacturers, brands, traders and other intermediaries located in 09 states and 01 union territory, we also export our knitted fabrics to Bangladesh and Sri Lanka. Our revenue break up for the preceding three fiscals based on our sale in domestic and international markets is as follows:

S. No.	Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
1.	Domestic	2,232.65	2,314.41	2,095.09
2.	Exports	109.17	11.02	5.01
Total		2,341.81	2,325.43	2,100.10

Our Major Customers

We majorly sell our finished products to various retailers, garment manufacturers, brands, textile traders and other textile intermediaries. We also provide commission process also known as job work process to our customers for processing, dyeing and printing of fabrics.

The following is the revenue breakup of the top five and top ten customers of our Company for the Fiscal 2019 is as follows:

Particulars	Fiscal 2019	
	Amount	Percentage (%)
Top 5 customers	1,009.59	43.11
Top 10 customers	1,305.13	55.73

Utilities:

Power

Our manufacturing unit has adequate power supply from Torrent Power Limited. Presently, we have been sanctioned 1200 kw power for running our Manufacturing unit.

Steam/ Fuel

We have installed, one steam boiler with a capacity of 06 tons per hour and one thermic fluid heater of 4,000 u which are used in our manufacturing process. We also use coal as fuel and have import suppliers in place which supply high gross calorific value, low sulphur emission coal.

Water

Our processing units have adequate water supply position. The Unit source their water supply from the two borewells installed in our manufacturing unit.

Waste Management

We have installed an effluent treatment plant, for primary treatment of waste generated from the manufacturing unit with a capacity of 2050 kiloliter per day, set up as per the guidelines of Gujarat Pollution Control Board (“GPCB”). We had received the consent for the said plant *vide* order passed by GPCB dated October 22, 2013 bearing number AWH 57909, which has expired on July 07, 2018 which *vide* an application dated October 24, 2018 has been applied for renewal. After primary treatment of water in our effluent treatment plant the water is discharged through drainage lines for secondary treatment, which makes the water free from harmful, dangerous and indigenous substances. We have availed the membership of Narol Textile Infrastructure & Enviro Management to collect and convey 1.9 million litres/day of partially treated wastewater from our manufacturing unit. In addition to the above we have also availed the membership of M/s. Ecocare Infrastructures Private Limited for treatment, storage and disposal of hazardous solid waste generated during the process of effluent treatment.

Capacity Installed and Capacity Utilisation

Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for the last three years. The details have been certified by Mukesh M. Shah, chartered engineer *vide* his certificate dated July 09, 2019.

Woven Fabrics			
Financial Year	Installed Capacity (in meters)	Utilized Capacity (in meters)	Percentage of utilization (%)
2016-2017	42	35.1	83.5
2017-2018	42	30.0	71.4
2018-2019	42	38.0	90.4
Knitted Fabrics			
Financial Year	Installed Capacity (in metric tons)	Utilized Capacity (in metric tons)	Percentage of utilization (%)
2016-2017	2,400	241.00	10.1
2017-2018	2,400	1,905.41	79.4
2018-2019	4,800	2,977.00	62.0

COLLABORATIONS

As on date of this Draft Red Herring Prospectus, we have not entered into any technical or financial collaborations or agreements.

CORPORATE SOCIAL RESPONSIBILITY

We as a responsible corporate citizen are committed to take up different developmental projects, as part of our Corporate Social Responsibility (“CSR”) initiatives towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. Our CSR strategies are aligned to national priorities to meet the basic needs of the local community. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. The CSR committee has been constituted as per the applicable act. We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with Indian legal requirements. In furtherance of the same, we endeavor undertake CSR activities such as, sustainable environment development, promoting gender equality, ensuring care for senior citizens and differently abled persons, maintaining cleanliness by installing dustbins, constructing portable toilets, etc.

Insurance

We generally maintain insurance covering our stocks, machineries and assets at such levels that we believe to be appropriate. We maintain insurance for our vehicles by availing commercial vehicle package policy and two wheeler package policy; by availing commercial package policy and standard fire and special perils policy, we have maintained insurance cover against loss or damage by fire, earthquake etc. for our godown, plant and machinery, accessories, furniture, fixture and fittings, plate glass, goods, stocks, stock in process, stock of coal, nickel screen, buildings etc., which we believe, is in accordance with customary industry practices. The commercial package policy includes a standard fire and special perils policy securing our plant and machinery, stock and stock in process stock of coal and nickel screen used for printing, burglary and robbery cover, money insurance cover for money in transit and money in safe, plate glass cover, fidelity guarantee cover and cover against fire and loss of profit. We have also insured our employees by availing commercial general liability policy inclusive of a single event liability and any event occurring during the year, group personal accident insurance policy and group gratuity scheme of employees.

Marketing

We have a team of 16 members for marketing and sales dedicated towards supplying and marketing our products in the unorganized and the organized sector of the textile industry. Our design and development team constantly monitors and scours the fashion trends in the market and prepares and updates our products and designs accordingly. The nomination of our products by George, M&S and Primark has helped us in starting out on a journey as a supplier of our knitted fabrics in the international market, by supplying quality products in compliance with the international quality standards followed by our international clients, which in itself is our biggest marketing technique.

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. As on March 31, 2019, we have 205 employees including our Directors, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.


Following is a department wise employee break-up:

Department	Number of Employees
Top level management	03
Accounts	11
Design	18
Human Resources and Administration	01
Legal and Compliance	01
Marketing	16
Processing	67
Quality Assurance	27
Other support staff	61
Total	205

INTELLECTUAL PROPERTY RIGHTS

a) Trademark:

Our Company owns the following trademark:

Sr. No.	Description	Registration Number	Valid up to
1.	MTLL with logo 	4079239	February 06, 2029

b) Patent:

We have entered into a license agreement dated March 18, 2019 with Devkinandan Gopiram Agarwal (the “*Licensor*”) who is our Chairman and Managing Director and also a member of our promoter group, for the use of his invention titled ‘machine for dyeing indigo dyes and vat dyes on woven fabrics’ which is registered as a patent on payment of ₹ 1 as royalty for a period of one year laying down terms for the use of patent. The details of the patent are mentioned below:

Sr. No.	Description	Patent No.	Date of Grant	Date of Application	Term
1.	Machine for dyeing indigo dyes and vat dyes on woven fabrics	235483	July 06, 2009	September 24, 2005	20 years from the date of application

COMPETITION

Textiles being a global industry, we face competition from organized as well as unorganized players in the textile industry in domestic market as well as international market. This industry is highly competitive and fragmented. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach, processing flexibility and modern technology we may have to face competitive pressures.

We believe the principal elements of competition in textile industry are price, fabric quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based processing unit with industry expertise in Dyeing and providing varied quality of fabric, which enables us to provide our clients with innovative designs suitable to current fashion and market requirements.

INFRASTRUCTURE AND FACILITIES

Registered Office

Mukesh Trends Life Style Limited

National Highway no. 08,
Narol, Naroda Road, Ahmedabad- 382 443,
Gujarat, India.

Processing/ Manufacturing Unit

Our manufacturing unit is situated at Narol, Ahmedabad, which also includes two warehouses for stocking our finished products and one warehouse for stocking our raw materials. Our manufacturing unit spread across survey numbers 392, 393, 395, 399 and a part of 391 situated at Mouje, Isanpur located in the registration district and sub district of Ahmedabad are owned by us, whereas the land bearing survey numbers 390 and the other part of 391 on the same land is leased by us from our promoter group entities M/s. Nandan Textile and M/s. Mukesh Enterprise, respectively.

Our manufacturing facility houses various machineries for processing, dyeing and printing of grey fabrics and quality control or inspection. We have invested in the latest technology and upgraded our machinery which has aided us in manufacturing better quality textiles as per the demand of the customers and also adapt to latest trends more swiftly.

Warehouse

We have one warehouse where we stock raw materials for manufacturing woven and knitted fabrics and two warehouses where the packed finished goods are stored. The packed finished goods are quality checked and weighed post which lot numbers or beam numbers are assigned to them. There are locational aisles and stacks to store the fabrics and maintain the location for easy dispatch of our finished goods. We maintain a racking system in our raw material godown for systematically storing grey fabric, dyes and chemicals.

LAND AND PROPERTY

We carry out our business operations from the following properties:

i) Freehold Property

Sr. No.	Particulars of the Property	Usage
1.	Mouje, Isanpur, bearing survey no. 391 (part) containing by admeasurement 1,675 square yards situated at registration district and sub district of Ahmedabad,- 382 443, Gujarat, India.	
2.	Mouje, Isanpur bearing survey no. 392 paiky and survey no. 394 in the registration containing by admeasuring 1,850 square yards and 484 Square yards situated at registration district and sub district of Ahmedabad- 382 443, Gujarat, India.	Registered Office , Manufacturing Unit comprising of knit facility, woven facility, print facility, R&D facility and other utilities with two warehouses for finished fabrics
3.	Mouje, Isanpur Ta. City bearing survey no.393 paiky, admeasuring 1850 square yards and 484 square yards situated at registration district and sub district of Ahmedabad - 382 443, Gujarat, India.	
4.	Mouje, Isanpur Ta. City bearing survey no. 395, admeasuring 1820 square yards situated at in the registration district and sub district of Ahmedabad- 382 443, Gujarat, India.	
5.	Mouje Isanpur bearing survey no. 399, admeasuring 847 square yards situated at in the registration district and sub district of Ahmedabad- 382 443, Gujarat, India.	
6.	Survey no. 1315 and 1316, Radhu, District Kheda- 387 560, Gujarat, India	Proposed manufacturing unit for knitted denim fabrics

ii) Leasehold Property

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Leave and license agreement executed on February 18, 2019 by Deokinandan Gopiram (HUF) on behalf of	Survey number 391 (part), National Highway-08, Narol-Naroda road, Narol, Ahmedabad- 382 405, Gujarat, India	₹ 10,000 per month	A period of 36 months, commencing from February 1, 2019 to	Manufacturing Unit for knitted and woven fabrics

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
	M/s. Mukesh Enterprise (Licensor) and our Company (Licensee)			January 31, 2022.	
2.	Sub-lease agreement executed on March 18, 2019 by M/s. Nandan Textile (Sub-lessor) and our Company (Sub-lessee)	Survey No. 390, National Highway-08, Narol-Naroda road, Narol, Ahmedabad-382 405, Gujarat, India	₹ 25,000 per month	A period of 11 months, commencing from March 01, 2019 to February 28, 2020.	Raw Material warehouse and Packing

KEY INDUSTRIAL REGULATIONS AND POLICIES

The following description is an overview of certain sector-specific relevant laws and regulations in India which are applicable to the operations of our Company and its business. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.

The statements below are obtained from publications available in the public domain based on the current provisions of applicable Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and our Company or the BRLM are under no obligation to update the same.

A. Business and Trade Related Laws and Regulations

Industrial policies of the relevant state

Scheme for Assistance to Strengthen Specific Sectors in the Textile Value Chain (the “Scheme”)

The Textile industry being the second most important economic activity in terms of employment generation after agriculture. In view of which the Gujarat State Government analysed the existence of all segments in the textile value chain and identified gaps in certain segments. After careful consideration the Government introduced a new scheme known as the “Scheme for Assistance to Strengthen Specific Sectors in the Textile Value Chain” effective from September 4, 2018 to December 31, 2023 in supersession of what is popularly known as the Gujarat Textile Policy, 2012.

Major Incentives under the Schemes are:

- ***Interest Subsidy***

This Scheme will be known as financial assistance by way of credit linked interest subsidy for the following eligible manufacturing activities:

- i. Weaving, including preparatory (excluding Woven Sacks)
- ii. Knitting
- iii. Dyeing and/or Printing (Processing)
- iv. Machine Carpeting
- v. Technical Textile (excluding woven sacks in any form of packtech)
- vi. Made-ups (Made-ups means an article manufactured and/or stitched from any type of cloth, but does not include garment)
- vii. In case of composite unit, activities excluding ginning, spinning, garments and apparel
- viii. All other activities of Textile value chain - Crimping, Twisting, Texturizing, Thread, Sizing, Winding, Machine Embroidery.

- ***Power Tariff Subsidy***

Power tariff Subsidy for weaving activity Rs. 3 per billed unit (Kwh) having LT power connection and Rs. 2 per billed unit (Kwh) having HT power connection. For other eligible activities Rs. 2 per billed unit (Kwh) to enterprise having either LT connection or HT connection. The period of eligibility shall be 5 years from the date of commencement of commercial production. An enterprise will be eligible for Power Tariff Subsidy under the Scheme only if it has availed term loan from commercial or cooperative bank or financial institutions approved by RBI.

- ***Assistance for Energy and Water Conservation and Environment Compliance***

This Scheme known as assistance for Energy Conservation, Water Conservation and Environment Compliance will be eligible to an existing enterprise which has been in operation for more than three years. The Scheme provides for assistance of 20% of cost of machinery and equipment, maximum up to Rs. 30 million; which will be applicable separately in each case of Energy Conservation, Water

Conservation and Environment Compliance and an assistance of 50 % of the fee paid towards Energy Audit/ Water Audit, up to maximum Rs. 0.1 million, which will be applicable separately in each case of audit.

The enterprise will be eligible for the above incentive once in 2 years of the operative period of the scheme.

- *Assistance for Technology Acquisition and Upgradation*

The enterprises acquiring new or improved or upgraded technology either indigenously or imported from recognised R & D institution or collaborator will be considered eligible under the scheme. Mere import of Machinery or Technology will not be considered as Technology Acquisition or Upgradation. The enterprise acquiring the technology will be provided financial assistance of up to 50% of the investment for technology acquisition / upgradation, with maximum of Rs. 2.5 million, once during operative period of the scheme.

- *Support for establishing Textile Park*

Any industry association, company, cooperative society, partnership firm, any other legal body or any Government body such as GIDC, shall be eligible as developer to avail assistance under the scheme. The park must have minimum area of 25 acres and minimum 20 number of enterprises. Moreover, Park must have minimum 80 % units in the Textile Value Chain. The Textile Park will be provided financial assistance @ 25% of capital expenditure for establishing common facilities, common infrastructure and additional infrastructure (except land cost), maximum up to Rs. 150 million.

The Textiles Committee Act, 1963

The Textile Committee Act, 1963 (the “Act”) was enacted in 1963 to provide for the establishment of a Committee for ensuring the quality of textiles and textile machinery and for matters connected therewith. The Act prescribes for establishment of a textile committee (hereinafter referred to as the “Textile Committee”) with the general objective of ensuring a standard quality of textiles both for internal marketing and export purposes as well as standardisation of the type of textile machinery used for manufacture. In addition to the general objection as mentioned above, the function of the Textile Committee inter alia includes, undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery, promotion of export of textile and textile machinery, establishing or adopting or recognising standard specifications for textile and packing materials used in the packing of textiles or textile machinery for purpose of export and internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials, specify the type of quality control or inspection which will be applied to textile or textile machinery, provide for training in the techniques of quality control to be applied to textiles or textile machinery, provide for inspection and examination of textiles, textile machinery and packing material used in the packing of textile and textile machinery, establishing laboratories and text houses for testing of textiles and data collection and such other matters related to the textile industry.

Textile Development and Regulation) Order, 2001 (“Textile Order”)

The Central Government in exercise of the powers conferred upon it under section 3 of the Essential Commodities Act, 1955 and in supersession of the Textile (Development and Regulation) Order, 1993 brought in force the Textile Order. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles is required to maintain books of accounts, data and other records relating to the business in the matter of production, processing, import, export, supply, distribution, sale, consumption etc. and shall furnish such returns or information in respect to the business as and when required by the Textile Commissioner. The Textile Order confers upon the Textile Commissioner powers to issue directions by notification with the prior approval of Central Government to any manufacturer regarding the specification or class of textiles which shall not be manufactured, dyes and chemicals which shall not be used in the manufacture of textile, maximum and minimum quantity of textiles which shall be manufactured, maximum ex-factory or wholesale or retail price at which textiles shall be sold, markings to be made on textiles by manufacturers and the time and manner of such markings and direct the officer in charge of any laboratory to carry out or cause to be carried out such tests relating to any textiles as may be specified by the Textile Commissioner.

Amended Technology Up-Gradation Fund Scheme (ATUFS)

Ministry of Textiles, Government of India has notified ATUFS *vide* resolution dated January 13, 2016. In accordance to the said regulation the guidelines of ATUFS i.e. financial and operational parameters and implementation of ATUFS during its implementation period from January 13, 2016 to March 31, 2022 has been provided under the revised resolution dated August 2, 2018. In order to promote ease of doing business, promote make in India and increase the employment, government will be providing credit linked Capital Investment Subsidy (CIS) under the ATUFS. The scheme would facilitate augmenting of investment, productivity, quality, employment and exports. It will also increase investment in textile industry (using benchmarked technology). Entities registered as companies which have acknowledgement of Industrial Entrepreneur Memorandum (IEM) with DIPP except MSMEs units which will be as per Ministry of MSME or units registered with the concerned Directorates of the State Government showing clearly the activity for which the unit is registered, will only be eligible to get benefits under the scheme. Only benchmarked machinery as specified will be eligible for the subsidy under the scheme. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted to Rs. 300 million.

Export Promotion Capital Goods Scheme (“EPCG Scheme”)

To facilitate import of capital goods for producing quality goods and services to enhance India’s export competitiveness. EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. Also covers a service provide who is designated/ certified as a Common Service Provider (CSP) by the DGFT.

The EPCG Scheme allows import of capital goods for pre-production, production and post-production at 5% customs duty subject to and export obligation equivalent to 8 times of the duty saved on capital goods imported under the EPCG Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of license. Capital Goods would be allowed at 0% duty for exports of agricultural products and their value added variants. However, in respect of EPCG licenses with a duty saved of Rs. 1,000 million or more, the same export obligation shall be required to be fulfilled over a period of 12 years.

National Textile Policy, 2000

The National Textile Policy, 2000 (“NTP”) aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The objective is sought to be achieved by liberalising controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. In furtherance of its objectives, the strategic thrust of the NTP is on technological upgradation, enhancement of productivity, quality consciousness, product diversification, maximising employment opportunities, and so on. The NTP also envisages certain sector specific initiatives, including the sector of raw materials, spinning, weaving, powerloom, handloom, jute and textile. The Policy also lays down certain delivery mechanisms for the implementation of the policy and to enable the Indian textile industry to realise its full potential and achieve global excellence.

Salient objective of NTP is as follows –

- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Develop a strong multi-fiber base with thrust on product up-gradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the institutional structure;
- Make Information Technology (IT), an integral part of the entire value chain of textile;
- Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing; and
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organizations in the fulfilment of these objectives, vide the NTP, the Government has conveyed it’s commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society.

Factories Act, 1948

The Factories Act, 1948 (the “**Factories Act**”) regulates the provisions relating to labour employed in factories. This Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the previous twelve (12) months, and on which a manufacturing process is being carried on with the aid of power, or a premises on which twenty or more workers are employed or were employed on any day of the previous twelve (12) months and on which a manufacturing process is carried on ordinarily without the use of power. The Factories Act provides for the health, safety, and welfare of all workers and requires that the ‘Occupier’ (defined as the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors) ensures that all the workers are within safe working conditions while they are in the factory, and are not exposed to any health risks and that they receive adequate instruction, training and supervision to ensure the same. The Factories Act also makes provisions relating to the employment of women and young persons (including children and adolescents), annual leave with wages, etc.

The Factories Act requires an Occupier of a factory to obtain approval, license, and registration for running and qualifying as a factory under the Factories Act, by submitting the application along with plans and specifications to the State Government or the Chief Inspector. Unless this permission from the Chief Inspector is obtained, no building can be constructed or taken in use as a factory or a part of an existing factory. The Chief Inspector may, on receipt of the said application and on being satisfied that there is no objection to the grant of license applied for, register the factory and grant the license to the applicant to use as factory such premises as are specified in the application and subject to compliance with such conditions as are specified in the license.

Any contravention of the provisions of the Factories Act or the rules framed thereunder may lead to imprisonment of the manager or the Occupier of the factory for a term up to two (2) years or with a fine of ₹ 100,000 or both, and in case of continuing contravention even after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall be not less than ₹ 25,000 and ₹ 5,000 respectively.

The Gujarat Factories Rules, 1963 have been promulgated to help in the administration of the requirements and compliances required under the Factories Act. The Rules state that all factories registered under the Factories Act, are required to provide and maintain certain welfare amenities for their workers, such as availability of clean drinking water, washing facilities, mess room facilities, cloakroom facilities and certain other amenities depending on the type of factory. The Rules further mandate that adequate ventilation by circulation of fresh air, sufficient lighting, and a comfortable temperature be maintained in the workroom.

Industries (Development and Regulation) Act, 1951

The Industries (Development and Regulation) Act, 1951 (the “**Act**”) governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Act is applicable to the ‘*Scheduled Industries*’ which have been listed down in the first schedule of the Act and small-scale industrial undertakings and ancillary units are exempted from the provisions of the Act.

The Act regulated the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. This Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion. This department is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors.

Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (“**Act**”) governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weights, measures or numbers. It also states that any transaction/contract relating to goods/class of goods shall be as per the weights/measurements/numbers prescribed under the Act. Every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the said Act is an offence, as is considered as tampering or altering any reference standard, secondary standard or working standard. Moreover, the Act prohibits any person from quoting any price, issuing any price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of this Act. The administration of the Act and regulation of pre-packaging of commodities is done with the help

of Legal Metrology (Packaged Commodities) Rules, 2011, (the “**Rules**”) which require every manufacturer, packer and importer who pre-packs or imports any commodity for sale, distribution or delivery to get himself registered under these Rules. Additionally, the Rules also bar anyone from pre-packing or causing or permitting pre-packaging any commodity for sale, distribution or delivery unless a declaration in respect to such pre-packaging has been made on the package in accordance with these Rules.

Standards of Weights and Measures Act, 1976

The Standards of Weights and Measures Act, 1976 (the “**Act**”) was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

Electricity Act, 2003

The Electricity Act, 2003 (the “**Electricity Act**”) was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorising a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days’ notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid. The Electricity Act also states the mechanism for seeking judicial relief by setting up an Appellate Tribunal and laying down the process to seek justice against the orders of the Commission established under the Electricity Act.

Indian Boilers Act, 1923

The Indian Boilers Act, 1923 (the “**Act**”) consolidates and amends the law relating to steam boilers. This Act was enacted with the objective of providing for the safety of life and property of persons from the dangers of steam boilers and for achieving uniformity in registration and inspection during the operation and maintenance of boilers in India. The owners of boilers which are not exempted from this Act are required to register their boilers by applying to the Inspector with prescribed documents, following which the Inspector shall fix a date within 30 days of receipt and shall inspect the boiler and documents. If the Inspector is satisfied that the boiler has not suffered any damage during its transit from the place of manufacture to the site of erection, and with the documents, he may register the boiler and assign a register number thereto and also issue a certificate to the owner authorising the use of the boiler for a period not exceeding 12 months at a pressure he thinks is fit and in accordance with the regulations made under this Act. The certificate may be renewed upon expiry or if there has been an accident with the boiler. Any contravention to the provisions of this Act shall be punishable with imprisonment, which may extend to two (2) years or with fine which may extend to ₹ 0.1 million or with both.

Gujarat Shops and Establishments Act, 1948

The Gujarat Shops and Establishments Act, 1948 is intended for the regulation of conditions of work, number of days of leave and employment in shops, commercial establishments and other establishments. While the provisions of this Act do not apply to factories, they do apply to all shops and commercial establishments situated within the precincts of a factory.

Transfer of Property Act, 1882

The Transfer of Property Act, 1882 (the “**T.P. Act**”) governs the transfer of property, including immovable property, between natural persons excluding a transfer by operation of law. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The T.P. Act

also provides for the rights and liabilities of the vendor and purchaser in case of a transaction relating to sale of property and the lessor and lessee if the transaction involves lease of land, as the case may be.

The Registration Act, 1908

The Registration Act, 1908 (the “**Act**”) was passed to consolidate all the previous legislations which were enacted in relation to the registration of documents. This Act was promulgated to achieve the purpose of maintaining a proper regulatory record of transactional documents with a recognized officer in order to safeguard the original copies. The Act lays down two types of registration of documents, one being mandatory registration, which has been laid down under Section 17 of the Act and relates to documents such as, *inter alia* gift deed or transfer deed for an immovable property, non-testamentary instruments purporting to an interest in any immovable property, leasing or renting an immovable property. The other type of registration has been laid down under Section 18 of the Act which provides for the category of documents, registration of which is optional or discretionary and include, wills, instrument for transfer of shares, adoption deeds, etc. Failure to register a document under Section 17 of the Act can attract severe consequences, including declaration of invalidity of the transfer in question; however, no such consequence is attracted in case of Section 18 of the Act. Sections 28 and 31 of the Act provides the sub-registrars and other officers the authority to register documents under this Act. Registration of a document, provides authenticity to a document and also acts as a conclusive proof in relation to the execution of such a document in the court of law.

Indian Stamp Act, 1899

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list mentioned in the Seventh Schedule of the Constitution of India, is governed by the provisions of the Indian Stamp Act, 1899 (the “**Act**”), all others instruments are required to be stamped, as per the rates laid down by the State Governments. Stamp duty is required to be paid on such category of transaction documents laid down under the various laws of the states, which denotes that stamp duty was paid before the document became legally binding. The stamp duty has to be paid on such documents or instruments and at such rates which have been specified in the First Schedule of the Act. Instruments as mentioned in the said schedule of the Act, if are not duly stamped are not admissible in the court of law as valid evidence for the transaction contained therein. The Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the relevant authorities and validated by imposing of penalty on the parties. The amount of penalty payable on such instruments may vary from state to state.

B. Foreign Investment related Laws and Regulations

The Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a person Resident Outside India) Regulations, 2017 by Notification No. FEMA 20(R)/2017-RB dated November 7, 2017 (“**FEMA Regulations**”) to prohibit, restrict, or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals are required from the RBI for Foreign Direct Investment (“**FDI**”) under the “automatic route” within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

The Foreign Trade (Development and Regulation) Act, 1992 and the Rules framed thereunder

The Foreign Trade (Regulation and Development) Act, 1992 (“**FTA**”), and the rules framed thereunder, is the main legislation concerning foreign trade in India. The FTA read along with Foreign Trade (Regulation) Rules, 1993 provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of FTA, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification

in the Official Gazette; (iv) is also authorised to appoint a ‘Director General of Foreign Trade’ for the purpose of the Act, including formulation and implementation of the Export-Import Policy.

The FTA prohibits anybody from undertaking any import or export under an Importer-Exporter Code member (“IEC”) granted by the Director General of Foreign Trade pursuant to Section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority.

C. Employment Related Laws

- Contract Labour (Regulation and Abolition) Act, 1970
- Minimum Wages Act, 1948
- Payment of Wages Act, 1936
- Workmen’s/Employee’s Compensation Act, 1923
- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
- Employees’ State Insurance Act, 1948
- Industrial Employment (Standing Orders) Act, 1946
- Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Maternity Benefit Act, 1961
- The Equal Remuneration Act, 1976
- Public Liability Insurance Act, 1991
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- The Employers’ Liability Act, 1938
- The Personal Injuries (Compensation Insurance) Act, 1963
- Apprentices Act, 1961
- Child Labour (Prohibition and Regulation) Act, 1986

D. Tax Related Laws

Finance Act, 2019

The Finance Act, 2019 received the assent of the President on August 01, 2019 and came into force on August 01, 2019 to give effect to the financial proposals of the Central Government for the financial year 2019-20. This Act contains necessary amendments in direct and indirect taxes signifying the policy decisions of the Union Government for the year 2019-20.

Income Tax Act, 1961

The Income Tax Act, 1961 is applicable to every domestic and foreign company whose income is taxable under the Provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of income” involved. Under Section 139(1), every company is required to file its Income Tax Return for every Previous Year by October 31 of the Assessment Year. Other compliances like those relating to tax deductions and exemptions, fringe benefit tax, advance tax and minimum alternative tax, etc., are also required to be complied with by every company.

Goods and Service Tax (GST)

Goods and Service Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It is governed by the GST Council and provides for the imposition of tax on the supply of goods or services and will be levied by the Centre on intra-State supply of goods or services and by the States including Union Territories. A destination based consumption tax GST would be a dual GST with the Centre and State simultaneously levying tax with a common base. The GST law is enforced by various laws, namely the Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

These enactments replace the following indirect taxes and duties at the Central and State levels: Central Excise Duty, Duties of Excise, additional duties on excise – goods of special importance, textiles and textile products – special additional duty of customs, Service Tax, Central and State Surcharges and cesses relating to the supply of goods and services, State VAT, Central Sales Tax, Luxury Tax, Entry Tax, etc.

Gujarat Goods and Services Tax Act, 2017

The Gujarat Goods and Services Tax Act, 2017 makes provisions for the levy and collection of intra-State supply of goods or services or both within the State of Gujarat and the matters connected therewith or incidental thereto. The Act details the scope of supply, the levy and collection of tax, exemptions from tax, registration, returns, and other such related or incidental matters.

The Customs Act, 1962

The Customs Act came into force in India with effect from February 01, 1963. The Customs Act deals with the levy of customs duty, the power of the central government to prohibits import and export of certain goods and prevention and detection of illegally imported goods. Section 8 of the Customs Act empowers the Commissioner of Customs to approve proper places in any customs port or customs airport or coastal port for the unloading and loading of goods or for any class of goods. The Commissioner of Customs is also empowered to specify limits of any customs area. Under the Customs Act, the Central Board of Excise and Customs (“CBEC”) is empowered to appoint, by notification, inter alia, ports or airports as customs ports or customs airports and places as ICDs. Section 45 of the Customs Act lays down that all imported goods unloaded in a customs area shall remain in the custody of the person approved by the Commissioner of Customs until they are cleared for home consumption or warehouse or transhipped. The custodian is required to keep a record of such goods and send a copy of the record to the designated officer. The customs shall not permit the goods to be removed unless approved by the designated authority. The Customs further provides that if the goods are pilfered while in the custody of the custodian, then such custodian shall be liable to pay duty on such goods. The said Act contains provision for levying the custom duty on imported goods, export goods, goods which are not cleared, goods warehoused or transhipped within 30 days after unloading etc. It also provides for storage of imported goods in warehouses pending clearance, for goods in transit etc, subject to prescribed conditions.

The Customs Act provides for levy of penalty and/or confiscation of, inter alia, prohibited or dutiable goods that are imported into or exported from an area that is not appointed as a customs port or customs airport or are imported or exported without payment of requisite duty. Additionally, any owner of motor vehicle is required to obtain written permission from the Commissioner of Customs for transhipment of imported goods by a motor vehicle, pursuant to the Goods Imported (Conditions of Transhipment) Regulations, 1995. By a notification dated March 17, 2009, the CBEC and Customs has notified the Handling of Cargo in Customs Area Regulations, 2009 which specify the eligibility requirements and responsibilities of persons who are receive, store, deliver or otherwise handle imported goods in the customs area.

Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976

Every person engaged in any profession, trade, callings and employment is liable to pay tax at the rate prescribed by the Gujarat State Government. It is considered necessary to levy tax on profession, trade callings and employment in order to augment state revenues, and every State is empowered by the Constitution of India to make laws relating to the levy of taxes on professions, trades, callings and employments that shall serve as the governing provisions in that State.

E. Environment Related Laws

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (the “Act”) aims to prevent, control and abate air pollution and pursuant to the provisions of this 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 the consent granted. 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 fine extending up to ₹ 10,000.

Under the said Act, the Central Pollution Control Board has powers, inter alia, to specify standards for the quality of air, while the State Board has the power 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.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (**“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 said Act include the imposition of fines or imprisonment, or both.

The Central Pollution Control Board has the powers, inter alia, to specify and modify standards for stream and wells. The State Pollution Control Board has 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. The State Board also has the power 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 well and to specify standards for treatment of sewage and trade effluents.

The Environment Protection Act, 1986

The Environment Protection Act, 1986 (the **“Act”**) has been enacted for the protection and improvement of the environment (which includes water, air, land, human beings, other living creatures, plants, microorganisms, etc.) and for matters connected therewith. The Act empowers the Central Government to take measures to protect and improve the environment such as by laying down standards of emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate, prohibitions and restrictions regarding the handling of hazardous substances and location of industries and so on. The Central Government is empowered by the Act to constitute authority or authorities for the purpose of exercising and performing such powers and functions, to appoint a person for inspection, for analysis of samples and for selection of notification of environmental laboratories.

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

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (**“Hazardous Waste Rules”**) define the term ‘hazardous waste’ and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an ‘occupier’. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/authorisation from the respective State Pollution Control Board for generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the life of the hazardous waste.

The Noise Pollution (Regulation and Control) Rules, 2000

The Noise Pollution (Regulation and Control) Rules, 2000 (the **“Rules”**) aim to regulate and control noise producing and venerating sources with the objective of maintaining the ambient air quality standards in respect of noise. The Rules declare different areas or zones each permitting for different ambient air quality standards in respect of noise and the noise levels shall not exceed this limit, as prescribed by the Schedule. The Rules also prescribe methods to cut down on noise from various sources including industries, such as by mounting machinery, using insulating screens and suitable ducts, etc.

National Environment Policy (the “Policy”)

The present national policies for environmental management are contained in the National Forest Policy, 2018, the National Conservation Strategy and Policy Statement on Environment and Development, 1992, the Policy Statement on Environment and Development, 1992; and the Policy Statement on Abatement of Pollution, 1992. Some sector policies such as the National Agriculture Policy, 2018; National Population Policy, 2000; and National Water Policy, 2012 have also contributed towards environmental management. All these policies have recognized the need for sustainable development in their specific contexts and formulated necessary strategies to give effect to such recognition. The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. It does not displace, but builds on the earlier policies.

The Objectives of the Policy are as follows:

- Conservation of critical environmental resources
- Intra-generational equity: Livelihood security for the poor
- Inter-generational equity
- Integration of environmental concerns in economic and social development
- Efficiency in environmental resource use
- Environmental governance
- Enhancement of resources for environmental conservation

The Policy evolved from the recognition that only such development is sustainable, which respects ecological constraints and the imperatives of justice. The objectives stated above are to be realised through various strategic interventions by different public authorities at Central, State and Local government levels. They would also be the basis of diverse partnerships. The principles followed in the Policy are:

- Human beings are the centre of sustainable development concerns
- Right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.
- In order to achieve sustainable development environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.
- Where there are credible threats of serious or irreversible damage to key environmental resources, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.
- In various public actions for environmental conservation, economic efficiency would be sought to be realised.

F. Intellectual Property Laws

Information Technology Act, 2000

The Information Technology Act, 2000 (the “***IT Act***”) creates a liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing with, or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines, and imprisonment for various computer related offences. These include offences relating to unauthorised disclosure of confidential information and committing of fraudulent acts through computers, tampering with source code, unauthorised access, publication or transmission of obscene material etc. The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. In April 2011, the Department of Information Technology under the Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 under Section 43A of the IT Act and the Information Technology (Intermediaries Guidelines) Rules, 2011 under Section 79(2) of the IT Act.

Copyright Act, 1957

The Copyright Act, 1957 (“***Copyright Act***”) governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematographic films, and sound

recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act applies to nationals or all member states of the World Trade Organisation.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favouring 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 the lifetime of the creator plus sixty (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.

Indian Patents Act, 1970

The purpose of the Indian Patents Act, 1970 is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the terms of the patent. An invention means a new product or process involving an inventive step capable of industrial application. An application for a patent can be made by (a) a person claiming to be the true and first inventor of the invention; (b) a person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application.

Trade Marks Act, 1999

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 ("**Trade Mark Act**") governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled, and may be renewed indefinitely upon payment of renewal fees every ten years. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trade Mark (Amendment) Act, 2010 has been enacted by the Government to amend the Trade Mark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

In March 2017, the Trade Marks Rules, 2017 ("**Trade Mark Rules**") were notified, in supersession of the Trade Marks Rules, 2002. The Trade Marks Rules brought with them some changes in the application process, in terms of an increase in application fees and common formats for multiple kinds of applications. However, the e-filing process has been incentivized by providing lower application fees.

Design Act, 2000 and Design Rules, 2001

Under the Design Act, 2000, designs of articles, which serve the purpose of visual appeal, can be registered. The designs should represent a shape, configuration, pattern, or ornamentation of an article. The design should be capable of being applied to an article to enhance its appeal to the eye and which only add to the aesthetic value of the article. Designs should be incorporated to the article by an industrial process or means, and designs which are solely functional, or the principal or the mode of construction of an article shall not be the subject matter of registration. The design must also be new or original and not previously published or used in any country before application for registration.

G. General Corporate and Other Allied Laws

Apart from the above list of laws which is inclusive in nature and not exhaustive – general laws like the Indian Contract Act, 1872, Specific Relief Act, 1963, Negotiable Instruments Act, 1881, Sale of Goods Act, 1930, Consumer Protection Act, 1986, Anti Trust law such as Competition Act, 2002 and corporate act namely Companies Act, 1956 and Companies Act, 2013 are also applicable to the Company.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as ‘*Mukesh Fabrics Private Limited*’ on July 30, 1990 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat. Pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated January 17, 1994 our Company was converted into a public limited company subsequently, the name of our Company was changed to ‘*Mukesh Fabrics Limited*’ and a fresh certificate of incorporation dated March 09, 1994 consequent to the conversion was issued to our Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, on account of our intention to diversify our business activities pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated February 23, 1995 the name of our Company was changed to ‘*Mukesh Industries Limited*’, and a fresh certificate of incorporation dated April 07, 1995 was issued to our Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad. Thereafter, pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated December 17, 2018 the name of our Company was changed to ‘*Mukesh Trends Life Style Limited*’ and a fresh certificate of incorporation dated December 31, 2018 was issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad. The name of our Company was identical to the name of another company existing in the records of Registrar of Companies, Maharashtra at Mumbai and therefore to avoid confusion, our name was changed. The corporate identification number of our Company is U17110GJ1990PLC014108.

Change in registered office of our Company

The registered office of our Company was originally situated at 221, First Floor, New Cloth Market, Ahmedabad-380 002, Gujarat, India. Thereafter, the registered office of our Company was changed to the following address:

Date of Change	New address	Reason for Change
January 09, 1995	National Highway no. 08, Narol, Naroda Road, Ahmedabad-382 443, Gujarat, India.	Administrative convenience

Corporate profile of our Company

Details regarding the description of our Company’s activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, distributors and customers, segment, capacity/facility creation, capacity built-up, location of manufacturing facilities, marketing and competition, please refer to the chapters titled “*Our Business*”, “*Our Management*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 131, 164 and 192 respectively, of this Draft Red Herring Prospectus.

Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation.

Year	Events
1990	Incorporation of our Company and takeover of a sick industrial unit from Bank of Baroda situated at survey no. 391 (part) Mouje, Isanpur, Ahmedabad,- 382 443, Gujarat, India.
1994	Our Company was converted from a private limited company into a public limited company and consequently the name of our Company was changed to ‘ <i>Mukesh Fabrics Limited</i> ’, pursuant to a fresh certificate of incorporation dated March 09, 1994 granted by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
2004	Commencement of production of cellulosic products like cotton, rayon & viscose, an initiative to focus more on natural-fiber based textile production keeping in mind the future of textiles.
2014	The knit division of our Company received accreditation as a member of the Liva Accredited Partner Forum (“ LAPF ”) and as a privileged partner in co-creating Liva natural fluid fashion. LAPF is an initiative by Birla cellulose giving quality assurance tags for quality viscose and rayon products at the retail shelf. The said membership also certifies that we have attained excellence in technical competency, infrastructure and quality management systems for Liva based fabrics.
2015	Started exporting our printed fabrics to United Arab Emirates
2016	Started processing and printing of knitted fabrics and established a separate facility in our manufacturing unit.
2017	received the certificate issued by OEKO-TEX Association authorising our Company to use the STANDARD 100 by OEKO-TEX® mark for our bleached dyed (with reactive dyes) and printed (with pigment and reactive dyes, including discharge) knitted fabrics in 100% cotton and cotton elastane. Enlisted our Company in the chain of Better Cotton Initiative (“ BCI ”) which aims towards protection of the rights of cotton farmers.

Year	Events
2018	Knitted fabrics manufactured by our Company were nominated by international brands namely George and Marks & Spencers for the quality of our products. Commenced export of knitted fabrics to Sri Lanka and Bangladesh with a focus towards supplying our products to international brands and retailers.
2019	Knitted fabrics manufactured by our Company were nominated by Primark for the quality of our products.

Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

There are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

Our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years.

Revaluation of assets

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

Main Objects of our Company

The main objects of our Company are as follows:

1. *"To manufacture, process, cure, procure, buy, sell, import, export, trade or otherwise deal in all kinds of cotton, woolen, rayon, silk, art-silk, nylon jute, synthetic, staple, fabrics cotton yarn, synthetic yarn, staple fibre, nylon yarn of any kind or quality and whether made in India or in a foreign country and either as wholesale or retailers.*
2. *To carry on business of ginning, pressing sizing, combing, spinning, weaving, jobbing, manufacturing bleaching, dyeing, mercerising, calendaring, printing, polymering, or otherwise processing, preparing working in cloth, thread, yarn, cotton, wool, silk, synthetic materials made therefrom and synthetic yarn and staple fabrics and all types of materials.*
3. *To carry on all any of the business of manufacturing processing, or dealing in furnishing, hosieries, carpets and in textiles of all kind."*

Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

Date of shareholder's resolution	Nature of amendments
July 11, 2019	<i>Our Company altered its Memorandum of Association, in order to adhere to the provisions of the Companies Act, 2013.</i>
January 31, 2019	<i>The capital clause of the Memorandum of Association was substituted to reflect the increase in authorised share capital of our Company from ₹ 250,000,000 consisting of 25,000,000 Equity Shares of ₹ 10 each to ₹ 360,000,000 divided into ₹ 360,000,000 consisting of 36,000,000 Equity Shares of ₹ 10 each.</i>
December 17, 2018	<i>The name clause of our Memorandum of Association was amended upon change in name of our Company from Mukesh Industries Limited to Mukesh Trends Life Style Limited.</i> <i>A fresh certificate of incorporation pursuant to the change of name was granted by the RoC on December 31, 2018.</i>

Date of shareholder's resolution	Nature of amendments
November 15, 2010	<i>The capital clause of the Memorandum of Association was substituted to reflect the increase in authorised share capital of our Company from ₹100,000,000 divided into 10,000,000 equity shares of ₹ 10 each to ₹ 250,000,000 divided into 25,000,000 equity shares of ₹ 10 each.</i>

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Associate or Joint ventures of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or Associate Companies. However, in the past, MnA Texlinen Private Limited was our Associate Company due to our shareholding of 83,500 equity shares aggregating to 35.87% of its total equity share capital. On April 05, 2018, our Company transferred 41,750 equity shares held in MnA Texlinen Private Limited to our Chairman and Managing Director, Devkinandan Gopiram Agarwal and the remaining 41,750 equity shares to our Whole-time Director and Chief Executive Officer, Mukesh Devkinandan Agarwal.

Strategic and Financial Partners

As on date of this Draft Red Herring Prospectus our Company does not have any strategic and financial partners.

Shareholders and Other Agreements

There are no Shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

Agreements with key managerial personnel or a Director or Promoter or any other employee of the Company

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by Promoters offering its shares in the Offer for Sale

This is a fresh issue of Equity Shares and our Promoter is not offering his shares in this Issue.

Material Agreements

Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Draft Red Herring Prospectus, we have six (06) Directors on our Board, which includes, one (01) Managing Director, one (01) Whole – time Director, one (01) Non-Executive Director, who is also the woman director of our Company and three (03) Independent Directors.

Set forth below are details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Devkinandan Gopiram Agarwal DIN: 00146775 Date of Birth: May 03, 1955 Designation: Chairman and Managing Director Address: 04, Nilgiri Bungalow, behind Ashwamegh 5, 132 Feet Ring Road, Satellite Road, Ahmedabad – 380 015, Gujarat, India. Occupation: Business Term: For a period of five (05) years w.e.f. October 25, 2018 Nationality: Indian	64	1. MnA Texlinen Private Limited 2. Narol Textile Infrastructure & Enviro Management 3. ATPA Swarnim Gujarat Enviro Private Limited 4. Bharati Trading Enterprises Private Limited
Mukesh Devkinandan Agarwal DIN: 00146544 Date of Birth: August 21, 1983 Designation: Whole-time Director and Chief Executive Officer Address: 04, Nilgiri Bungalow, behind Ashwamegh 5, 132 Feet Ring Road, Satellite Road, Ahmedabad – 380 015, Gujarat, India. Occupation: Business Term: For a period of five (05) years w.e.f. October 25, 2018 and is liable to retire by rotation. Nationality: Indian	36	1. MnA Texlinen Private Limited 2. MSD Polymers Private Limited
Sulochnadevi Devkinandan Agarwal DIN: 00146709 Date of Birth: December 01, 1957 Designation: Non-Executive Director Address: 04, Nilgiri Bungalow, behind Ashwamegh 5, 132 Feet Ring Road, Satellite Road, Ahmedabad – 380 015, Gujarat, India. Occupation: Business	61	1. MSD Polymers Private Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
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Term: Liable to retire by rotation

Nationality: Indian

Naraindas Dharamdas Wadhvani	60	1. Wadhawani Engineers Private Limited
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DIN: 01002205

Date of Birth: June 01, 1959

Designation: Independent Director

Address: 23-Urvashi Bungalows, B/H, Satluj Hotel, Patia, Noaroda Road, Ahmedabad- 382 345, Gujarat, India.

Occupation: Business

Term: For a period of five years w.e.f. December 24, 2018

Nationality: Indian

Mukesh Chinubhai Shah	66	1. Nima Consultancy Private Limited
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DIN: 03280516

Date of Birth: February 27, 1953

Designation: Independent Director

Address: B-84, Goyal Park Apartments, Sandesh Press road, opposite Land Society, Vastrapur, Manekbag, Ahmedabad- 380 015, Gujarat, India.

Occupation: Professional

Term: For a period of five years w.e.f. December 24, 2018

Nationality: Indian

Navinchandra Natverlal Patel	80	Nil
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DIN: 08350510

Date of Birth: June 01, 1939

Designation: Independent Director

Address: 18/1 opposite Amika Nivas, Maninagar, Char Rasta, Ahmedabad- 380 008, Gujarat, India

Occupation: Retired ex-serviceman

Term: For a period of five years w.e.f. February 07, 2019

Nationality: Indian

Brief Biographies of our Directors

Devkinandan Gopiram Agarwal, aged 64 years, is the Chairman and Managing Director of our Company and has been associated with our Company since its incorporation. He holds a bachelor's degree in commerce from Gujarat University and has an experience of more than three decades in the textile industry. He is one of the founding members of our Company and was appointed as the first Director of our Company and re-designated as the Chairman and Managing Director with effect from October 25, 2018. He is actively involved in the strategic

decision making for the Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business.

Mukesh Devkinandan Agarwal, aged 36 years, is the Whole-time Director and Chief Executive Officer of our Company and has been associated with our Company since 2001. He holds a bachelor's degree in commerce from Gujarat University and has over 14 years of work experience in the textile industry. He started working as a trainee in our Company and was appointed as an Additional Director on October 13, 2005, his appointment was regularised on September 30, 2006 and later was re-designated as our Whole-time Director and Chief Executive Officer with effect from October 25, 2018. He is responsible for the purchase division of our Company, heads the marketing and sales team and takes overall care of the functional attributes of the Company. He has been instrumental in developing the business activities of our Company, growth and future prospects of our Company.

Sulochnadevi Devkinandan Agarwal, aged 61 years, is a Non-Executive Director of our Company and has been associated with us since incorporation. She is one of the founding members of our Company and was appointed as the first Director of our Company and re-designated as a Non-Executive Director with effect from January 10, 2019. She has an experience of about two decades in the textile business and plays a significant role in handling activities in relation to our corporate social responsibility.

Naraindas Dharamdas Wadhwani, aged 60 years, is an Independent Director of our Company. He holds a bachelor's degree in engineering from Gujarat University and is currently a director in Wadhwani Engineers Private Limited. He was appointed as an Additional Director of our Company with effect from December 24, 2018 and his appointment was regularized on January 31, 2019.

Mukesh Chinubhai Shah, aged 66 years, is an Independent Director of our Company. He holds a bachelor's degree in engineering from Gujarat University. In the past, he has served as an advisor in Inventech Engineers Private Limited, managing trustee in Chandrakanta Chinubhai Shah Education Trust and chief executive officer in Narol Textile Infrastructure & Enviro Management. Presently, he is working as a director in Nima Consultancy Private Limited. He was appointed as an Additional Director of our Company with effect from December 24, 2018 and his appointment was regularized on January 31, 2019.

Navinchandra Natverlal Patel, aged 80 years, is an Independent Director of our Company. He holds a bachelor's degree in science (chemistry) from Gujarat University. He has an experience of about four decades in the textile business and in the past has worked as a printing master with Maheshwari Mill, Gujarat Cotton Mill, Anil Synthetic Mill and Omkar Textiles Limited. He has also served our Company in the capacity of vice president (chemical) for the period 1996-2010 and was appointed as an Additional Independent Director with effect from February 07, 2019 and his appointment was regularised on May 07, 2019.

Confirmations

1. None of our Directors have been identified as a wilful defaulter, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.
2. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Red Herring Prospectus with the SEBI, during the term of his/ her directorship in such company.
4. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
5. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

Relationship between our Directors

Except as states below none of our Directors are related to each other.

Name of Director	Name of Director	Relationship
Devkinandan Gopiram Agarwal	Mukesh Devkinandan Agarwal	Father – Son
	Sulochanadevi Devkinandan Agarwal	Husband – Wife
Sulochanadevi Devkinandan Agarwal	Mukesh Devkinandan Agarwal	Mother - Son

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made regularly by our Company towards provident fund, gratuity fund and employee state insurance.

Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an AGM held on September 30, 2016, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, any sum or sums of money on such terms and conditions and with or without security as the board of directors may think fit which, together with the moneys already borrowed (apart from temporary loans obtained in the ordinary course of business), in excess to the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the board up to a limit of ₹ 5,000 million.

Terms of appointment and remuneration of our Managing Director and Whole-time Director

i. *Terms of Appointment of Devkinandan Gopiram Agarwal*

Pursuant to a resolution passed by the Board of Directors at the meeting held on October 25, 2018 and approved by the Shareholders of our Company at the EGM held on January 31, 2019, Devkinandan Gopiram Agarwal was appointed as the Chairman and Managing Director of our Company for a period of five (05) years with effect from October 25, 2018 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	Upto ₹ 0.2 million per month
Perquisites	<p>In addition to the salary received, the Chairman and Managing Director of our Company is entitled to the following perquisites and allowances:</p> <ul style="list-style-type: none">• <u>Medical Reimbursement:</u> Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, and nursing charges and domiciliary charges for self and for family.• <u>Leave Travel Concession:</u> Leave travel concession for self and family, every year incurred in accordance with the rules of the Company.• <u>Club Fees:</u> Fees of clubs, subject to a maximum of three clubs.• <u>Personal Accident Insurance/Group Life Insurance:</u> Premium not to exceed ₹ 25000 per annum.

	<ul style="list-style-type: none"> • Provident Fund/Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission. • Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act, 1972 and to the extent not taxable under the Income Tax Act, 1961. • Use of Car with Driver: The Company shall provide a car with driver for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented to, the Chairman and Managing Director for business and personal use. • Telephone facility at residence: Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company to the Chairman and Managing Director.
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ii. *Terms of Appointment of Mukesh Devkinandan Agarwal*

Pursuant to a resolution passed by the Board of Directors at the meeting held on October 25, 2018 and by the Shareholders of our Company at the EGM held on January 31, 2019, Mukesh Devkinandan Agarwal was appointed as the Whole-time Director and Chief Executive Officer of our Company for a period of 5 years with effect from October 25, 2018 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	Upto ₹ 0.2 million per month
Perquisites / Allowances	<p>In addition to the salary received, the Whole-time Director of our Company is entitled to the following perquisites and allowances:</p> <ul style="list-style-type: none"> • Medical Reimbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, and nursing charges and domiciliary charges for self and for family. • Leave Travel Concession: Leave travel concession for self and family, every year incurred in accordance with the rules of the Company. • Club Fees: Fees of clubs, subject to a maximum of three clubs. • Personal Accident Insurance/Group Life Insurance: Premium not to exceed ₹ 25000 per annum. • Provident Fund/Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission. • Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act, 1972 and to the extent not taxable under the Income Tax Act, 1961. • Use of Car with Driver: The Company shall provide a car with driver for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented to, the Whole-time Director for business and personal use. • Telephone facility at residence: Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company to the Whole-time Director.

Remuneration details of our Directors

(i) *Remuneration of our Executive Directors*

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2019 is as follows:

S. No.	Name of the Director	Remuneration (₹ in million)
1.	Devkinandan Gopiram Agarwal	1.20
2.	Mukesh Devkinandan Agarwal	1.20
3.	Sulochanadevi Devkinandan Agarwal*	0.45
4.	Bhagwan Singh Shyam Singh Rathore**	0.50

*The designation of Sulochanadevi Devkinandan Agarwal has been changed from Executive Director to Non-Executive Director with effect from January 10, 2019.

**Bhagwan Singh Shyam Singh Rathore has resigned from the post of Executive Director and has ceased to be a Director of our Company with effect from December 21, 2018.

As on date of this Draft Red Herring Prospectus, none of the Executive Directors of our Company have been paid sitting fee for attending meetings of our Board and the committees of the our Board.

(ii) *Sitting fee details of our Non- Executive Director and Independent Directors*

Our Non-Executive Director and Independent Directors have not been paid any sitting fee for Fiscal 2019. However, pursuant to a resolution dated February 27, 2019 passed by our Board of Directors, our Non-Executive Director and Independent Directors are entitled to a sitting fee of upto ₹ 0.01 million for attending each meeting of our Board and the committees of the our Board.

Payment or benefit to Directors of our Company

Except as disclosed in this Draft Red Herring 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 the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

Compensation paid to our Directors by our Subsidiaries

As on date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

Loans to Directors

There are no loans that have been availed by the Directors from our Company that are outstanding as of the date of this Draft Red Herring Prospectus.

Shareholding of Directors in our Company

Except as stated below, none of our other Directors holds any Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Mukesh Devkinandan Agarwal	84,34,531	37.57
2.	Devkinandan Gopiram Agarwal	6,006,048	26.75
3.	Sulochnadevi Devkinandan Agarwal	5,592,437	24.91

Shareholding of Directors in our Subsidiaries

As on date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “*Terms of appointment and remuneration of our Executive Directors*” above.

Mukesh Devkinandan Agarwal is the Promoter of our Company and may be deemed to be interested in the promotion of our Company to the extent that he has promoted our Company. Except as stated above, our Directors have no interest in the promotion of our Company other than in the ordinary course of business. Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. 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 Equity Shares.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoter, directors, partners, proprietors, members or trustees to this Issue. Except as disclosed in “*Financial Information*”, “*Our Promoter and Promoter Group*” and “*Our Group Companies*” on page 191, 180 and 184, respectively of this Draft Red Herring Prospectus, our Directors are not interested in any other company, entity or firm.

Except as disclosed in “*Financial Information*” and “*Financial Indebtedness*” on page 191 and 218, respectively in this Draft Red Herring Prospectus, our Directors have not extended any personal guarantees for securing the repayment of the bank loans obtained by our Company.

Except as stated in “*Restated Consolidated Financial Information - Annexure VI- Note 42 – List of Related Parties and Transactions during the period/ years*” on pages F-46 of this Draft Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

Interest as to property

M/s. Nandan Textile, sole proprietorship of our Chairman and Managing Director Devkinadnan Gopiram Agarwal and M/s. Mukesh Enterprise sole proprietorship of Deokinandan Gopiram HUF hold interest in the property of our Company. For further details, please refer to the chapter titled “*Our Business*” on page 131 of this Draft Red Herring Prospectus. Except as mentioned above, as on date of this Draft Red Herring Prospectus, our Directors have no interest in any property acquired or proposed to be acquired by our Company or of our Company.

Bonus or Profit Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit sharing plan.

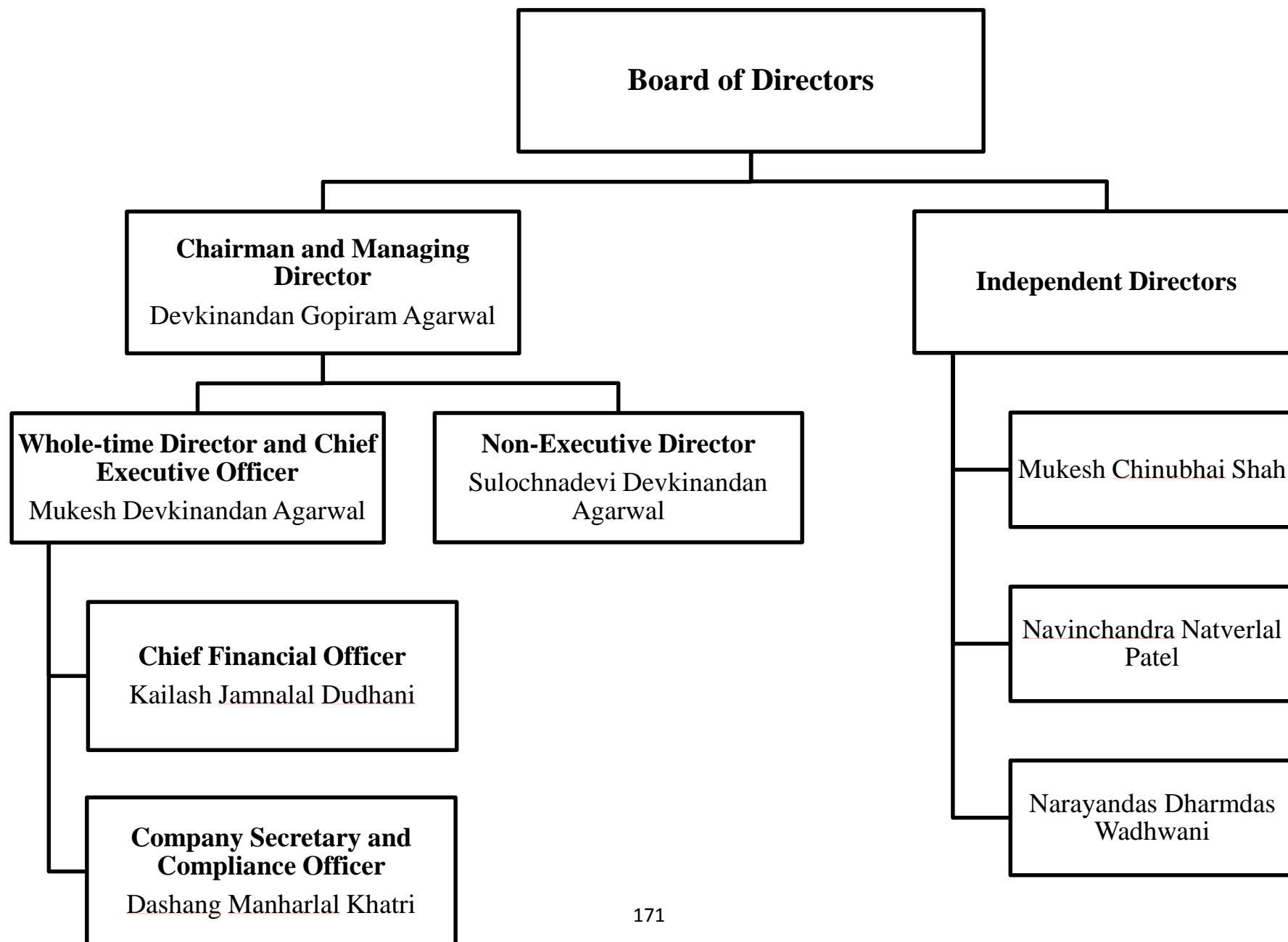
Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years.

Name of Director		Date of Appointment	Date of Cessation	Reason
Navinchandra Natverlal Patel		February 07, 2019	-	Appointed as an Additional Independent Director
Mukesh Chinubhai Shah		December 24, 2018	-	Appointed as an Additional Independent Director
Naraindas Wadhwani	Dharamdas	December 24, 2018	-	Appointed as an Additional Independent Director
Bhagwan Singh Rathore	Shyam Singh	-	December 21, 2018	Cessation as Executive Director due to resignation

Management Organization Structure

Set forth is the organization structure of our Company



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee;
- c) Nomination and Remuneration Committee;
- d) Corporate and Social Responsibility Committee; and
- e) IPO Committee.

Details of each of these committees are as follows:

a. Audit Committee

Our Audit Committee was originally constituted on March 18, 2009 and was reconstituted on February 27, 2019 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Mukesh Chinubhai Shah	Chairman
2.	Naraindas Dharmdas Wadhwani	Member
3.	Navinchandra Natverlal Patel	Member
4.	Devkinandan Gopiram Agarwal	Member

The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

A. Powers of Audit Committee

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

B. Role of the Audit Committee

The role of the audit committee shall include the following:

1. Oversight of 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. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 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; and
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly 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 and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the company with related parties;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the Accounting Standards.
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;

19. 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 and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
21. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

b. Stakeholders' Relationship Committee

Our Stakeholder' Relationship Committee was constituted on February 27, 2019. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Navinchandra Natverlal Patel	Chairman
2.	Naraindas Dharmdas Wadhvani	Member
3.	Sulochnadevi Devkinandan Agarwal	Member
4.	Mukesh Chinubhai Shah	Member

The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights of by shareholders;

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

c. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was originally constituted on June 27, 2014 and was subsequently reconstituted on February 27, 2019 with the following members:

Sr. No.	Name of Member	Designation
1.	Naraindas Dharmdas Wadhvani	Chairman
2.	Mukesh Chinubhai Shah	Member
3.	Navinchandra Natverlal Patel	Member
4.	Sulochanadevi Devkinandan Agarwal	Member

The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. Recommend to the Board of Directors all remuneration, in whatever form, payable to senior management;
4. Devising a policy on Board diversity; and
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
6. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
7. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
8. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
9. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries

of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

d. Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was originally constituted on August 30, 2017 and was subsequently reconstituted on February 27, 2019 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Sulochnadevi Devkinandan Agarwal	Chairman
2.	Naraindas Dharmdas Wadhvani	Member
3.	Navinchandra Natverlal Patel	Member
4.	Mukesh Chinubhai Shah	Member

The Company Secretary shall act as the secretary of the Corporate Social Responsibility Committee.

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

e. IPO Committee

Our IPO Committee was constituted pursuant to resolution of our Board of Directors dated January 10, 2019. The members of the said Committee are as follows

Sr. No.	Name of Member	Designation
1.	Devkinandan Gopiram Agarwal	Chairman
2.	Mukesh Devkinandan Agarwal	Member
3.	Sulochnadevi Devkinandan Agarwal	Member
4.	Mukesh Chinubhai Shah	Member

The Company Secretary shall act as the secretary of the IPO Committee.

The terms of reference of the IPO Committee include the following:

1. Approving amendments to the memorandum of association and the articles of association of the Company;
2. Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the “CDSL”) and the National Securities Depository Limited (the “NSDL”);
3. Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
4. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;

5. Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;
6. Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Offering;
7. Deciding on the size and all other terms and conditions of the Offering and/or the number of Equity Shares to be offered in the Offering, including any Pre-IPO Placement, Reservation, Green Shoe Option and any rounding off in the event of any oversubscription as permitted under Applicable Laws;
8. Taking all actions as may be necessary or authorized in connection with the Offering;
9. Appointing and instructing book running lead manager, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue and whose appointment is required in relation to the Issue, including any successors or replacements thereof;
10. Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;
11. Entering into agreements with, and remunerating all such book running lead manager, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;
12. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing application to the Stock Exchange and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreement with the Stock Exchanges;
13. Seeking, if required, the consent of the Company's lenders and lenders of its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;
14. Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchanges;
15. Determining the price at which the Equity Shares are issued to investors in the Issue in accordance with Applicable Laws, in consultation with the book running lead manager and/or any other advisors, and determining the discount, if any, proposed to be issued to eligible categories of investors;
16. Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;
17. Determining the bid opening and closing dates;
18. Finalizing the basis of allocation of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the book running lead manager, the Stock Exchanges and/or any other entity;
19. Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under Applicable Laws;
20. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and

regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;

21. Severally authorizing Devkiandan Gopiram Agarwal, Mukesh Devkinandan Agarwal or Dashang Manharlal Khatri (“**Authorized Officers**”), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officers consider necessary, desirable or expedient, in connection with the Issue, including, without limitation, engagement letters, memoranda of understanding, the listing agreement with the stock exchange, the registrar’s agreement, the depositories’ agreements, the issue agreement with the book running lead manager (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue, the book running lead manager, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officers shall be conclusive evidence of the authority of the Authorized Officers and the Company in so doing;
22. Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, without limitation, applications to, and clarifications or approvals from the GoI, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officers and the Company, as the case may be;
23. Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officers may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officers shall be conclusive evidence of the authority of such Authorized Officers and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officers prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officers and the Company, as the case may be; and
24. Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

Our Key Managerial Personnel

In addition to our Whole-time Director and Chief Executive Officer and Managing Director, whose details have been provided under paragraph above titled ‘*Brief Profile of our Directors*’, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Red Herring Prospectus:

Kailash Jamnalal Dudhani, aged 47 years, is the Chief Financial Officer of our Company. He holds a bachelor’s degree in commerce from Mohan Lal Sukhadia University, Udaipur and has cleared the intermediate examination held by the Institute of Chartered Accountants of India. In the past, he has served in Ratnesh Metal Industries Private Limited in the capacity of manager, accounts and finance and in Oswal Agloimpex Limited in the capacity of an accounts officer. He has also served our Company in the capacity of accounts officer for the period 2007-2011 and has now been appointed as a chief financial officer with effect from March 11, 2019. He has received ₹ 0.83 million for the Fiscal 2019.

Dashang Manharlal Khatri, aged 28 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor’s and a master’s degree in commerce from Gujarat University and has also competed a post

graduate diploma in intellectual property rights from the said University. He is an associate member of the Institute of Company Secretaries of India and has in the past served in Yug Décor Limited as a company secretary cum compliance officer. He is responsible for handling secretarial matters of our Company and was appointed with effect from October 25, 2018. He has received ₹ 0.24 million for the Fiscal 2019.

All our Key Managerial Personnel are permanent employees of our Company.

Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

Except as disclosed under the heading “*Relationship between our Directors*” and herein below, none of the key managerial personnel are related to each other or to our Promoter or to any of our Directors.

Shareholding of the Key Managerial Personnel

In addition to the shareholding of our Executive Directors disclosed under the head “*Shareholding of Directors of our Company*”, our Key Managerial Personnel do not hold equity shares of our Company as on date of this Draft Red Herring Prospectus.

Bonus or Profit Sharing Plan for our Key Managerial Personnel

None of our Key Managerial Personnel are a party to any bonus or profit sharing plan.

Interest of Key Managerial Personnel

None of our Key Managerial Personnel’s have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

Changes in Key Managerial Personnel in the Last Three Years

Set forth below are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Draft Red Herring Prospectus:

Name	Designation	Date of change	Reason
Kailash Jamnalal Dudhani	Chief Financial Officer	March 11, 2019	Appointment
Ganesh Vishwanath Agrawal	Chief Financial Officer	March 11, 2019	Resignation
Ganesh Vishwanath Agrawal	Chief Financial Officer	December 21, 2018	Appointment
Bhagwan Singh Shyam Singh Rathore	Whole-time Director	October 01, 2018	Cessation from the post of Whole-time Director
Dashang Manharlal Khatri	Company Secretary and Compliance Officer	October 25, 2018	Appointment
Mukesh Devkinandan Agarwal	Chief Executive Officer	October 25, 2018	Appointment
Atulkumar Satishkumar Jain	Chief Executive Officer	May 08, 2018	Resignation

Employees’ Stock Option Plan

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

Loans taken by Directors / Key Management Personnel

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Draft Red Herring Prospectus.

OUR PROMOTER AND PROMOTER GROUP

A. OUR PROMOTER

Our Promoter, Mukesh Devkinandan Agarwal, as on the date of this Draft Red Herring Prospectus holds, in aggregate of 8,434,531 Equity Shares, constituting 37.57% of our pre – Issue issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoter shareholding in our Company, see “*Capital Structure –Details of Build-up of our Promoter’s shareholding*” on page 77 of this Draft Red Herring Prospectus.

Details of our Promoter



MUKESH DEVKINANDAN AGARWAL

Mukesh Devkinandan Agarwal, aged 36 years, is the Promoter, Whole-time Director and Chief Executive Officer of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “*Our Management*” on page 164 of this Draft Red Herring Prospectus.

Date of birth: August 21, 1983

Permanent account number: AEGPA7536P

Aadhar card number: 4793 8795 0445

Driving license number: GJ01-2010-0051667

Address: 04, Nilgiri Bungalow, behind Ashwamegh 5, 132 Feet Ring Road, Satellite Road, Ahmedabad – 380 015, Gujarat, India.

Other Ventures of our Promoter

Except as disclosed herein below and in the chapter titled “*Our Management*” on page 164 of this Draft Red Herring Prospectus, our Promoter is not involved with any other venture:

Name of the Venture	Nature of Interest
MSD Polymers Private Limited	Director and shareholder holding 50.00% of the equity share capital
MnA Texlinen Private Limited	Director and shareholder holding 40.36% of the equity share capital
Avyukta Infrabuild LLP	Designated Partner
DM Infraspac LLP	Designated Partner
SM Infraspac LLP	Designated Partner
DS Procon LLP	Designated Partner
M/s. Sulochana Textile	Sole Proprietor

Our Company confirms that the permanent account number, bank account number and passport number of our Promoter shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Change in Control of our Company

Our Promoter is the original promoter of our Company and the control of our Company has not been acquired within five years immediately preceding this Draft Red Herring Prospectus.

Interest of our Promoter

Interest in promotion of our Company

Our Promoter is interested in our Company to the extent that he has promoted our Company and to the extent of his shareholding in our Company and the dividends payable, if any, and any other distributions in respect of his shareholding in our Company or the shareholding of his relatives in our Company. Our Promoter is also interested in our Company as the Whole-time Director and Chief Executive Officer and any remuneration payable to him in such capacity. For details of the shareholding of our Promoter in our Company, please refer to the chapter titled “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” beginning on page 70, 164 and 189, respectively of this Draft Red Herring Prospectus.

Interest of Promoter in our Company other than as a Promoter

Except as stated in this section and the section titled “*Our Management*” and “*Related Party Transactions*” on pages 164 and 189, respectively, our Promoter does not have any interest in our Company other than as Promoter.

Interest in the properties of our Company

Except as disclosed in the section titled “*Financial Information*” on page 191, our Promoter are not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus with SEBI or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

Other Interest and Disclosures

Mukesh Devkinandan Agarwal is a shareholder and a director on the board of two of our Group Companies, MSD Polymers Private Limited and MnA Texlinen Private Limited, therefore he may be deemed to be interested to the extent of any remuneration or reimbursement payable to him in the capacity of a director, or any dividend or distribution payable in respect of the equity shares held by him. Additionally, he is a designated partner in our promoter group entities, SM Infraspac LLP, DM Infraspac LLP, DS Procon LLP and Aavyukta Infrabuild LLP and is also the sole proprietor of M/s. Sulochana Textiles therefore he may be deemed to be interested to the extent of the profits earned from the entity or any remuneration received. For further details, please see chapters titled “*Our Management*”, “*Our Group Companies*” and “*Related Party Transactions*” on pages 164, 184 and 189, respectively of this Draft Red Herring Prospectus.

Our Promoter is not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Payment or benefits to our Promoter and Promoter Group during the last two years

Except as stated in this section and the benefits mentioned in the related party transactions as per AS-18 there has been no payment of any amount of benefits to our Promoter or the members of our Promoter Group during the last two years from the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter group as on the date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “*Related Party Transactions*” on page 189 of this Draft Red Herring Prospectus. Additionally, Devkinandan Gopiram Agarwal has assigned the patent registered in his name for ‘Machine for Dyeing Indigo Dyes and Vat Dyes on Woven Fabrics’ to our Company, *vide* a license agreement dated March 18, 2019 entered with our Company and receives a royalty of ₹ 01 for the same. For further details, please refer to chapters titled “*Our Business*” and “*Government and other Approvals*” on page 131 and 231, respectively.

Experience of our Promoter in the business of our Company

For details in relation to experience of our Promoter in the business of our Company, please refer to the chapter titled “*Our Management*” beginning on page 164 of this Draft Red Herring Prospectus.

Litigations involving our Promoter

For details of legal and regulatory proceedings involving our Promoter, see “*Outstanding Litigation and Material Development*” in page 223.

Guarantees

Except as mentioned in chapter titled “*Financial Indebtedness*” on page 218 of this Draft Red Herring Prospectus, our Promoter has not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Draft Red Herring Prospectus.

Details of Companies / Firms from which our Promoter has disassociated in the last three years

Except as mentioned herein, our Promoter has not disassociated himself from any company/firm during the three years preceding this Draft Red Herring Prospectus.

Name of Entities	Reason of Disassociation
Bharati Infracon Private Limited	Strike-off

B. OUR PROMOTER GROUP

In addition to our Promoter, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations:

Individuals forming part of the Promoter Group:

Sr. No.	Name of the member of Promoter Group	Relationship with the Promoter
1.	Devkinandan Gopiram Agarwal	Father
2.	Sulochnadevi Devkinandan Agarwal	Mother
3.	Niralee Agarwal	Spouse
4.	-	Brother
5.	Bharati Atul Jain	Sister
6.	-	Son
7.	Sinhayana Mukesh Agarwal	Daughter
8.	Bharat Vasudev Brahmhatt	Spouse's father
9.	Pratimaben Brahmhatt	Spouse's mother
10.	Rushi Bharatkumar Brahmhatt	Spouse's brother
11.	-	Spouse's sister

Entities forming part of the Promoter Group:

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

Sr. No.	Name of the entity
1.	MnA Texlinen Private Limited
2.	MSD Polymers Private Limited
3.	Bharati Trading Enterprises Private Limited
4.	DS Procon LLP
5.	D.A. Infraspace LLP
6.	BS Infraspace LLP
7.	SM Infraspace LLP
8.	DM Infraspace LLP
9.	Avyukta Infrabuild LLP
10.	Deokinandan Gopiram HUF
11.	Bharat V Brahmhatt HUF
12.	M/s. Mukesh Enterprise
13.	M/s. Nandan Textile
14.	M/s. Sulochana Textile
15.	M/s. Bharti Synthetic

Other Confirmations

None of our Promoter, Promoter Group and Group Companies have been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoter, Promoter Group entities or Group Companies have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter, except as disclosed under the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 223 of this DRHP.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Offer Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the section titled “*Financial Information*” on page 191 of this Draft Red Herring Prospectus.

Pursuant to a resolution of our Board dated June 25, 2019, for the purpose of disclosure in the Offer Documents for the Issue, a company shall be considered material and disclosed as a ‘Group Company’ if (i) our Company has entered into one or more related party transactions with such company in the previous three fiscal years and (ii) any other company/entity which the Board may decide to consider material. Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, following are the Group Companies of our Company:

1. Bharati Trading Enterprises Private Limited;
2. MnA Texlinen Private Limited; and
3. MSD Polymers Private Limited.

Set forth below are the details of our Group Companies by turnover as on date of this Draft Red Herring Prospectus.

1. Bharati Trading Enterprises Private Limited (“BTEPL”)

Corporate Information

BTEPL was incorporated as private limited company under the Companies Act, 1956 in the name “*Bharati Energy and Natural Resources Private Limited*” vide a certificate of incorporation dated June 07, 2012 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. The name, Bharati Energy and Natural Resources Private Limited was subsequently changed to Bharati Trading Enterprises Private Limited vide a fresh certificate of incorporation consequent upon change of name dated March 07, 2019 issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of BTEPL is U74900GJ2012PTC070640. The registered office of BTEPL is situated at 401, Mauryansh Elanza, Shyamal Cross Road near Parekh Hospital, Satellite, Ahmedabad – 380 015, Gujarat, India.

Nature of Activities

BTEPL is engaged in the business *interalia*, to manufacture, process, pack, re-pack, distribute, transport, trade and otherwise deal in energy products and natural resources such as coal, natural gas, LNG, petro-chemicals, petroleum-products, kerosene, etc.

Interest of our Promoters

The registered office has been taken on lease by BTEPL from M/s. Sulochana Textiles, which is the sole proprietorship of our Promoter, vide a leave and license agreement dated March 19, 2019 for a consideration of ₹ 15,000, for a period of one year.

Financial Information

Set forth below is the financial information of BTEPL based on its audited financial statements for the last three fiscal years:

(₹ in million, except for per share data)			
Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Issued and paid up Equity Share Capital	16.10	16.10	16.10
Reserves and Surplus (excluding revaluation reserves)	9.90	4.97	2.54
Sales	472.20	553.21	497.77
Profit (Loss) after Tax	4.93	2.13	2.79
Basic and Diluted EPS per share	3.06	1.32	1.73

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Net Asset Value per equity share	16.15	13.09	11.58

Significant notes of the auditors of BTEPL for the last three Financial Years

Except as stated below, there are no significant notes of the auditors in relation to the aforementioned financial statements for the last three years.

Significant notes of Auditors on financial statements for the financial year ended 31 March 2017

Extract from the Independent Auditors Report on the Financial Statements

Emphasis of matters:

We draw attention to the following matters in the Notes to the financial statements:

- a) *Note 24 to the financial statements which describes non-compliance of Accounting Standard-15 related to Employee Benefit consisting of gratuity and leave encashment which is accounted on cash basis.*

Our opinion is not modified in respect of these matters

2. MnA Texlinen Private Limited (“MTPL”)

Corporate Information

MTPL was incorporated as a private limited company under the Companies Act, 1956, in the name, “*Ocean Synthetics Private Limited*” vide a certificate of incorporation dated July 06, 1992 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and having registration number 04-17932 of 1992-93. The name, Ocean Synthetics Private Limited was subsequently changed to MnA Texlinen Private Limited vide a fresh certificate of incorporation consequent upon change of name dated January 02, 2007 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number of MTPL is U25209GJ1992PTC017932. The registered office of MTPL is situated at Godown No. 17, Prabhu Krupa Estate, opposite Maruti Showroom, Narol-Isanpur Road, Narol, Ahmedabad – 382 405 Gujarat, India.

Nature of Activities

MTPL is engaged in the business of *interalia* spinning, weaving, manufacturing, processing, dyeing, bleaching and dealing in natural, synthetic and any other type of fabric.

Interest of our Promoter

Name of the Promoter	No. of equity shares	% of shareholding
Mukesh Devkinandan Agarwal	93,950	40.36

Other than as disclosed hereinabove, our Promoter is also the director on the board of MTPL and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to him.

Financial Information

Set forth below is the financial information of MTPL based on its audited financial statements for the last three fiscal years:

<i>(₹ in million, except for per share data)</i>			
Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Issued and paid up Equity Share Capital	2.33	2.33	2.33
Reserves and Surplus (excluding revaluation reserves)	14.49	1.39	1.31
Sales	96.69	22.72	16.16
Profit (Loss) after Tax	13.10	0.07	0.06
Basic and Diluted EPS per share	56.27	0.32	0.24
Net Asset Value per equity share	72.23	15.96	15.64

Significant notes of the auditors of MTPL for the last three Financial Years

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three years

3. MSD Polymers Private Limited (“MSD Polymers”)

Corporate Information

MSD Polymers was incorporated as a private limited company under the Companies Act, 1956, in the name, “*Colorfab Denims Private Limited*” vide a certificate of incorporation dated August 02, 2005 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, under the Companies Act, 1956. The name, Colorfabs Denims Private Limited was subsequently changed to MSD Polymers Private Limited vide a fresh certificate of incorporation dated October 03, 2008 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli consequent upon change of name. The Corporate Identification Number of MSD Polymers is U17110GJ2005PTC046529. The registered office of MSD Polymers is situated at Godown No. 18, Prabhu Krupa Estate, opposite Maruti Showroom, Narol-Isanpur Road, Narol, Ahmedabad – 382 405 Gujarat, India.

Nature of Activities

MSD Polymers is engaged in the business of *interalia* producing, processing, converting, manufacturing, selling, distributing polyester fibres and polymer products.

Interest of our Promoter

Name of the Promoter	No. of equity shares	% of shareholding
Mukesh Devkinandan Agarwal	5,000	50.00

Other than as disclosed hereinabove, our Promoter is also the director on the board of MSD Polymers and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to him.

Financial Information

Set forth below is the financial information of MSD Polymers based on its audited financial statements for the last three fiscal years:

<i>(₹ in million, except for per share data)</i>			
Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Issued and paid up Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	0.90	0.95	0.87
Sales	0	9.73	25.72
Profit (Loss) after Tax	(0.04)	0.08	0.10
Basic and Diluted EPS per share	-	8.04	9.66
Net Asset Value per equity share	100.75	104.74	96.70

Significant notes of the auditors of MSD Polymers for the last three Financial Years

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three years

Group Companies with negative net worth

As on the date of this Draft Red Herring Prospectus, our Company does not have any Group Companies with negative net worth.

Loss making Group Companies

As on date of this Draft Red Herring Prospectus, our Company does not have any loss making Group Companies, except for MSD Polymers Private Limited as mentioned below:

(₹ in million)			
Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Profit (Loss) after Tax	(0.04)	0.08	0.10

Nature and extent of Interest of Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

In the business of our Company

Except as stated in “*Restated Consolidated Financial Information - Annexure VI- Note 42 – List of Related Parties and Transactions during the period/ years*” on page F-46 of this Draft Red Herring Prospectus , our Group Companies do not have any business interests in our Company.

In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI

None of our Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

In transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits

Our Company has objects similar to or is carrying out business activities similar to MnA Texlinen Private Limited and MSD Polymers Private Limited. Accordingly, there are common pursuits between MnA Texlinen Private Limited, MSD Polymers Private Limited and our Company which could be a potential source of conflict. Our Company shall adopt necessary measures and practices as permitted by law and regulatory guidelines to address any conflict situation as and when they arise. For further details, please refer to “*Risk Factor number 42 – Two of our Group Companies, MnA Texlinen Private Limited and MSD Polymers Private Limited have their main objects similar to that of ours which may be a potential source of conflict for us.*” on page 41 of this Draft Red Herring Prospectus.

Related business transactions within the Group Companies and significance on the financial performance of the Company

Except as disclosed in “*Restated Consolidated Financial Information - Annexure VI- Note 42 – List of Related Parties and Transactions during the period/ years*” on page F-46 of this Draft Red Herring Prospectus, there are no related business transactions of the Company with its Group Companies.

Sale / Purchase between Group Companies

Except as stated in “*Restated Consolidated Financial Information - Annexure VI- Note 42 – List of Related Parties and Transactions during the period/ years*” on page F-46 of this Draft Red Herring Prospectus, , none of our Group Companies are involved in any sales or purchase with our Company. .

Defunct / Sick Group Companies

None of our other Group Companies is defunct and no applications have been made to the Registrar of Company by any of our Group Companies for striking off their names from the register of companies, during the five years preceding the date of filing of this Draft Red Herring Prospectus.

Further, none of the Group Companies have become sick companies under the erstwhile Sick Industrial Companies Act, 1985 or have become insolvent under the Insolvency and Bankruptcy Code, 2016 and no winding up proceedings have been initiated against them.

Litigation

For details relating to legal proceeding involving our Group Companies, please see the section “*Outstanding Litigation and Material Development*” beginning on page 223 of this Draft Red Herring Prospectus.

Other Confirmations

Our Group Companies have not been prohibited or debarred from accessing the capital markets for any reason by SEBI or any other regulatory or governmental authority.

Further, none of our Group Companies have been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Equity shares of our Group Companies have not been listed on any stock exchanges and none of our Group Companies have made any public issues / rights issues in the last three years.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see “*Restated Consolidated Financial Information - Annexure VI- Note 42 – List of Related Parties and Transactions during the period/ years*” on page F-46 of this Draft Red Herring Prospectus. .

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

S. No.	Details	Page Number
1.	Restated Consolidated Financial Information	F-1
2.	Other Financial Information	F-64
3.	Capitalization Statement	F-65

In accordance with the SEBI ICDR Regulations, the standalone audited financial information of our Company for Fiscals 2019, 2018 and 2017 are available on our website at <http://mtll.in/index.php/investor-relations/>.

(The remainder of this page is intentionally left blank)

**INDEPENDENT AUDITORS EXAMINATION REPORT ON RESTATED CONSOLIDATED
FINANCIAL INFORMATION**

To,

The Board of Directors

Mukesh Trends Life Style Limited

(Formerly known as Mukesh Industries Limited)

National Highway No. 08,

Narol Naroda Road,

Ahmedabad – 382443,

Gujarat, India

Dear Sirs,

- 1) We have examined the attached Restated Consolidated Financial Information of Mukesh Trends Life Style Limited *(formerly known as Mukesh Industries Limited)* (the ‘Holding Company’ or ‘Company’) and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’), which comprise of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2019, March 31, 2018 and March 31, 2017 the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for each of the financial year ended March 31, 2019, March 31, 2018 and March 31, 2017 and the Restated Consolidated Statement of Significant Accounting Policies as approved by the Board of Directors of the Company at their meeting held on August 02, 2019 for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) prepared by the Company in connection with its proposed offer of equity shares of the Company prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (“the Rules”); and
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations").
 - c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”)
- 2) The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Company for the purpose of inclusion in DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited(collectively the “Stock Exchanges”) and Registrar of Companies, Gujarat in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the company on the basis of preparation stated in Note 2 of Annexure 5 to the Restated Consolidated Financial Information. The Management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Companies within the Group complies with the Act, the Rules, ICDR Regulations and Guidance Note.
- 3) We have examined such Restated Consolidated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated July 15, 2019 in connection with the proposed issue of equity shares of the Company; and
 - b) The Guidance Note on Reports in Company Prospectus (Revised 2019) (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”).
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the guidance note in connection with the IPO.
- 4) The Restated Consolidated Financial Information have been prepared under Indian Accounting Standards (the “Ind-AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, read with section 133 of the Act and have been compiled by the management of the Company from:
- the audited financial statements of the Group for the year ended March 31, 2019, March 31, 2018 and March 31, 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which has been approved by the Board of Directors at their respective Board meetings held on June 25, 2019, September 05, 2018 and September 04, 2017. These audited financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us for the year ended March 31, 2019 and March 31, 2018;
- 5) We did not audit the financial statements of Holding company i.e., Mukesh Trends Life Style Limited for the financial year ended March 31, 2017. These financial statements have been audited by another firm of chartered accountants, Nahta Jain & Associates whose audit report has been furnished to us by the Company, and our opinion in so far as it relates to the amounts included in these Restated Consolidated Financial Information is based solely on the audit report of the other auditor.
 - 6) We did not audit the financial statements of our Associate i.e. MnA Texlinen Private Limited as at and for the financial year ended March 31, 2019, March 31, 2018 and March 31, 2017 These financial statements have been audited by another firm of chartered accountants, Lunia & Company for the financial year ended March 31, 2019 and S Sharda & Associates for the financial year ended March 31, 2018 and March 31, 2017 whose audit report has been furnished to us by the Company, and our opinion in so far as it relates to the amounts included in these Restated Consolidated Financial Information is based solely on the audit report of the other auditor.
 - 7) We have opted Equity method of Accounting as per Ind AS 28 for consolidating our Associate company i.e., MnA Texlinen Private Limited. Our Company held 35.87% of Equity Shares for the financial year ended March 31, 2017 and March 31, 2018 and has diluted its complete holding in financial year ended March 31, 2019.
 - 8) We have examined the following restated consolidated financial information of the Group set out in the Annexures prepared by the Management of the Company and approved by the Board of Directors on August 02, 2019 for the for the years ended March 31, 2019, March 31, 2018 and March 31, 2017.
 - a) Annexure I – Restated Consolidated Summary Statement of Assets & Liabilities
 - b) Annexure II – Restated Consolidated Summary Statement of Profit & Loss
 - c) Annexure III – Restated Consolidated Summary Statement of Cash Flows
 - d) Annexure IV – Restated Consolidated Statement of Changes in Equity
 - e) Annexure V – Restated Consolidated Statement of Significant Accounting Policies:

- f) Annexure VI Notes to Restated Consolidated Financial Information;
- g) Annexure VII- Statement on Adjustments to Audited Financial Statements;
- h) Annexure VIII – Consolidated Summary Statement of Accounting Ratios; and
- i) Annexure IX- Restated Consolidated Statement of Capitalization;

According to the information and explanations given to us, in our opinion, the Restated Consolidated Financial Information accompanying this report, read with Restated Consolidated Statement of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with the Rules, ICDR Regulations and the Guidance Note.

- 9) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the audited financial statements referred to herein.
- 10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 11) Our report is intended solely for use of the Management of the Company for inclusion in the DRHP to be filed with Securities and Exchange Board of India, the stock exchanges where the equity shares are proposed to be listed and Registrar of Companies, Gujarat in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For ABHISHEK KUMAR & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No: 130052W

Sd/-
Abhishek Agarwal
Membership Number: 132305

Place: Ahmedabad
Date: August 02, 2019

Mukesh Trends Life Style Limited
(Formerly known as Mukesh Industries Limited)
Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities

(Indian rupees in Million, unless otherwise stated)

Particulars	Notes	As at March 31,2019	As at March 31,2018	As at March 31,2017
ASSETS				
Non-current assets				
Property, plant and equipment	4	585.40	614.69	466.86
Capital work-in-progress		-	-	162.33
Intangible assets	5	22.59	25.57	6.50
Financial assets				
(i) Investment	6	-	1.36	1.19
(ii) Other	7	6.97	4.37	3.99
Other Non Current Assets		-	-	-
Total non-current assets		614.96	645.99	640.86
Cash and Cash Equivalents				
Current assets				
Inventories	8	480.86	452.79	293.67
Financial assets				
(i) Trade receivables	9	726.62	707.20	645.85
(ii) Cash and Cash Equivalent	10	5.22	5.92	51.63
(iii) Other bank balances	11	13.83	13.83	-
(iv) Other Financial Asset	12	3.08	2.97	3.77
Other current assets	13	134.28	80.02	77.99
Total current assets		1,363.90	1,262.74	1,072.90
TOTAL ASSETS		1,978.87	1,908.72	1,713.77
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	224.51	143.94	143.94
Other equity	15	474.94	341.70	266.56
Total equity		699.45	485.64	410.51
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	224.47	342.71	379.64
Provisions	17	2.85	0.23	0.87
Deferred tax Liabilities (Net)	18	57.19	39.52	18.83
Other Non-Current Liabilities	19	25.00	65.60	53.34
Total non-current liabilities		309.52	448.06	452.69
Current liabilities				
Financial liabilities				
(i) Borrowings	20	349.63	329.67	260.52
(ii) Trade payables	21	404.56	469.62	486.96
(iii) Other financial liabilities	22	170.37	147.70	93.07
Other current liabilities	23	4.21	3.57	4.01
Provisions	24	3.38	3.38	2.71
Current tax liabilities (Net)	35	37.75	21.07	3.29
Total current liabilities		969.90	975.02	850.57
Total liabilities		1,279.42	1,423.08	1,303.26
TOTAL EQUITY AND LIABILITIES		1,978.87	1,908.72	1,713.77
Note: The above Annexure should be read in conjunction with the summary statement of significant Accounting policy appearing in Annexure V, notes to the restated consolidated financial statement appearing in Annexure VI and statement on adjustment to audited financial statement appearing in Annexure VIII.				

In terms of our report attached
For Abhishek Kumar & Associates
 Chartered Accountants
 ICAI Firm Regn No.130052W

Sd/-
Abhishek Agarwal
 Membership No.: 132305

Place: Ahmedabad
 Date: August 02, 2019

For and on behalf of the Board of Directors

Sd/-
Devkinandan Agarwal
Managing Director
 DIN: 00146775

Sd/-
Kailash Dudhani
Chief Financial Officer

Sd/-
Mukesh Agarwal
Whole Time Director & CEO
 DIN : 00146544

Sd/-
Dashang Khatri
CS & Compliance Officer

Mukesh Trends Life Style Limited
(Formerly known as Mukesh Industries Limited)
Annexure II - Restated Consolidated Summary Statement of Profit & Loss
(Indian rupees in Million, unless otherwise stated)

Particulars		Notes	As at March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue:					
I	Revenue from operations	25	2,341.81	2,325.43	2,100.10
II	Other income	26	24.39	27.72	30.05
III	Total Income (I + II)		2,366.20	2,353.16	2,130.15
Expenses:					
	Cost of materials consumed	27	1,677.16	1,729.53	1,357.21
	Purchases of stock-in-trade	28	-	-	361.37
	Changes in inventories of finished goods (including stock in trade) and work-in-progress	29	-107.22	-58.14	-94.44
	Employee benefits expense	30	84.46	73.43	64.07
	Finance costs	31	97.36	88.90	71.47
	Depreciation and amortisation expense	32	74.84	81.57	83.40
	Other expenses	33	342.44	315.27	257.88
IV	Total expenses		2,169.04	2,230.57	2,100.96
V	Profit before exceptional items, share of net profit of investments accounted for using equity method and tax (III- IV)		197.16	122.59	29.19
VI	Share of Net Profit of Associate accounted for using Equity Method		-	0.03	0.02
VII	Profit before exceptional items and tax (V-VI)		197.16	122.62	29.21
VIII	Exceptional items		-	-	-
IX	Profit before tax (VII - VIII)		197.16	122.62	29.21
X	Tax expense:				
	a) Current tax	34	46.15	27.86	5.86
	b) Excess/(Short) provision for tax of earlier years	34	0.00	-	-
	c) Deferred tax (credit)/charge		17.72	20.68	-5.18
			63.88	48.54	0.69
XI	Profit after tax (IX-X)		133.28	74.08	28.52
Other Comprehensive Income					
A (i)	Items that will not be reclassified to profit or loss				
	Remeasurment of the defined benefit plans		-0.18	0.57	-0.35
(ii)	Income tax relating to items that will not be reclassified to profit or loss	34	0.05	-0.12	0.07
B (i)	Items that will be reclassified to profit or loss		-	-	-
(ii)	Income tax relating to items that will be reclassified to profit or loss		-	-	-
XII	Total Other Comprehensive Income (A + B)		-0.13	0.45	-0.28
XIII	Total Comprehensive Income for the year (XI + XII)		133.16	74.53	28.24
XIII	Earnings per equity share (in INR) (Face Value of Rs. 10/- each)				
	Basic		6.18	3.92	1.65
	Diluted		6.18	3.92	1.65
Note: The above Annexure should be read in conjunction with the summary statement of significant Accounting policy appearing in Annexure V, notes to the restated consolidated financial statement appearing in Annexure VI and statement on adjustment to audited financial statement appearing in Annexure VIII.					

In terms of our report attached
For Abhishek Kumar & Associates
Chartered Accountants
ICAI Firm Regn No.130052W

Sd/-
Abhishek Agarwal
Membership No.: 132305

Place: Ahmedabad
Date: August 02, 2019

For and on behalf of the Board of Directors

Sd/-
Devkinandan Agarwal
Managing Director
DIN: 00146775

Sd/-
Mukesh Agarwal
Whole Time Director & CEO
DIN : 00146544

Sd/-
Kailash Dudhani
Chief Financial Officer

Sd/-
Dashang Khatri
CS & Compliance Officer

Mukesh Trends Life Style Limited
(Formerly known as Mukesh Industries Limited)
Annexure III - Restated Consolidated Summary Statement of Cash Flows
(Indian rupees in Million, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flow from Operating Activities			
Profit before tax	197.16	122.62	29.21
Adjustments for:			
Depreciation and amortisation expense	74.84	81.57	83.40
Profit on sale of Share	(6.37)	0.00	0.00
Loss / (Gain) on disposal of property, plant and equipment (net)	0.50	0.22	0.95
Gain arising on financial assets measured at FVTPL (net)	0.00	0.00	0.00
Exchnage Gain/(Loss)	(0.62)	0.22	2.17
Interest income	(1.95)	(1.45)	(1.57)
Finance costs	97.36	88.90	71.47
	360.93	292.07	185.63
Changes in working capital			
(Increase) in inventory	(28.07)	(158.06)	(57.15)
Decrease / (increase) in trade receivable	(19.42)	(61.35)	(82.68)
Decrease / (increase) in other financial assets	0.00	(13.83)	0.00
Decrease / (increase) in Financial Asset (Loan) & Non Current Assets	(2.61)	(0.38)	0.01
(Increase) in other current assets	(54.26)	(2.03)	(8.59)
(Decrease) / increase in trade payable	(64.45)	(17.55)	159.46
Increase in other financial liabilities	0.00	0.00	0.00
Increase in other Non current liabilities	0.00		
Increase in other current liabilities	0.64	(0.44)	(28.93)
Increase in provisions	2.44	(1.54)	0.94
(Decrease) in non-financial liabilities	(40.60)	12.26	(33.00)
Cash generated from operating activities	154.59	49.15	135.68
Taxes paid (net)	(29.47)	(8.50)	(8.31)
Net cash generated from operating activities (A)	125.11	40.65	127.37
Cash flows from investing activities			
Investment	7.74	(0.17)	(0.37)
Interest received	1.84	2.25	0.41
Acquisition of other non current assets	0.00	0.00	0.00
Proceeds from sale of items of property, plant and equipment	3.23	26.86	1.83
Payments for purchase of items of property, plant and equipment	(46.31)	(113.23)	(185.78)
Net cash used in investing activities (B)	(33.50)	(84.29)	(183.91)
Cash Flow from Financing Activities			
Proceeds from non-current and Current borrowing	0.00	57.62	226.06
Repayment of non-current borrowings	(119.24)	(94.62)	(120.90)
Proceeds from Equity	80.65	0.00	40.15
Proceeds from Current borrowing	19.96	69.15	0.00
Increase/(decrease) in current borrowings (net)	0.00	0.00	(15.74)
Finance costs paid	(73.68)	(34.21)	(39.31)
Net cash generated from / (used in) financing activities (C)	(92.31)	(2.06)	90.26
Net increase / (decrease) in cash and cash equivalents (A+ B+ C)	(0.70)	(45.70)	33.72
Cash and cash equivalents at 1 April	5.92	51.63	17.91
Addition pursuant to Scheme of Arrangement	0.00	0.00	0.00
Cash and cash equivalents at 31 March	5.22	5.92	51.63

Mukesh Trends Life Style Limited
(Formerly known as Mukesh Industries Limited)
Annexure III - Restated Consolidated Summary Statement of Cash Flows (Continued)
(Indian rupees in Million, unless otherwise stated)

Notes :

- The above standalone Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flows".

2.	Cash and cash equivalent includes:	As at March 31,2019	As at March 31,2018	As at March 31,2017
	Cash and cheques on hand	0.28	0.17	0.15
	Balances with banks			
	In Current Accounts	0.35	0.16	38.99
	Fixed deposit with original maturity of less than 3 months	4.60	5.60	12.49
	Cash and cash equivalents in Cash flow statement	5.22	5.92	51.63

Note: The above Annexure should be read in conjunction with the summary statement of significant Accounting policy appearing in Annexure V, notes to the restated consolidated financial statement appearing in Annexure VI and statement on adjustment to audited financial statement appearing in Annexure VIII.

In terms of our report attached
For Abhishek Kumar & Associates
Chartered Accountants
ICAI Firm Regn No.130052W

Sd/-
Abhishek Agarwal
Membership No.: 132305

Place: Ahmedabad
Date: August 02, 2019

For and on behalf of the Board of Directors

Sd/-
Devkinandan Agarwal
Managing Director
DIN: 00146775

Sd/-
Kailash Dudhani
Chief Financial Officer

Sd/-
Mukesh Agarwal
Whole Time Director & CEO
DIN : 00146544

Sd/-
Dashang Khatri
CS & Compliance Officer

Mukesh Trends Life Style Limited
(Formerly known as Mukesh Industries Limited)
Annexure IV - Restated Consolidated Statement of Changes in Equity
(Indian rupees in Million, unless otherwise stated)

Equity Share Capital

Particulars	Note	Number of Shares	Amount
As at 31 March 2016 - Proforma Ind AS		126,40,940	126.41
Changes in equity share capital during the year		17,53,520	17.54
As at 31 March 2017- Proforma Ind AS		143,94,460	143.94
Changes in equity share capital during the year		-	-
As at 31 March 2018- Proforma Ind AS		143,94,460	143.94
Changes in equity share capital during the year		80,56,656	80.57
As at 31 March 2019- Proforma Ind AS		224,51,116	224.51

Other Equity	Reserves & Surplus				Total
	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	
Balance at 31 March 2016- Proforma Ind AS	-	-	-	209.64	209.64
Total comprehensive income for the year ended 31 March 2017					
Profit for the year	-	-	-	28.52	28.52
Items of other comprehensive income for the year , net of taxes					
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	(0.28)	(0.28)
Total comprehensive income for the year	-	-	-	28.24	28.24
Transfer from retained earning	-	-	-	-	-
Addition during the year	22.61	-	-	6.06	28.68
Other appropriations	-	-	-	-	-
Balance at 31 March 2017- Proforma Ind AS	22.61	-	-	243.95	266.56
Total comprehensive income for the year ended 31 March 2018					
Profit for the year	-	-	-	74.08	74.08
Items of other comprehensive income for the year , net of taxes					
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	0.45	0.45
Total comprehensive income for the year	-	-	-	74.53	74.53
Transfer from retained earning	-	-	-	-	-
Addition during the year	-	-	-	0.61	0.61
Other appropriations	-	-	-	-	-
Balance at 31 March 2018- Proforma Ind AS	22.61	-	-	319.08	341.70
Total comprehensive income for the year ended 31 March 2019					
Profit for the period	-	-	-	133.28	133.28
Items of other comprehensive income for the year , net of taxes					
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	(0.13)	(0.13)
Total comprehensive income for the year	-	-	-	133.16	133.16
Transfer from retained earning	-	-	-	-	-
Addition during the period	56.21	-	-	-	56.21
Other appropriations	(56.13)	-	-	-	(56.13)
Balance at 31 March 2019- Proforma Ind AS	22.70	-	-	452.24	474.94

Mukesh Trends Life Style Limited

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Annexure V – Notes to Restated Consolidated Financial Information

(Indian Rupees in million, unless otherwise stated)

1. Corporate information

Mukesh Trends Life Style Limited (the “Company”) was incorporated on July 30th, 1990. The Company is engaged in fabric processing i.e. bleaching, dyeing, printing and finishing of 100% cotton, polyester, nylon, acrylic, viscose rayon, linen & blended fabrics. The Company is domiciled in India with registered office situated at National Highway No. 8, Narol Naroda Road, Ahmedabad, 382 443 Gujarat India. The Restated Consolidated Financial Information of the Company are authorised for issue on August 02, 2019 in accordance with a resolution of the Board of Directors.

2. Basis of preparation

The Restated Consolidated Statement of Assets and Liabilities of the Company as at 31 March 2019, 31 March 2018 and 31 March 2017, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Cash flows and the Restated Consolidated Statement of Changes in Equity for the period/years then ended and Notes to Restated Financial Information (together referred as ‘Restated Financial Information’) has been prepared under Indian Accounting Standards (‘Ind AS’) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the ‘Act’) to the extent applicable. The Restated Consolidated Financial Information has been compiled by the management of the Company from:

- i. the audited financial statements of the Company as at and for the year ended March 31, 2019, March 31, 2018 and March 31, 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board meeting held on June 25, 2019, September 05, 2018 and September 04, 2017 respectively.
- ii. In accordance with requirement under Ind AS 101 First-time preparation of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Proforma Ind AS Restated Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of Restated Shareholders’ equity as at March 31, 2019, March 31, 2018 and March 31, 2017 and of the Restated Statement of Comprehensive Income for years March 31, 2019, March 31, 2018 and March 31, 2017 as initially deemed adopted on transition date April 01, 2016 for the purpose of preparation of proforma Ind AS restated financial information.
- iii. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards (refer note -- of Annexure VI ‘Notes to Restated Financial Information’), the Company has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows.

This Restated Consolidated Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India (‘SEBI’) in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

- (i) Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013; and
- (ii) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India (‘SEBI’) on 11 September 2018 in pursuance of the Securities and Exchange Board of India Act, 1992 and as amended from time to time.
- (iii) Guidance Note on Report in Company Prospectus (Revised 2019) issued by Institute of Chartered Accountants of India (referred to as ‘the Guidance note’)

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(Indian Rupees in million, unless otherwise stated)

2.1. Summary of significant accounting policies**a. Basis of Consolidation**

The Restated Consolidated Financial Information incorporate the Financial Statements of the Holding Company and entities over which the Holding company has significant influence i.e. Associates Company. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The company accounts investment in Associates Company using equity method. Under the equity method, on initial recognition the investment in an associate is recognized at cost, and the carrying amount is increased or decreased to recognize the company's share of the profit or loss of the associate after the date of acquisition. The company's share of the associate's profit or loss is recognized in the company's profit or loss.

b. Basis of classification of current and non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III, as amended notified under the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

c. Functional and presentation currency

The Restated Financial Information is prepared in Indian Rupees (INR/Rs./₹), which is also the Company's functional Currency. Functional Currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity generates and spends cash.

d. Historical Cost Convention

The Restated Financial Information has been prepared under historical cost convention on the accrual basis except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

e. Property, plant and equipment (PPE)

PPE and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of PPE shall be recognised as an asset if, and only if:

- a. it is probable that future economic benefits associated with the item will flow to the entity; and
- b. the cost of the item can be measured reliably.

Subsequent expenditure related to an item of PPE is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation on property, plant and equipment

Depreciation on PPE is provided using straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013.

Assets category	Useful Life as per Schedule II (years)
Factory Building	30 years
Plant and machinery	15 years
Electrical Installations	10 years
Mobile	5 years
Computers	6 years
Furniture and fixtures	15 years
Office Equipment	5 years
Vehicles	8 years

Leasehold improvements (if any) are depreciated over the primary lease period of the properties.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Capital Work-in-Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization impairment losses, if any.

Recognition:

The costs of intangible asset are recognised as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

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Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end and adjusted prospectively, if appropriate treating them as changes in accounting estimates. The maintenance expenses on intangible assets with finite lives is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of an asset and satisfies recognition criteria. Intangibles representing Right to use Drainage Line are amortized using the straight line method over their estimated useful lives of 10 years.

Gains/(losses) arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognised.

Assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

h. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 01 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and

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consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

j. Borrowing costs

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised upto the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

l. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The company has generally concluded that it is

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the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

As per Ind AS 115, the company apply the five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which we expect to be entitled in exchange for transferring goods or services to a customer.

Sale of goods:

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 45 to 60 days upon delivery. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Sales for the period 1 April to 30 June 2017 in the previous year were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements.

Interest Income

For all debt instruments measured at amortised cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

Other

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

n. Income tax

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit or Loss (either in other comprehensive income or in equity).

o. Minimum Alternate Tax (MAT)

Minimum alternate tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

p. Retirement and other employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Provident fund:

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

Gratuity:

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognises termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absence:

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

q. Segment reporting policies

Operating segments are reported in a manner consistent with the internal reporting done to the Chief Operating Decision Maker. The Company operates in a single operating segment and geographical segment. The board of directors is collectively the company's 'Chief Operating Decision maker' or 'CODM' within the meaning of -Ind AS 108.

r. Asset held for sale:

Non current assets are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financial assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non current assets are not depreciated or amortised while they are classified as held for sale. Non current assets held for sale are presented separately from other assets in the balance sheet.

s. Fair value measurement

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

t. Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit and Loss are recognised immediately in Statement of Profit and Loss.

A. Financial assets**a. Recognition and initial measurement**

The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

b. Classification

On initial recognition, a financial asset is classified as measured at; amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 9. A debt instrument is classified as FVOCI only if it meets both the of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d. Impairment**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial assets that are debt instruments and are measured as at FVTOCI
- (c) Lease receivables under Ind AS 17
- (d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
- (e) Loan commitments which are not measured as at FVTPL
- (f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- (i.) Trade receivables or contract revenue receivables; and
- (ii.) All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (i.) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- (ii.) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- (i.) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- (ii.) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- (iii.) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

e. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

B. Financial liabilities and equity instruments**a. Classification as debt or equity**

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the [Statement of comprehensive income/Statement of Profit and Loss].

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

d. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in P&L.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference

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		between previous amortized cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

e. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

f. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

g. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

C. Judgments

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In the process of applying the Company's accounting policies, the management has made the following significant judgements, which have impact on the amounts recognised in the financial statements:

a. Contingencies

The Company is subject to certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

b. Evaluation of indicators for impairment of non-financial assets

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets and investments in subsidiaries.

D. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Following are the significant estimate and assumptions which have impact on the amounts recognised in the financial statements:

i. Useful lives of depreciable assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets

ii. Recognition of deferred tax

The extent to which deferred tax asset to be recognized is based on the assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

iii. Recoverability of advance/receivable

At each reporting date, based on the aging of the receivable the management assessed the expected credit losses on the outstanding receivable and advances.

iv. Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future trends salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. Allowance for doubtful debts

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The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

vi. Impairment of assets

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

vii. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4. Changes in Accounting Policies and Disclosures**New and Amended Standards**

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time, but do not have an impact on the Restated Consolidated Financial Information of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 : Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Group adopted Ind AS 115 using the modified retrospective method of adoption.

Ind AS 116 : Leases

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires

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the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:-

- **Full Retrospective** – Retrospectively, to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- **Modified Retrospective** – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:-

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee's incremental borrowing rate at the date of initial application; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Ind AS 12 : Income Tax

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Appendix C: Uncertainty over Income Tax Treatments

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:-

- **Full Retrospective Approach** – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight; and
- **Modified Retrospective Approach** - Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative

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effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Ind AS 19 : Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:-

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this Amendment.

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4 & 5 Tangible and Intangible Assets
Details of the company's Property, Plant and Equipments and their carrying amount as follows:

As at March 31,2019											
TANGIBLE ASSETS	Cost or Deemed Cost				Accumulated depreciation and impairment				Net Book Value		
	Balance as at April 1, 2018	Additions During the period	Deductions During the period	Balance as at March 31, 2019	Balance as at April 1, 2018	Depreciation charge for the period	Disposals	Adjustment	Balance as at March 31, 2019	Balance as at March 31, 2019	Balance as at March 31, 2018
Freehold Land	8.37	13.76		22.13	-	-	-	-	-	22.13	8.37
Building	40.37	6.73		47.10	4.69	1.81	-	-	6.50	40.60	35.69
Plant and Machinery	725.88	18.52	1.23	743.17	184.03	64.82	-	-	248.85	494.32	541.85
Motor Vehicles	23.59	2.95	2.99	23.55	3.86	2.97	0.49	-	6.35	17.20	19.73
Furniture and Fixtures	8.74	3.13		11.87	1.52	1.36		-	2.89	8.99	7.22
Computers	2.76	1.22		3.98	0.92	0.90		-	1.82	2.16	1.84
Total	809.72	46.31	4.22	851.80	195.02	71.87	0.49	-	266.40	585.40	614.69
Previous Year	584.14	253.51	27.93	809.72	117.28	78.59	0.85	-	195.02	614.69	

INTANGIBLE ASSETS	Balance as at April 1, 2018	Additions During the period	Deductions During the period	Balance as at March 31, 2019	Balance as at April 1, 2018	Depreciation charge for the period	Disposals	Adjustment	Balance as at March 31, 2019	Balance as at March 31, 2019	Balance as at March 31, 2018
Right to use Dranage Line	31.36	-	-	31.36	5.79	2.98	-	-	8.77	22.59	25.57
Total	31.36	-	-	31.36	5.79	2.98	-	-	8.77	22.59	25.57
Previous Year	8.24	22.05	-	30.29	1.75	2.98	-	-	4.73	25.57	

As per Ind AS 101, the company has elected the option to take the previous GAAP carrying amount values for all Property, Plant and Equipment as well as Intangible Assets as date of transition. While preparing Proforma Restated Information for the years ended 31 March 2017, 31 March 2018 and March 31, 2019 the company has applied the same accounting policy as on the date of transition.

As at March 31, 2018 (Rs. In million)											
TANGIBLE ASSETS	Cost or Deemed Cost				Accumulated depreciation and impairment				Net Book Value		
	Balance as at April 1, 2017	Additions During the year	Deductions During the year	Balance as at March 31, 2018	Balance as at April 1, 2017	Depreciation charge for the year	Disposals	Adjustment	Balance as at March 31, 2018	Balance as at March 31, 2018	Balance as at March 31, 2017
Freehold Land	8.37	-	-	8.37	-	-	-	-	-	8.37	8.37
Building	37.35	3.02	-	40.37	3.05	1.64	-	-	4.69	35.69	34.30
Plant and Machinery	511.95	240.25	26.31	725.88	110.30	73.73	-	-	184.03	541.85	401.65
Motor Vehicles	16.24	8.97	1.62	23.59	2.51	2.19	0.85	-	3.86	19.73	13.73
Furniture and Fixtures	8.04	0.70	-	8.74	0.87	0.65	-	-	1.52	7.22	7.17
Computers	2.18	0.58	-	2.76	0.54	0.38	-	-	0.92	1.84	1.64
Total	584.14	253.51	27.93	809.72	117.28	78.59	0.85	-	195.02	614.69	466.86
Previous Year	563.20	25.15	4.21	584.14	36.20	82.52	1.43	-	117.28	466.86	

INTANGIBLE ASSETS	Balance as at April 1, 2017	Additions During the year	Deductions During the year	Balance as at March 31, 2018	Balance as at April 1, 2017	Depreciation charge for the year	Disposals	Adjustment	Balance as at March 31, 2018	Balance as at March 31, 2018	Balance as at March 31, 2017
Right to use Dranage Line	8.24	22.05	-	30.29	1.75	2.98	-	-	4.73	25.57	6.50
Total	8.24	22.05	-	30.29	1.75	2.98	-	-	4.73	25.57	6.50
Previous Year	9.31	-	-	9.31	1.93	0.88	-	-	2.81	6.50	

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As at March 31, 2017											
TANGIBLE ASSETS	Cost or Deemed Cost									Net Book Value	
	Balance as at April 1, 2016	Additions During the year	Deductions During the year	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation charge for the year	Disposals	Adjustment	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
Freehold Land	8.37	-	-	8.37	-	-	-	-	-	8.37	8.37
Building	34.61	2.75	-	37.35	1.49	1.55	-	-	3.05	34.30	33.11
Plant and Machinery	500.22	11.73	-	511.95	32.40	77.90	-	-	110.30	401.65	467.82
Motor Vehicles	12.58	7.86	4.21	16.24	1.71	2.23	1.43	-	2.51	13.73	10.87
Furniture and Fixtures	6.18	1.86	-	8.04	0.35	0.52	-	-	0.87	7.17	5.83
Computers	1.23	0.95	-	2.18	0.23	0.31	-	-	0.54	1.64	1.00
Total	563.20	25.15	4.21	584.14	36.20	82.52	1.43	-	117.28	466.86	527.00
Previous Year	246.42	317.75	0.97	563.20	-	36.78	0.58	-	36.20	527.00	

INTANGIBLE ASSETS	Balance as at April 1, 2016	Additions During the year	Deductions During the year	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation charge for the year	Disposals	Adjustment	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
Right to use Dranage Line	8.24	-	-	8.24	0.86	0.88	-	-	1.75	6.50	7.38
Total	8.24	-	-	8.24	0.86	0.88	-	-	1.75	6.50	7.38
Previous Year	8.55	0.76	-	9.31	1.07	0.86	-	-	1.93	7.38	

Figures of Previous year represents deemed cost on the date of transition to Ind AS as per the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

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6 Investments

Details of the company's investments and their carrying amounts are as follows:

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Non-Current Investments: (At Cost)			
Investment in unquoted equity shares of Associate companies			
MnA Texlinen Private Ltd (83,500 Equity Shares of Rs 10/- each)	-	1.36	1.19
Total	-	1.36	1.19
Aggregate value of unquoted investments	-	1.36	1.19
Aggregate amount of impairment in value of investments	-	-	-

7 Other Financial Assets

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
<u>Unsecured, considered good, unless otherwise stated</u>			
Security deposits *	1.94	2.54	2.55
Fixed Deposits with Bank held as Security by Government Departments and Other Authorities	5.04	1.82	1.44
Unsecured - Significant increase in credit risk	-	-	-
Unsecured - Credit impaired	-	-	-
Provision for debts having significant increase in credit risk	-	-	-
Provision for bed debts which are credit impaired	-	-	-
Total	6.97	4.37	3.99

* Security Deposits are non interest bearing and are expected to be settled as per the terms of respective agreements. The carrying value may be affected by changes in the credit risk of the counterparties.

8 Inventories (At lower of cost and net realisable value)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Raw Material			
Grey Cloth	115.82	197.26	103.53
Lignite and Firewood	4.92	4.36	2.28
Colour Chemicals	18.87	18.56	18.03
Stores and Spares	5.85	5.68	3.44
Packing Materials	0.60	0.60	0.15
Designs	10.49	9.24	7.29
	-	-	-
Stock in Progress			
Stock in Progress - Job	72.74	47.32	25.00
Stock in Progress - Self	214.21	157.47	100.17
	-	-	-
Finished Goods			
Printed Cloth	37.36	12.31	33.79
	-	-	-
Total	480.86	452.79	293.67
Finished Goods Details			
Finish Fabric	24.27	6.80	33.33
knitted Fabric	13.09	5.51	0.45
Total Finished Goods	37.36	12.31	33.79

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9 Trade receivables

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Considered Good - Secured	-	-	-
Considered Good - Unsecured	726.62	707.20	645.85
Significant increased in Credit Risk	-	-	-
Trade Receivable - Credit impaired	-	-	-
Total	726.62	707.20	645.85

** Refer Note 42 For Receivables from Related Parties.

Age of receivables

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Upto 180 days	706.04	699.02	633.86
More than 180 days	20.58	8.18	11.99
Total	726.62	707.20	645.85

Movement in the expected credit loss allowance on trade receivable

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Balance at beginning of the year	-	-	-
Loss allowance calculated at lifetime expected credit losses	-	-	-
Balance at the end of the year	-	-	-

Out of the above, trade receivable from related party is as under:

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
a) Due from directors or other officers of the company either severally or jointly with any other person	-	-	-
b) Due from firms or private companies respectively in which any director is a partner, a director or a member	61.83	5.30	55.64

10 Cash and Cash Equivalents

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
<u>Cash and Cash Equivalents</u>			
(a) Cash on hand	0.28	0.17	0.15
(b) Balances with banks	-	-	-
(i) In Current Account	0.35	0.16	38.99
(ii) Fixed deposit account with original maturity of less than 3 months	4.60	5.60	12.49
Total	5.22	5.92	51.63

11 Other Bank Balances

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Fixed deposit account With original maturity of more than 3 months but less than 12 months	13.83	13.83	-
Total	13.83	13.83	-

12 Other Financial Asset

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Interest Accrued on Fixed Deposits	3.08	2.97	3.77
Total	3.08	2.97	3.77

13 Other current assets

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
<u>Unsecured, considered good, unless otherwise stated</u>			
(a) Advances recoverable in cash or in kind			
Considered good	67.98	19.92	28.99
Considered doubtful	-	-	-
Less: Provision for doubtful advances	-	-	-
	67.98	19.92	28.99
(b) Prepaid expenses	6.00	2.84	2.48
(c) Balances with government authorities	37.88	30.67	13.87
(d) Subsidy Receivable	10.23	10.58	23.68
(e) Other Loan & Advances	12.20	16.02	8.96
Total	134.28	80.02	77.99

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14 Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<u>Authorised share capital</u>			
3,60,00,000 (As at March 31, 2018: Rs. 2,50,00,000 ; As at March 31, 2017: Rs. 2,50,00,000) Equity Shares of ₹ 10/- each with voting rights	360.00	250.00	250.00
Total	360.00	250.00	250.00

During the financial year ended March 2019, the authorised share capital was increased by 11000000 Equity shares of Rs.10 each

Issued, Subscribed and fully paid up

2,24,51,116 (As at March 31, 2018: 1,43,94,460; As at March 31, 2017: 1,43,94,460) Equity Shares of ₹ 10/- each with voting rights
Issued Shares 24,43,877 @ 10/- Fully paidup.
Bonus Share Issued 1:3 during the Current Period (56,12,779)

Total	224.51	143.94	143.94
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Notes:-

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	Opening Balance	Shares Issued During the Year	Closing Balance
Equity Shares			
Year ended March 31, 2019			
- Number of shares	143,94,460	80,56,656	224,51,116
Amount (Rs. In million)	143.94	80.57	224.51
Year ended March 31, 2018			
- Number of shares	143,94,460	-	143,94,460
Amount (Rs. In million)	143.94	-	143.94
Year ended March 31, 2017			
- Number of shares	126,40,940	17,53,520	143,94,460
Amount (Rs. In million)	126.41	17.54	143.94

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(ii) Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing AGM.

(iii) Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares fully paid up						
Deokinandan G Agrawal	60,06,048	26.75%	47,51,338.00	33.01%	47,51,338.00	33.01%
Sulochanadevi G. Agrawal	55,92,437	24.91%	42,66,010	29.64%	42,66,010	29.64%
Deokinandan Gopiram HUF	17,19,040	7.66%	12,89,280	8.96%	12,89,280	8.96%
Mukesh D. Agrawal	84,34,531	37.57%	27,91,092	19.39%	27,91,092	19.39%
Other Share Holders	6,99,060	3.11%	12,96,740	9.01%	12,96,740	9.01%
	224,51,116		143,94,460		143,94,460	

As per records of the company, including its register of share holders/members and other declaration received from the share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

(iv) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Bonus Shares	56,12,779.00	-	-

Pursuant to the Shareholder's Resolution passed at the Extraordinary General Meeting (EGM) of the company held on September 25, 2018, the shareholders approved the issuance of bonus shares to the existing shareholders in the ratio 1:3 i.e., one bonus equity share for 3 equity shares held..

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15 Other equity

Particulars	Notes	As at March 31,2019	As at March 31,2018	As at March 31,2017
Securities premium account		22.70	22.61	22.61
Capital Reserve		-	-	-
Retained Earnings		452.24	319.08	243.95
		474.94	341.70	266.56

A Summary of Other Equity Balance

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
(a) Securities premium account (Refer (i) below)			
Opening Balance	22.61	22.61	-
Add:-premium on issue of shares	56.21	-	22.61
Less : Transfer for bonus share issued during period	-56.13	-	-
	22.70	22.61	22.61
(b) Capital Reserve (Refer (ii) below)			
Opening Balance	-	-	-
Add: Transferred from surplus in Statement of Profit and Loss	-	-	-
	-	-	-
(c) Retained Earnings (Refer (iii) below)			
Opening balance	319.08	243.95	209.64
Add: Fair Valuation of Director Loan	-	0.46	5.72
Add: Profit for the year	133.16	74.53	28.24
Less : Inter-Company Profit	-	0.15	0.35
Less : Transfer for bonus share issued during period	-	-	-
	452.24	319.08	243.95
Total	474.94	341.70	266.56

Nature and Purpose of Other Reserves:

(i) Securities Premium - The amount received in excess of face value of the equity shares is recognised in Share premium reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(ii) Capital Reserve - It is created out of profits or gains on revaluation of assets and liabilities, which can be used only for special purposes as mentioned in the Companies Act.

(iii) Retained Earnings - It is created from the profits / (losses) of the company, as adjusted for distribution to owners, transfer to other reserves etc.

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16 Borrowings (Non Current)

Long Term Borrowings

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Secured - at amortised cost			
Term Loan from Bank (Refer note 1 below)	125.91	182.02	238.78
Vehicle Loan from Bank/Financial Institution (Refer Note 2 Below)	6.46	8.76	4.57
Unsecured - at amortised cost			
Loan from Financial Institution	-	-	-
Loans from Directors & Relatives	92.10	151.94	136.30
Loans from Others	-	-	-
Total	224.47	342.71	379.64

Note

1 Term Loan from Axis Bank and State Bank of India Primarily secured by Pari Passu charge on the entire fixed assets of the company located at Narol Unit having approximate area of 10319.14 sq. mtr. Further the company has given collateral security of extension of charge on the entire current assets of the company. Also given common collateral for all credit facility as EM on fixed assets located at Narol unit of MIL in name of the Mukesh Enterprises having approximate area of 1400.47 Sq. Mtr. Further personal Guarantee given by Director Mr. Deokinanadan Agarwal, Mr. Mukesh Agarwal, Sulochanadevi Agarwal and Mukesh Enterprise.

2 All Vehicle Loans are secured against Hypothecation of Vehicle.

3 **Maturity Profile and Rate if Interest:**

Maturity Profile and Rate of Interest of Term Loans

Name of the Bank	Terms of Repayment	No of installments	Installment Amount	Maturity	Rate of Interest	As at March 31,2019	As at March 31,2018	As at March 31,2017
Term Loan from Bank								
Axis Bank Ltd- Term loan II	Monthly	39	10,83,333	March, 2017	12.50% to 13.25%			
Axis Bank Ltd- Term loan KNITS	Monthly	72	8,33,333	December, 2021	12.50% to 13.75%	18.50	28.20	38.08
Axis Bank Ltd- Term loan KNITS II	Monthly	72	8,33,333 - 15,00,000	March, 2023	12.75%	53.66	72.72	90.55
State Bank of India - Term Loan (Knits - ii)	Monthly	72	2,91,667 - 5,25,000	March, 2023	13.80%	19.04	26.00	32.08
State Bank of India - Term Loan (Knits)	Monthly	72	17,36,000	November, 2021	12.65%	34.71	55.10	75.90
State Bank of India - Term Loan 2	Monthly	51	6,77,348	May, 2018	13.55%			1.35
State Bank of India (Term Loan)	Monthly	60	2,45,000	June, 2018	13.55%			0.82
State Bank of India Buyer's Credit	Six Monthly	0	0	September, 2017	13.55%			
TOTAL						125.91	182.02	238.78

Maturity Profile and Rate of Interest of Vehicle Loans

Name of the Bank / Institution	Terms of Repayment	No of installments	Installment Amount	Maturity	Rate of Interest	As at March 31,2019	As at March 31,2018	As at March 31,2017
AXIS Bank Ltd - Mercedes Car Loan	Monthly	48	1,83,073	March, 2022	8.00%	4.04	5.83	
HDFC Bank Ltd - Maruti VX Car Loan	Monthly	36	20,835	September, 2020	8.50%	1.97	0.35	
ICICI Bank Ltd - Audi A6 Car Loan	Monthly	36	1,27,682	June, 2017	10.26%			
Kotak Mahindra Prime Ltd - Verna	Monthly	36	26,172	June, 2017	10.25%			0.08
Volkswagaen Finance Pvt Ltd	Monthly	48	1,86,920	March, 2019	9.07%	0.45	2.57	4.49
TOTAL						6.46	8.76	4.57

Maturity Profile and Rate of Interest of Loans from Financial Institutions

Name of the Bank / Institution	Terms of Repayment	No of installments	Installment Amount	Maturity	Rate of Interest	As at March 31,2019	As at March 31,2018	As at March 31,2017
Bajaj Finance Ltd	Monthly	36	157099	November, 2017	15.50%	-	-	-
Capital First Ltd.	Monthly	30	304966	May, 2017	16.00%	-	-	-
HDFC Bank Ltd	Monthly	36	99847	Dec, 2017	16.00%	-	-	-
TOTAL						-	-	-

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17 Provisions

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Provision for Gratuity	2.85	0.23	0.87
Total	2.85	0.23	0.87

18 Deferred tax Liabilities (Net)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
(a) Deferred tax liabilities			
(i) Difference between book and tax depreciation	61.09	62.47	40.63
(ii) Other	-	-	-
	61.09	62.47	40.63
(b) Deferred tax assets			
(i) Other	2.06	1.20	1.19
(ii) Provision for doubtful debts & advances	-	-	-
(iii) Unabsorbed depreciation	-	3.45	3.80
(iv) MAT Credit Entitlement	1.84	18.31	16.81
(v) Other	-	-	-
	3.90	22.95	21.80
Total	57.19	39.52	18.83

19 Other Non-Current Liabilities

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Security Deposit	-	40.45	53.34
Government Grant	25.00	25.15	-
Total	25.00	65.60	53.34

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Opening balance	25.15		
Grants received during the year	12.69	39.34	27.63
Released to statement of profit and loss	-12.83	-14.19	-27.63
Closing Balance	25.00	25.15	-

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Deferred tax Liabilities (Net)

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
(a) Deferred tax liabilities			
(i) Difference between book and tax depreciation	61.09	62.47	40.63
(ii) Other	-	-	-
	61.09	62.47	40.63
(b) Deferred tax assets			
(i) Disallowance for Provision for Gratuity	2.06	1.20	1.19
(ii) Unabsorbed depreciation	-	3.45	3.80
(iii) MAT Credit Entitlement	1.84	18.31	16.81
(iv) Other	-	-	-
	3.90	22.95	21.80
Total	57.19	39.52	18.83

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

(i) Movements in Deferred Tax Liabilities (net)

Particulars	Property, plant and equipment - Depreciation difference	Unabsorbed depreciation	MAT Credit Entitlement	Disallowance for Provision for Gratuity	Net Deferred Tax Liabilities
At 31 March 2016	38.13	(4.93)	(8.31)	(0.88)	24.01
Charged/(credited)					
- to statement of profit and loss	2.50	1.13	(8.50)	(0.30)	(5.18)
- to other comprehensive income	-	-	-	-	-
At 31 March 2017	40.63	(3.80)	(16.81)	(1.19)	18.83
Charged/(credited)					
- to statement of profit and loss	21.84	0.35	(1.50)	(0.01)	20.68
- to other comprehensive income	-	-	-	-	-
At 31 March 2018	62.47	(3.45)	(18.31)	(1.20)	39.52
Charged/(credited)					
- to statement of profit and loss	(1.38)	3.45	16.47	(0.87)	17.67
- to other comprehensive income	-	-	-	-	-
At 31 March 2019	61.09	0.00	(1.84)	(2.06)	57.19

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20 Borrowings (Current)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Secured - at amortised cost			
Working Capital Loan (Refer Note 1 below)	-	-	120.00
Cash Credit from Bank (Refer Note 1 below)	349.63	329.67	140.52
Total	349.63	329.67	260.52

Note 1

Working Capital from Axis Bank , HDFC Bank & State Bank of India is primarily secured by Stock and Book Debts of the company. Further company given collateral security of extension of charge on the entire fixed assets of the company located at Narol Unit having approximate area of 10319.14 sq. mtr.. Also given common collateral for all credit facility as EM on fixed assets located at Narol unit of MIL in name of the Mukesh Enterprises having approximate area of 1400.47 Sq. Mtr. Further personal Guarantee given by Director Mr. Devkinanadan Agarwal, Mr. Mukesh Agarwal and Mrs. Sulochanadevi Agarwal and M/s. Mukesh Enterprise.

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21 Trade payables

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Trade Payables to Micro and Small Enterprises	-	-	-
Trade Payables to Related Parties (Refer Note 44)	57.71	75.84	144.81
Due to creditors other than Micro Enterprises and Small Enterprises	346.84	393.78	342.15
Total	404.56	469.62	486.96

22 Other financial liabilities (Current)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
(a) Current maturities of long-term borrowings	59.84	60.84	60.91
(b) Payables for expenses	110.53	86.85	32.16
Total	170.37	147.70	93.07

23 Other current liabilities

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
(a) Statutory remittances	2.63	1.93	2.16
(c) Advance from Customers	1.57	1.64	1.85
(e) Bank Overdraft	-	-	-
Total	4.21	3.57	4.01

24 Provisions (Current)

Particulars	As at March 31,2019	As at March 31,2018	As at March 31,2017
Provision for compensated absences	-	-	-
Provision for gratuity	3.38	3.38	2.71
Total	3.38	3.38	2.71

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25 Revenue from operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Sale of products			
Finished Goods	1,560.09	1,599.08	1,156.36
Traded Goods	-	-	366.24
(b) Sale of services - Job Work	816.02	751.15	601.28
	2,376.11	2,350.23	2,123.88
Less : Return	5.12	3.32	1.02
Total	2,370.99	2,346.92	2,122.86
Less: Commission & Discount on sales	29.18	21.48	22.76
Total	2,341.81	2,325.43	2,100.10

26 Other income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Recurring Income			
(a) Interest income	1.95	1.45	1.57
Non- Recurring Income			
(a) Foreign Exchange Fluctuation	0.62	-	-
(b) Subsidy Received on Interest	11.46	13.02	27.63
(c) Grant Income - Capital Asset	0.15	1.16	-
(d) Insurance Claim Received	-	11.94	-
(e) Sundry Balances Written Back	-	-	0.42
(f) Duty Drawback	3.85	0.14	0.42
(g) Profit on Sale of Shares	6.37	-	-
Total	24.39	27.72	30.05

27 Cost of materials consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock	215.81	121.55	154.15
Add : Purchase	1,596.03	1,823.79	1,324.61
Add : Grey Dalali	-	-	-
Less: Closing stock	134.68	215.81	121.55
Total	1,677.16	1,729.53	1,357.21

28 Purchases of stock-in-trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Trading Purchase	-	-	361.37
Total	-	-	361.37

29 Changes in inventories of finished goods (including stock in trade) and Work-in-Progress

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
<u>Inventories at the end of the year:</u>			
(a) Finished goods	37.36	12.31	33.79
(b) Work-in-progress Own	214.21	157.47	100.17
(c) Work-in-progress Job	72.74	47.32	25.00
Total	324.32	217.09	158.95
<u>Inventories at the beginning of the year:</u>			
(a) Finished goods	12.31	33.79	13.93
(b) Work-in-progress Own	157.47	100.17	30.07
(c) Work-in-progress Job	47.32	25.00	20.51
Total	217.09	158.95	64.51
Net (increase) / decrease	(107.22)	(58.14)	(94.44)

30 Employee benefits expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Salaries, wages & Bonus	73.85	65.73	57.59
(b) Contributions to provident and other funds	0.89	1.35	0.70
(c) Staff welfare expenses	3.18	2.03	1.34
(d) Director Remuneration	2.85	3.52	3.52
(e) Gratuity/Contribution to Gratuity Fund	3.69	0.80	0.92
Total	84.46	73.43	64.07

31 Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest costs on borrowings	89.47	79.79	63.87
(b) Other borrowing costs	7.89	9.11	7.60
Total	97.36	88.90	71.47

32 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
On Tangible Assets	71.87	78.59	82.52
On Intangible Assets	2.98	2.98	0.88
Total	74.84	81.57	83.40

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33 Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing Expenses			
<u>Coal & Firewood Consumed/Lignite Consumed :*</u>			
Opening Stock	4.36	2.28	0.75
Add: Purchase (Net of Return) & Freight for Coal during the year	104.90	103.25	77.68
Less: Sale	-	-	-
	109.26	105.52	78.43
Less: Closing Stock	4.92	4.36	2.28
	104.33	101.16	76.15
<u>Packing Material Consumed :</u>			
Opening Stock	0.60	0.15	0.12
Add: Purchase (Net of Return)	5.45	5.77	5.38
	6.05	5.92	5.50
Less: Closing Stock	0.60	0.60	0.15
	5.44	5.33	5.35
<u>Design and Engraving Expenses:</u>			
Opening Stock	9.24	7.29	8.05
Add: Purchase of Lignite & Fire Wood	21.12	22.04	19.55
	30.37	29.34	27.60
Less: Closing Stock	10.49	9.24	7.29
	19.88	20.09	20.31
<u>Store & Spare Consumed :</u>			
Opening Stock	5.68	3.44	3.16
Add: Purchase	13.96	12.73	11.84
	19.65	16.17	15.00
Less: Closing Stock	5.85	5.68	3.44
	13.80	10.49	11.56
	143.45	137.07	113.37
Stitching Expenses	0.03	0.00	0.01
Power and Fuel	63.29	54.73	43.83
Process Job Charges	89.64	79.39	68.16
Inspection Fees	0.01	0.01	0.00
Labour Expenses	0.07	0.13	0.15
Freight Expenses	0.69	1.96	0.96
Repairs & Maintenance Charges	4.50	3.68	4.29
Consultancy Charges	-	0.72	4.87
Building Repairs	2.12	2.14	2.01
Laboratory Testing Fee	0.35	0.10	0.08
Weighing Charges	0.13	0.14	0.06
Factory General Expenses	0.09	0.02	0.78
Pollution Control Expenses	6.12	3.40	0.27
Municipal Tax	1.25	0.85	1.00
Boiler Expenses	1.49	0.92	0.75
Service Tax on Freight	-	0.11	0.57
	313.24	285.37	241.16
Administrative, Selling & Distribution Expenses			
Office Expenses	0.20	0.35	0.36
Vehicle Expenses	0.71	0.47	0.40
Loss on Sale of Fixed Assets	0.50	0.22	0.95
Legal Professional & Licence Fees	2.83	2.73	1.85
Printing & Stationery	1.54	1.14	0.88
Rent, Rate and Taxes	2.34	1.56	1.24
Conveyance expenses	0.42	0.39	0.47
Car Petrol Exps	0.14	0.14	0.32
Telephone Expenses	0.32	0.48	0.64
Insurance Premium	4.21	3.34	2.20
Donation	0.15	0.10	-
Books and Periodicals	0.00	0.10	0.00
Postage	0.98	0.69	0.14
Computer Expenses	0.04	0.08	0.06
Filling Fee	0.89	0.01	0.03
Membership Fee	0.67	0.08	0.06
General Repairs and Maintenance	0.08	1.63	0.07
Electricity Expenses	0.06	0.08	0.05
Cartage	4.16	2.90	1.76
Green Development charges	-	0.01	0.02
Advertisement	0.02	0.02	0.13
Sales Discount	-	-	-
Travelling Expenses	2.97	2.59	1.65
Sales Promotion	2.82	4.44	0.36
Audit Fee, Tax Audit Fee & Tax Matters	0.23	0.15	0.30
Sundry Balance W/off	0.32	4.91	-
Rates & Taxes	0.14	0.61	0.02
Factory License Fees	0.03	0.02	0.02
Export C&F Exp	2.26	0.33	0.17
Exchange Rate Diff	-	0.22	2.17
General Expenses	0.17	0.14	0.39
Total	342.44	315.27	257.88

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Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Payments to auditors:			
(a) For audit	0.23	0.15	0.30
(b) For taxation matters	-	-	-
(c) For other services (including certifications fees)	-	-	-
Total	0.23	0.15	0.30
Expenditure towards Corporate Social Responsibility			
(a) Forest Development Expense	1.25	-	-
Total	1.25	-	-
Earning Per Share (EPS):			
Particulars	As at March 31,2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit after tax as per profit & loss Account	133.28	74.08	28.52
Number of Equity Shares Face value ` 10/- each Equity Shares	215,58,694	189,08,541	172,90,441
Basic and Diluted EPS	6.18	3.92	1.65

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34 Income tax expenses

Income tax (income) / expense recognised in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax expenses			
Current tax on profits for the year	46.15	27.86	5.86
	46.15	27.86	5.86
Deferred tax expenses			
Decrease/(Increase) in deferred tax assets	1.21	22.18	3.32
MAT Credit entitlement	16.52	(1.50)	(8.50)
	17.72	20.68	(5.18)
Income tax expenses	63.88	48.54	0.69

Income tax expense / (income) recognised in other comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred tax related to items recognised in OCI :	-	-	-
Net gain/(loss) on remeasurements of defined benefit plans	0.05	(0.12)	0.07
	0.05	(0.12)	0.07

35 Current Tax Liability (NET)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Opening balance	21.07	3.29	5.72
Add: Current tax payable for the year	46.10	27.98	5.79
Less: Taxes paid	(29.47)	(10.20)	(8.22)
Closing Balance	37.70	21.07	3.29

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36 Contingent liabilities and contingent assets

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Contingent liabilities			
A. Guarantees excluding financial guarantees			
Outstanding bank guarantees	13.07	9.69	8.56
B. Letter of Credit	-	-	9.10
C. Claims against Company not acknowledged as debts	-	-	-
D. Contingent Assets	-	-	-

37 Commitment

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Capital Commitments	-	-	-

38 Operating lease arrangements

Operating lease payment recognised in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Rented Premises	0.30	0.84	0.84
TOTAL	0.30	0.84	0.84

39 Details of Dues to Micro, Small and Medium Enterprises as defined under MSMED Act, 2006

The Company has not received any intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year. Hence information relating to amounts due to micro enterprises and small enterprises as required by the Act has not been given.

40 Borrowing Cost

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Amount of Borrowing cost capitalised	-	4.17	12.96
Effective rate used to determine the amount of borrowing costs eligible for capitalisation to the specific borrowing.	-	12.75	12.75

41 First time adoption of IND AS/Statement on adjustment to audited standalone financial statements

These are the company's first Restated Financial Statements prepared in accordance with Ind AS. The accounting policies have been applied in preparing the financial statements for the year ended 31st March 2019 including the comparative information for the years ended 31st March 2018 and 31st March 2017. In preparing the financials, the company has adjusted the amounts reported previously in the financial statements prepared in accordance with the previous GAAP. An explanation of how the transition from the previous GAAP to Ind AS has affected the financial position is set out in the following tables and the notes that accompany the tables.

(A) Ind AS Optional Exemption:

1. Deemed cost of property, plant and equipment and intangible assets

Ind AS 101 permits an entity to use a previous GAAP revaluation of an item of property, plant and equipment at date of transition as deemed cost at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

(B) Ind AS mandatory exemption:

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates for comparative periods as at each reporting year end are consistent with the estimates as at the same date made in conformity with previous GAAP except for computation of expected credit losses, which were not required to be estimated as per previous GAAP.

2. Classification and measurement

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- (i) The effects of the retrospective application or retrospective restatement are not determinable
- (ii) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;
- (iii) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

3. De-recognition of financial assets and liabilities

Ind AS 101 requires a to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

3. Subsidiary and Associates

The company had accounted, as per previous GAAP, investment in its associates company at cost. However, as per Ind AS 28 "Investments in Associates and Joint Ventures", An entity with significant influence over, an investee shall account for its investment in an associate using the equity method. Accordingly, the company has, on transition, accounted its investment in associates using equity method of accounting. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences.

4. Other Disclosures

Previous GAAP figures have been reclassified or regrouped to confirm the presentation requirements under Ind AS and the requirements laid down in Division II of Schedule III of the Companies Act, 2013.

The Restated Consolidated Financial Statements were approved for issue by the Board of Directors on August 02, 2019.

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42 List of Related Parties and Transactions during the period/years

(A) List of Related Parties:

Relationship	March 31, 2019	March 31, 2018	March 31, 2017
Key Management Personnel (KMP) and Director	Devkinandan Agarwal Sulochanadevi Agarwal Mukesh Agarwal	Devkinandan Agarwal Sulochanadevi Agarwal Mukesh Agarwal Bhagwansingh Rathore	Devkinandan Agarwal Sulochanadevi Agarwal Mukesh Agarwal Bhagwansingh Rathore
Associate Company		MnA Texlinen Pvt Ltd.	MnA Texlinen Pvt Ltd.
Relatives of Key Management Personnel	Nirali Agarwal Bharati Jain	Nirali Agarwal Atul S. Jain Bharati Jain	Nirali Agarwal Atul S. Jain Bharati Jain
Company Secretary	Dasang Khatri		
Chief Financial Officer	Ganesh Agarwal Kailash Dudhani		
Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	Bharti Synthetics Nandan Textiles Sulochana Textiles Mukesh Enterprise MSD Polymers Pvt Ltd Bharati Energy & Natural Resources Pvt Ltd MnA Texlinen Pvt Ltd.	Sulochana Textiles Nandan Textile Bharti Syenthetics Mukesh Enterprise MSD Polymers Pvt Ltd Bharti Energy and Resourse Pvt. Ltd.	Sulochana Textiles Nandan Textile Bharti Syenthetics Mukesh Enterprise MSD Polymers Pvt Ltd Bharti Energy and Resourse Pvt. Ltd.

(B) Transactions During the Year

Particulars	Relationship	March 31, 2019	March 31, 2018	March 31, 2017
<u>Sale & Other Income</u>				
MnA Texlinen Pvt Ltd.	Associates Company		11.41	24.54
MnA Texlinen Pvt Ltd.	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	97.47		
MSD Polymers Pvt Ltd	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	-	4.96	30.12
<u>Purchase</u>				
Sulochana Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	131.44	157.78	111.34
Nandan Textile	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	153.64	130.22	120.33
Bharti Syenthetics	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	128.45	222.25	177.67
Mukesh Enterprise	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	175.89	159.51	155.99
<u>Interest Paid</u>				
Bharti Syenthetics	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	2.50	0.79	0.79
Sulochana Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	2.10	0.45	0.45
Mukesh Enterprise	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	0.75	0.75	0.75
<u>Rent Paid</u>				
Nandan Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	0.30	0.30	0.30
Sulochana Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	-	0.54	0.54
<u>Remuneration/Salary</u>				
Deokinandan Agarwal	Key Management Personnel (KMP)	1.20	1.20	1.20
Sulochana Agarwal	Director	0.45	0.60	0.60
Mukesh Agarwal	Key Management Personnel (KMP)	1.20	1.20	1.20
Bhagwansingh Rathore	Director	0.37	0.52	0.52
Nirali Agarwal	Relatives of Key Management Personnel	0.90	0.90	0.90
Atul S. Jain	Relatives of Key Management Personnel	-	-	0.54

(C) Balance At the End of Year

Particulars	Relationship	March 31, 2019	March 31, 2018	March 31, 2017
Trade Receivable				
MnA Texlinen Pvt LTd.	Associates Companies	61.83	4.67	26.50
MSD Polymers Pvt Ltd	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	0.70	0.63	29.14
Trade Payable				
Sulochana Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	8.94	28.66	31.51
Nandan Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	21.14	31.38	34.70
Bharti Synthetic	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	31.00	-1.58	54.70
Mukesh Enterprise	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	4.37	17.38	23.90
Bharti Energy and Resource Pvt. Ltd.	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	1.11	-	-
Unsecured Loans				
Sulochana Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	14.27	40.36	39.96
Nandan Textiles	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	19.85	46.86	46.86
Bharti Synthetic	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	23.80	47.50	46.79
Mukesh Enterprise	Enterprises owned or Significantly influenced by Key Management Personnel or their relatives.	34.18	33.50	32.83
Investment				
MnA Texlinen Pvt LTd.	Associate	-	1.36	1.19
Remuneration Payable				
Deokinandan Agarwal	Key Management Personnel (KMP)	0.78	0.21	0.61
Sulochana Agarwal	Director	-	-	0.28
Mukesh Agarwal	Key Management Personnel (KMP)	2.49	1.53	0.63
Nirali Agarwal	Relatives of Key Management Personnel	1.46	0.80	0.03
Loans and Advances				
Deokinandan Agarwal	Key Management Personnel (KMP)	-	0.64	-
Bhagwansingh Rathore	Director	0.15	0.18	0.21
Nirali Agarwal	Relatives of Key Management Personnel	-	-	0.01

The sale to and purchase from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The loans and advances issued to related parties are on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and receivables have been recorded at amount due net of impairment (if any).

The related party relationship is as identified by the management based on the available information and relied upon by the auditors.

43 Employee Benefit Plan:

(A) Defined Benefit Plan

(i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit and Loss Account

(ii) The Defined Benefit Plan comprises of Gratuity

a) The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Under the Gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age subject to ceiling of Rs. 0.20 Cores. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Asset & Liability Matching Risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality Risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration Risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019, by M/S K.A.Pandit, Actuaries & Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The details of gratuity as required under IND AS-19 :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
i. Movement in the present value of the defined benefit obligation:			
Liability at the beginning of the year/period	3.94	4.56	3.56
Current Service Cost	0.71	0.73	0.59
Interest Cost	0.30	0.32	0.28
Past Service Cost - Non - Vested Benefit incurred during the year	2.34	-	-
Past Service Cost - Vested Benefit incurred during the year	-	0.02	-
Liability Transferred in	-	-	-
Liability Transferred out	-	-	-
Benefit paid	(0.89)	(1.11)	(0.21)
Net Actuarial losses (gain) Due to change in financial assumption:	0.09	(0.22)	0.29
Net Actuarial losses (gain) due to experience	0.07	(0.37)	0.05
Liability at the end of the year/period	6.57	3.94	4.56
ii. Movement in the fair value of the plan assets are as follow:			
Plan assets at the beginning of the year/period, at Fair value	0.32	0.97	0.89
Expected return on plan assets	0.02	0.07	0.07
Contributions	0.21	0.40	0.24
Benefit paid	(0.21)	(1.11)	(0.21)
Actuarial gain/(loss) on plan assets - Due to experience	(0.02)	(0.02)	(0.01)
Transfer to other Company	-	-	-
Plan assets at the end of the year/period, at Fair Value	0.34	0.32	0.97
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets			
Obligations at the end of the year/period	6.57	3.94	4.56
Plan assets at the end of the year/period, at Fair value	0.34	0.32	0.97
Asset / (Liability) recognized in balance sheet as at the end of the year/period	(6.24)	(3.62)	(3.59)
Current	3.50	3.38	2.71
Non Current	2.73	0.23	0.87
iv. Component of defined benefit costs recognised in Statement of Profit and Loss			
Current service cost	0.71	0.73	0.59
Interest cost	0.30	0.32	0.28
Expected return on plan assets	(0.02)	(0.07)	(0.07)
Actuarial Gain or (Loss)	0.18	(0.57)	0.35
Past Service Cost - Non - Vested Benefit incurred during the year	2.34	-	-
Past Service Cost - Vested Benefit incurred during the year	-	0.02	-
Recognised Past Service Cost-Vested	-	-	-
Recognised Past Service Cost-Unvested	-	-	-
Net Gratuity cost	3.51	0.43	1.15
vii. Components of defined benefit costs recognised in other comprehensive income			
Return on plan assets	0.02	0.02	0.01
Actuarial (gains)/losses arising from changes in financial assumption	0.09	(0.22)	0.29
Actuarial gains and losses arising from change in demographic assumption	-	-	-
Actuarial (gains)/losses arising from experience adjustment	0.07	(0.37)	0.05
	0.18	(0.57)	0.35

v. Actuarial Assumptions:			
Discount Rate (per annum)	7.48%	7.09%	7.79%
Expected rate of return on plan assets	7.48%	7.09%	7.79%
Annual Increase in Salary Cost	7.00%	7.00%	7.00%
Rate of employee turnover	For service 4 years & below - 27% p.a. For service 5 years & above - 5% p.a.		
Mortality Rate During the employment	Indian Assured Lives Mortality (2006-08) Table		
Mortality after the employment	N.A.		
Actuarial Valuation Method	Project Unit Credit Method		

v. Category of Assets

Insurance Funds	0	0	1
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Composition of the plan asset:

Insurance Funds	100%	100%	100%
Bank Balance	0%	0%	0%
Total	100%	100%	100%

vi. Experience of Adjustment:

Actuarial (Gain)/Losses on obligation - Due to Experience	0	-0	0
Actuarial (Gain)/Losses on plan assets - Due to Experience	-0	-0	-0

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	March 31, 2019		March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.49)	0.57	(0.34)	0.40	(0.41)	0.48
Future salary growth (1% movement)	0.57	(0.49)	0.40	(0.35)	0.45	(0.39)
Future Turnover (1% movement)	(0.01)	0.01	0.00	-0.00	(0.01)	0.01

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Project Benefit Obligation on current assumption	6.57	3.94	4.56

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.

The expected benefit payments is as follows

Particulars	March 31, 2019		March 31, 2018		March 31, 2017	
	From Employer	From Fund	From Employer	From Fund	From Employer	From Fund
1st Following Year	-	1.19	-	0.35	-	0.43
2nd Following Year	-	0.29	-	0.20	-	0.22
3rd Following Year	-	0.63	-	0.23	-	0.23
4th Following Year	-	0.35	-	0.51	-	0.36
5th Following Year	-	0.33	-	0.25	-	0.51
Sum of Year 6 to 10	-	2.29	-	1.24	-	1.42
Sum of Year 11 & above	-	9.77	-	7.50	-	8.06

2 Defined Contribution Plan

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company makes Provident Fund, ESI Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

Contribution to Defined Contribution plans, recognised as Expense, for the year/period is as under

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund	0.89	1.35	0.70
Total	0.89	1.35	0.70

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44 List of Associate Companies and Subsidiaries

Name of Company	Relationship	Country of Incorporation	Ownership Interest		
			March 31, 2019	March 31, 2018	March 31, 2017
MnA Texlinen Pvt. Ltd.	Associate Company	India	-	35.87%	35.87%

45 Reconciliation of Restated profit:

Adjustments for	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	Reserve Adjusted
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	150.12	101.06	50.63	
Adjustments for:				
Measurement of financial assets/liabilities at amortised cost	(28.20)	(15.06)	(9.90)	46.31
Prior Period Expenses		(0.42)	0.30	(0.58)
Forex Capitalisation		-	(2.15)	-
Depreciation	(1.17)	(1.02)	0.11	-
Gratuity Provision as per actuarial valuation report	(2.44)	(0.03)	(0.92)	-
Grant Income Accounting as per Ind AS	11.60	1.16	-	-
Profit on Sale of Shares	(0.53)	-	-	-
Current Tax Impact on account of restatement/adjustment	3.21	1.50	2.71	0.61
Deferred Tax Impact on account of restatement/adjustment	0.70	(13.11)	(12.26)	-
Net Profit/(Loss) as per Restated Profit & Loss Account	133.28	74.08	28.52	46.35

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46 Statement of Tax Shelters

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Profit before tax as per books (A)	197.16	122.62	29.21
Tax Rate (%)	29.12%	34.61%	33.06%
Tax at notional rate on profits	57.41	42.44	9.66
Adjustments :			
Permanent Differences(B)			
Expenses disallowed under Income Tax Act, 1961	1.37	0.37	0.97
Total Permanent Differences(B)	1.37	0.37	0.97
Other Deduction (C)			-
Total Other Deduction (C)	-	-	-
Timing Differences (D)			
Dep as per IT	74.08	122.91	93.00
Dep as per Companies Act	74.99	81.57	83.40
Difference between tax depreciation and book depreciation	0.91	(41.34)	(9.60)
Difference due to expenses allowable/ disallowable u/s 43B	16.67	-	-
Allowances u/s 35D- 1/5th of Preliminery expenses written off.	-	-	-
Total Timing Differences (D)	17.58	(41.34)	(9.60)
Net Adjustments E = (B+C+D)	18.96	(40.97)	(8.63)
Tax expense / (saving) thereon	5.52	(14.18)	(2.85)
Taxable Income/(Loss) (A+E+F)	216.12	81.65	20.58
Depreciation/Business Loss Carried forward/ (set off)	-	(11.50)	(32.42)
Net Taxable Income as per Normal Provisions of Income Tax	216.12	70.14	(11.84)
Taxable Income/(Loss) as per MAT	197.16	130.53	28.75
Effect due to Difference in Tax Rate	0.33	-	-
Income Tax	62.61	27.86	5.86
Less: MAT Credit Set off	16.46	-	-
Total Current tax as per Restated Summary Statement of profit & Loss	46.15	27.86	5.86

47 **3. Reconciliation between Previous GAAP and IND AS for impact on Balance Sheet**

Particulars	Note	As at March 31,2019				As at March 31,2018			
		Previous GAAP	IND AS	Restatement	IND AS	Previous GAAP	IND AS	Restatement	IND AS
			ADJUSTMENT	Adjustment			ADJUSTMENT	Adjustment	
ASSETS									
Non-current assets									
Property, plant and equipment		563.33	22.08	-	585.40	591.44	23.25	-	614.69
Capital work-in-progress		-	-	-	-	-	-	-	-
Intangible assets		22.59	-	-	22.59	25.57	-	-	25.57
Financial assets		-	-	-	-	-	-	-	-
(i) Investment		-	-	-	-	0.84	0.53	-	1.36
(ii) Other		6.97	-	-	6.97	4.37	-	-	4.37
Other Non Current Assets		-	-	-	-	-	-	-	-
Total non-current assets:		592.89	22.08	-	614.96	622.21	23.78	-	645.99
Current assets									
Inventories		480.86	-	-	480.86	452.79	-	-	452.79
Financial assets		-	-	-	-	-	-	-	-
(i) Trade receivables		726.62	-	-	726.62	707.20	-	-	707.20
(ii) Cash and Cash Equivalent		5.22	-	-	5.22	5.92	-	-	5.92
(iii) Other bank balances		13.83	-	-	13.83	13.83	-	-	13.83
(iv) Other Financial Asset		3.08	-	-	3.08	2.97	-	-	2.97
Other current assets		134.28	-	-	134.28	82.43	-	(2.41)	80.02
Total current assets		1,363.90	-	-	1,363.90	1,265.14	-	(2.41)	1,262.74
TOTAL ASSETS		1,956.79	22.08	-	1,978.87	1,887.36	23.78	(2.41)	1,908.72
					-0.00				-
EQUITY AND LIABILITIES									
Equity									
Equity share capital		224.51	-	-	224.51	143.94	-	-	143.94
Other equity		484.64	(2.22)	(7.48)	474.94	334.44	16.10	(8.85)	341.70
Total equity		709.15	(2.22)	(7.48)	699.45	478.39	16.10	(8.85)	485.64
Liabilities									
Non-current liability:									
Financial liabilities		-	-	-	-	-	-	-	-
Borrowings		225.22	(0.75)	-	224.47	360.21	(17.50)	-	342.71
Provisions		-	-	2.85	2.85	-	-	0.23	0.23
Deferred tax Liabilities (Net)		46.69	7.80	2.69	57.19	28.27	7.69	3.56	39.52
Other Non-Current Liabilities		-	25.00	-	25.00	40.45	25.15	-	65.60
Total non-current liability		271.91	32.06	5.55	309.52	428.93	15.34	3.79	448.06
Current liabilities:									
Financial liabilities		-	-	-	-	-	-	-	-
(i) Borrowings		349.63	-	-	349.63	329.67	-	-	329.67
(ii) Trade payables		404.56	-	-	404.56	469.62	-	-	469.62
(iii) Other financial liabilities		170.37	-	-	170.37	147.70	-	-	147.70
Other current liabilities		4.21	-	-	4.21	3.57	-	-	3.57
Provisions		-	-	3.38	3.38	-	-	3.38	3.38
Current tax liabilities (Net)		46.96	(7.76)	(1.45)	37.75	29.47	(7.67)	(0.74)	21.07
Total current liability:		975.72	(7.76)	1.93	969.90	980.04	(7.67)	2.65	975.02
Total liabilities		1,247.64	24.30	7.48	1,279.42	1,408.97	7.67	6.44	1,423.08
TOTAL EQUITY AND LIABILITIES		1,956.79	22.08	(0.00)	1,978.87	1,887.36	23.78	(2.41)	1,908.72

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Particulars	As at March 31, 2017			
	Previous GAAP	IND AS ADJUSTMENT	Restatement Adjustment	IND AS
ASSETS				
Non-current assets				
Property, plant and equipment	631.23	(2.05)	(162.33)	466.86
Capital work-in-progress	-	-	162.33	162.33
Intangible assets	6.50	-	-	6.50
Financial assets				
(i) Investment	0.84	0.36	-	1.19
(ii) Other	3.99	-	-	3.99
-	-	-	-	-
Other Non Current Assets	-	-	-	-
Total non-current asset:	642.55	(1.69)	-	640.86
Current assets				
Inventories	293.67	-	-	293.67
Financial assets				-
(i) Trade receivables	645.85	-	-	645.85
(ii) Cash and Cash Equivalent	51.63	-	-	51.63
(iii) Other bank balances	-	-	-	-
(iv) Other Financial Asset	3.77	-	-	3.77
Other current assets	78.70	-	-0.71	77.99
Total current assets	1,073.62	-	(0.71)	1,072.90
TOTAL ASSETS	1,716.17	-1.69	(0.71)	1,713.77
				0.00
EQUITY AND LIABILITIES				
Equity				
Equity share capital	143.94	-	-	143.94
Other equity	233.38	35.56	(2.38)	266.56
Total equity	377.33	35.56	(2.38)	410.51
Liabilities				
Non-current liability:				
Financial liabilities				
Borrowings	411.73	(32.09)	-	379.64
Provisions	-	-	0.87	0.87
Deferred tax Liabilities (Net)	20.70	(0.68)	(1.19)	18.83
Other Non-Current Liabilities	53.34	-	-	53.34
Total non-current liability	485.77	-32.77	(0.31)	452.69
Current liabilities				
Financial liabilities				
(i) Borrowings	260.52	-	-	260.52
(ii) Trade payables	486.96	-	-	486.96
(iii) Other financial liabilities	93.08	(0.00)	-	93.07
Other current liabilities	4.01	-	-	4.01
Provisions	-	-	2.71	2.71
Current tax liabilities (Net)	8.50	(4.48)	(0.73)	3.29
Total current liability:	853.07	(4.49)	1.98	850.57
Total liabilities	1,338.84	(37.25)	1.67	1,303.26
TOTAL EQUITY AND LIABILITIES	1,716.17	(1.69)	(0.71)	1,713.77

(c)(ii) Reconciliation between Previous GAAP and IND AS for impact on statement of profit and loss

Particulars	For the year ended March 31, 2019				For the year ended March 31, 2018			
	Previous GAAP	IND AS ADJUSTMENT	Restatement Adjustment	IND AS	Previous GAAP	IND AS ADJUSTMENT	Restatement Adjustment	IND AS
Revenue:								
I Revenue from operations:	2,370.99	(29.18)	-	2,341.81	2,346.92	(21.48)	-	2,325.43
II Other income	13.31	11.07	-	24.39	13.54	14.19	-	27.72
III Total Income (I + II)	2,384.31	(18.11)	-	2,366.20	2,360.45	(7.30)	-	2,353.16
Expenses:								
Cost of materials consumed	1,677.16	-	-	1,677.16	1,729.53	-	-	1,729.53
Purchases of stock-in-trade	-	-	-	-	-	-	-	-
Changes in inventories of finished goods (including stock in trade) and work-in-progress	(107.22)	-	-	(107.22)	(58.14)	-	-	(58.14)
Employee benefits expenses	82.02	-	2.44	84.46	72.83	-	0.60	73.43
Finance costs	69.15	28.20	-	97.36	60.82	28.08	-	88.90
Depreciation and amortisation expenses	73.67	1.17	-	74.84	80.55	1.02	-	81.57
Other expenses	371.62	(29.18)	-	342.44	336.75	(21.48)	-	315.27
IV Total expenses	2,166.40	0.20	2.44	2,169.04	2,222.35	7.62	0.60	2,230.57
Profit before exceptional items, share of net profit of investments accounted for V using equity method and tax (III- IV)	217.90	(18.30)	(2.44)	197.16	138.11	(14.92)	(0.60)	122.59
Share of Net Profit of Associate accounted for using Equity Method				-		0.03		0.03
V Profit before exceptional items and tax (III- IV)	217.90	(18.30)	(2.44)	197.16	138.11	(14.89)	(0.60)	122.62
VI Exceptional items	-	-	-	-	-	-	-	-
VII Profit before tax (V - VI)	217.90	(18.30)	(2.44)	197.16	138.11	(14.89)	(0.60)	122.62
IX Tax expense:								
a) Current tax	46.96	(0.09)	(0.71)	46.15	29.47	(3.18)	1.57	27.86
b) Short provision for tax of earlier years	2.41	-	(2.41)	0.00	-	-	-	-
c) Deferred tax (credit)/charge	18.42	0.12	(0.81)	17.72	7.57	8.36	4.75	20.68
	67.79	0.03	(3.93)	63.88	37.05	5.18	6.31	48.54
X Profit after tax (VIII - IX)	150.12	(18.33)	1.49	133.28	101.06	(20.07)	-6.91	74.08
Other Comprehensive Income								
A (i) Items that will not be reclassified to profit or loss								
Remeasurement of the defined benefit plan	-	-	0.18	(0.18)	-	-	0.57	0.57
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	(0.05)	0.05	-	-	(0.12)	(0.12)
B (i) Items that will be reclassified to profit or loss								
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
XI Total Other Comprehensive Income (A + B)	-	-	(0.13)	0.13	-	-	0.45	0.45
XI Total Comprehensive Income for the year (X + XI)	150.12	(18.33)	1.37	133.41	101.06	(20.07)	(6.46)	74.53

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Particulars	For the year ended March 31, 2017			
	Previous GAAP	IND AS ADJUSTMENT	Restatement Adjustment	IND AS
Revenue:				
I Revenue from operation:	2,122.86	(22.76)	-	2,100.10
II Other income	2.41	27.63	-	30.05
III Total Income (I + II)	2,125.27	4.88	-	2,130.15
Expenses:				
Cost of materials consumed	1,357.21	-	-	1,357.21
Purchases of stock-in-trade	361.37	-	-	361.37
Changes in inventories of finished goods (including stock in trade) and work-in- progress	(94.44)	-	-	(94.44)
Employee benefits expense	63.50	-	0.57	64.07
Finance costs	33.94	37.53	-	71.47
Depreciation and amortisation expense	83.51	(0.11)	-	83.40
Other expenses	278.49	(20.60)	-	257.88
IV Total expenses	2,083.57	16.82	0.57	2,100.96
Profit before exceptional items, share of net profit of investments accounted for V using equity method and tax (III- IV)	41.70	(11.94)	(0.57)	29.19
Share of Net Profit of Associate accounted VI for using Equity Method		0.02		0.02
V Profit before exceptional items and tax (III- IV)	41.70	(11.92)	(0.57)	29.21
VI Exceptional items	-	-	-	-
VII Profit before tax (V - VI)	41.70	(11.92)	(0.57)	29.21
IX Tax expense:				
a) Current tax	8.50	(2.44)	(0.20)	5.86
b) Short provision for tax of earlier years	-	-	-	-
c) Deferred tax (credit)/charge	(17.43)	(0.68)	12.93	(5.18)
	-8.93	(3.11)	12.73	0.69
X Profit after tax (VIII - IX)	50.63	(8.81)	(13.30)	28.52
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss Remeasurment of the defined benefit plan	-	-	(0.35)	(0.35)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	0.07	0.07
B (i) Items that will be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
XI Total Other Comprehensive Income (A + B)	-	-	(0.28)	(0.28)
XI Total Comprehensive Income for the year (X + XI)	50.63	(8.81)	(13.58)	28.24

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Note 1

Under previous GAAP, all assets and liabilities were carried at cost

Under IndAS, certain financial assets and financial liabilities were initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest/ amortisation cost method. The interest rate is the rate which exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

Note 2

Prior Period Expenses:

Prior period expenses are accounted in the year in which the same is incurred

Note 3

Foreign Exchange Fluctuation on Capital Assets

Under Previous GAAP, foreign exchange fluctuation related to the assets are adjusted in capital asset. The same is now routed through profit loss account

Note 4

Employee Benefits

The Company has not been following the provisions of Ind AS – 19 “Employee Benefits” issued by the Institute of Chartered Accountants of India in respect of recording provision for Gratuity in its Books of Accounts for the Financial Years 2016-17 and 2017-18 and 2018-19. However, in restated financial statements, the Company has made the necessary provision for gratuity as per the actuarial valuation reports obtained by them. Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income.

Note 5

Government Grants

Under Ind AS 20, Government Grants and Disclosure of Government Assistance (i) Where the entity concludes that the grant is related to assets, it will present it in the balance sheet as deferred income. The deferred income will be recognised in the statement of profit and loss on a systematic basis over the useful life of the asset. (ii) Where the entity concludes that the grant is related to income, it will present the grant in the statement of profit and loss, either separately or under a general heading such as ‘other income’. Alternatively, it may be deducted in reporting the related expenses. Under previous GAAP, grant related to assets are adjusted from asset.

Note 6

Sale Commission & Sale Discount

Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products including excise duty. The corresponding excise duty expense is presented in Other expenses in the Statement of profit and loss. The change does not affect total equity as at April 01, 2016 and March 31, 2017, profit before tax or total profit for the year ended March 31, 2017. Moreover, revenue from sale of products was presented net of sale commission under Ind AS.

48 Financial instruments fair value and risk measurements

A. Financial instruments by category and their fair value

As at March 31, 2019	Carrying amount				Fair value			Total
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets (Current)								
Trade Receivables	-	-	726.62	726.62	-	-	-	-
Cash and Cash Equivalents	-	-	5.22	5.22	-	-	-	-
Other Bank Balances	-	-	13.83	13.83	-	-	-	-
Other financial assets	-	-	3.08	3.08	-	-	-	-
Financial assets (Non-current) *								
- Investment in associates	-	-	-	-	-	-	-	-
- Others	-	-	6.97	6.97	-	-	-	-
Total financial assets	-	-	755.73	755.73	-	-	-	-
Financial liabilities								
Borrowings (including current maturities)								
- Non-current	-	-	284.31	284.31	-	-	-	-
- Current	-	-	349.63	349.63	-	-	-	-
Other financial liabilities								
- Current	-	-	110.53	110.53	-	-	-	-
Trade Payables	-	-	404.56	404.56	-	-	-	-
Total financial liabilities	-	-	1,149.03	1,149.03	-	-	-	-

As at March 31, 2018	Carrying amount				Fair value			Total
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets (Current)								
Trade Receivables	-	-	707.20	707.20	-	-	-	-
Cash and Cash Equivalents	-	-	5.92	5.92	-	-	-	-
Other Bank Balances	-	-	13.83	13.83	-	-	-	-
Other financial assets	-	-	2.97	2.97	-	-	-	-
Financial assets (Non-current) *								
- Investment in associates	-	-	1.36	1.36	-	-	-	-
- Others	-	-	4.37	4.37	-	-	-	-
Total financial assets	-	-	735.66	735.66	-	-	-	-
Financial liabilities								
Borrowings (including current maturities)								
- Non-current	-	-	403.56	403.56	-	-	-	-
- Current	-	-	329.67	329.67	-	-	-	-
Other financial liabilities								
- Current	-	-	86.85	86.85	-	-	-	-
Trade Payables	-	-	469.62	469.62	-	-	-	-
Total financial liabilities	-	-	1,289.70	1,289.70	-	-	-	-

As at March 31, 2017	Carrying amount				Fair value			Total
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets (Current)								
Trade Receivables	-	-	645.85	645.85	-	-	-	-
Cash and Cash Equivalents	-	-	51.63	51.63	-	-	-	-
Other Bank Balances	-	-	-	-	-	-	-	-
Other financial assets	-	-	3.77	3.77	-	-	-	-
Financial assets (Non-current) *								
- Investment in associates	-	-	1.19	1.19	-	-	-	-
- Others	-	-	3.99	3.99	-	-	-	-
Total financial assets	-	-	706.43	706.43	-	-	-	-
Financial liabilities								
Borrowings (including current maturities)								
- Non-current	-	-	440.56	440.56	-	-	-	-
- Current	-	-	260.52	260.52	-	-	-	-
Other financial liabilities								
- Current	-	-	32.16	32.16	-	-	-	-
Trade Payables	-	-	486.96	486.96	-	-	-	-
Total financial liabilities	-	-	1,220.20	1,220.20	-	-	-	-

* Investments in associates classified as equity investments and have been accounted at historical cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Types of inputs for determining fair value are as under:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

Valuation techniques of financial instruments measured at fair value

The following tables show the valuation techniques used in measuring Level 2 fair values.

Derivative Assets	It is valued using valuation techniques, which employs the use of market observable inputs i.e. observable foreign exchange rates at the end of the reporting period.
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ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

Annexure VI: Notes to Restated Consolidated Financial Information
(Indian rupees in Million, unless otherwise stated)

B. Financial risk management

The Company has a well-defined risk management framework. The Company's Corporate finance department provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

(i) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Company along with relevant mitigation procedures adopted have been enumerated below:

Trade receivables

The average credit period on sales of goods is 0 to 180 days. Credit Risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 10% of the total balance of trade receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Age of Receivables

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
0-6 Months	706.04	699.02	633.86
6-12 Months	20.58	8.18	11.99
more than 365 days	-	-	-

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The above receivables which are past due but not impaired are assessed on case-to-case basis. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. There are no other classes of financial assets that are past due but not impaired.

Movements in expected credit loss allowance

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Balance at the beginning of the year	-	-	-
Movements in allowance	-	-	-
Balance at the end of the year	-	-	-

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Particulars	Carrying amount			
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
India	718.68	707.20	645.85	-
Other regions	7.95	-	-	-
	726.62	707.20	645.85	-

Other financial assets

Other financial assets includes loan to employees, security deposits, investments, cash and cash equivalents, other bank balance, derivative asset, advances to employees etc.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.
- The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.
- The Company has given security deposit to various government authorities. Being government authorities, the Company does not have exposure to any credit risk.

(iii) Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Further, the Company has also tied-up additional sources of liquidity to meet the liabilities during the respective annual years which has ensured that the Company has a clean track record with no adverse events pertaining to liquidity risk.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31st March 2019	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings (including current maturities)	284.31	284.31	59.84	224.47
Current borrowings	349.63	349.63	349.63	-
Trade payables	404.56	404.56	404.56	-
Current financial liabilities	110.53	110.53	110.53	-
Total	1,149.03	1,149.03	924.56	224.47

Annexure VI: Notes to Restated Consolidated Financial Information
(Indian rupees in Million, unless otherwise stated)

As at 31 March 2018	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings (including current maturities)	403.56	403.56	60.84	342.71
Current borrowings	329.67	329.67	329.67	-
Trade payables	469.62	469.62	469.62	-
Current financial liabilities	86.85	86.85	86.85	-
Total	1,289.70	1,289.70	946.99	342.71

As at 31 March 2017	Carrying amount	Contractual maturities		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities				
Non current borrowings (including current maturities)	440.56	440.56	60.91	379.64
Current borrowings	260.52	260.52	260.52	-
Trade payables	486.96	486.96	486.96	-
Current financial liabilities	32.16	32.16	32.16	-
Total	1,220.20	1,220.20	840.55	379.64

(iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates due to foreign currency borrowings and variable interest loans. The Company has entered into derivative contracts to manage part of its foreign currency risk. The Company does not enter into derivative contracts to manage risks related to anticipated sales and purchases.

Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options taken at the time of initiation of the booking by the management. Such decision is taken after considering the factors such as upside potential, cost of structure and the downside risks etc. Quarterly reports are submitted to Management Committee on the covered and open positions and MTM valuation. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	March 31, 2019				As at March 31, 2018			
	USD	EURO	INR	Total	USD	EURO	INR	Total
Financial assets								
Non-current								
Investments	-	-	-	-	-	-	1.36	1.36
Others	-	-	6.97	6.97	-	-	4.37	4.37
Current								
Trade receivables	45.97	-	680.66	726.62	11.37	-	695.83	707.20
Cash and cash equivalents	-	-	5.22	5.22	-	-	5.92	5.92
Bank balances other than above	-	-	13.83	13.83	-	-	13.83	13.83
Others	-	-	3.08	3.08	-	-	2.97	2.97
Total	45.97	-	709.77	755.73	11.37	-	724.29	735.66
Financial liabilities								
Non-current								
Borrowings (including current maturities)	-	-	284.31	284.31	-	-	403.56	403.56
Current								
Borrowings	-	-	349.63	349.63	4.55	-	325.12	329.67
Trade payables	-	-	404.56	404.56	-	-	469.62	469.62
Others	-	-	110.53	110.53	-	-	86.85	86.85
Total	-	-	1,149.03	1,149.03	4.55	-	1,285.16	1,289.70
Net exposure	(45.97)	-	439.27	393.30	(6.82)	-	560.87	554.05
Hedge foreign currency risk	-	-	-	-	-	-	-	-
Unhedged foreign currency risk	(45.97)	-	439.27	393.30	(6.82)	-	560.87	554.05
Sensitivity impact on net liabilities / (assets) exposure at 10%	(4.60)	0.00	NA	-4.60	(0.68)	-	NA	(0.68)

Particulars	As at March 31, 2017			
	USD	EURO	INR	Total
Financial assets				
Non-current				
Investments	-	-	1.19	1.19
Others	-	-	3.99	3.99
Current				
Trade receivables	-	-	645.85	645.85
Cash and cash equivalents	-	-	51.63	51.63
Bank balances other than above	-	-	-	-
Others	-	-	3.77	3.77
Total	-	-	706.43	706.43
Financial liabilities				
Non-current				
Borrowings (including current maturities)	-	-	440.56	440.56
Current				
Borrowings	-	-	260.52	260.52
Trade payables	-	-	486.96	486.96
Others	-	-	32.16	32.16
Total	-	-	1,220.20	1,220.20
Net exposure	-	-	513.77	513.77
Hedge foreign currency risk	-	-	-	-
Unhedged foreign currency risk	-	-	513.77	513.77
Sensitivity impact on net liabilities / (assets) exposure at 10%	-	-	NA	-

The Company is mainly exposed to USD and EURO currency. The above table details the Company's sensitivity to a 10% increase and decrease in the INR against relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency risk denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A negative number below indicates an increase in profit/equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit/equity and the balances below would be positive.

Interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to interest rate risk, arising principally on changes in PLR and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Annexure VI: Notes to Restated Consolidated Financial Information
(Indian rupees in Million, unless otherwise stated)

Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

	31 March 2019	31 March 2018	31 March 2017
Fixed-rate instruments			
Financial assets	-	-	-
Financial liabilities	-	-	-
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	633.95	733.23	701.08

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings and interest rate sensitivity analysis.

Particulars	Profit or (Loss) before tax	
	50 bp Increase	50 bp decrease
31 March 2019		
Fixed rate borrowings	-	-
Variable rate borrowings	3.17	(3.17)
Total	3.17	(3.17)
31 March 2018		
Fixed rate borrowings	-	-
Variable rate borrowings	3.67	(3.67)
Total	3.67	(3.67)
31 March 2017		
Fixed rate borrowings	-	-
Variable rate borrowings	3.51	(3.51)
Total	3.51	(3.51)

Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset or subject to enforceable master netting arrangements and other similar agreements but not offset as at 30th Sept 2018, 31st March, 2018, 31st March, 2017 and 31st March, 2016. The column net amount show the impact on the group's balance sheet, if all set-off rights were exercised.

Particulars	March 31, 2019			March 31, 2018		
	Net amount presented in Balance Sheet	Financial Instrument Collateral	Net Amount	Net amount presented in Balance Sheet	Financial Instrument Collateral	Net Amount
Financial assets (Non - Current)						
(i) Investment	-	-	-	1.36	-	1.36
(ii) Other	6.97	-	6.97	4.37	-	4.37
Financial assets (Current)						
(i) Trade receivables	726.62	633.95	92.67	707.20	707.20	-
(ii) Cash and Cash Equivalent	5.22	-	5.22	5.92	-	5.92
(iii) Other bank balances	13.83	-	13.83	13.83	-	13.83
(iv) Other Financial Asset	3.08	-	3.08	2.97	-	2.97
Total	755.73	633.95	121.78	735.66	707.20	28.46
Financial liabilities						
(i) Borrowings (Including Current Maturity)	633.95	633.95	-	733.23	707.20	26.03
(ii) Trade payables	404.56	-	404.56	469.62	-	469.62
(iii) Other financial liabilities	110.53	-	110.53	86.85	-	86.85
Total	1,149.03	633.95	515.08	1,289.70	707.20	582.50

Particulars	March 31, 2019			March 31, 2018		
	Net amount presented in Balance Sheet	Financial Instrument Collateral	Net Amount	Net amount presented in Balance Sheet	Financial Instrument Collateral	Net Amount
Financial assets (Non - Current)						
(i) Investment	1.19	-	1.19	0.83	-	0.83
(ii) Other	3.99	-	3.99	4.00	-	4.00
Financial assets (Current)						
(i) Trade receivables	645.85	645.85	-	563.17	563.17	-
(ii) Cash and Cash Equivalent	51.63	-	51.63	17.91	-	17.91
(iii) Other bank balances	-	-	-	-	-	-
(iv) Other Financial Asset	3.77	-	3.77	2.61	-	2.61
Total	706.43	645.85	60.58	588.52	563.17	25.35
Financial liabilities						
(i) Borrowings (Including Current Maturity)	701.08	645.85	55.23	611.66	563.17	48.49
(ii) Trade payables	486.96	-	486.96	325.33	-	325.33
(iii) Other financial liabilities	32.16	-	32.16	-	-	-
Total	1,220.20	645.85	574.35	936.99	563.17	373.82

Note

Collateral against the borrowing:

The Company has pledged financial instruments as collateral against the a number of its borrowings. Refer to Notes to Non Current and Current Borrowing for further information on financial and non financial collateral pledged as security against the borrowing.

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and total equity of the Company.

The gearing ratio at the end of the reporting period was as follows.

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Debt*	633.95	733.23	701.08
Less : Cash and bank balances	19.05	19.75	51.63
Net Debt	653.00	752.98	752.71
Total equity	699.45	485.64	410.51
Net debt to equity ratio	0.93	1.55	1.83

* Includes non-current borrowings, current borrowings and current maturities of non-current borrowings. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019, March 31, 2018 and March 31, 2017.

Mukesh Trends Life Style Limited
(Formerly known as Mukesh Industries Limited)
Annexure VI: Notes to Restated Consolidated Financial Information
(Indian rupees in Million, unless otherwise stated)

49 Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods specified :

Particulars	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total Borrowings
Net Debt as at April 1, 2016	335.40	276.26	611.66
Cash Inflows	226.06	0.00	226.06
Cash Outflows	(120.90)	(15.74)	(136.64)
	440.56	260.52	701.08
Interest Expense	43.28	28.19	71.47
Interest Paid	(11.12)	(28.19)	(39.31)
Other non cash adjustments	-	-	-
Net Debt as at March 31, 2017	472.72	260.52	733.24
Cash Inflows	57.62	69.15	126.77
Cash Outflows	(94.62)	-	(94.62)
	435.72	329.67	765.39
Interest Expense	65.22	23.68	88.90
Interest Paid	(10.53)	(23.68)	(34.21)
Other non cash adjustments	-	-	-
Net Debt as at March 31, 2018	490.41	329.67	820.08
Cash Inflows	-	19.96	19.96
Cash Outflows	(119.24)	0.00	(119.24)
	371.17	349.63	720.80
Interest Expense	81.72	15.64	97.36
Interest Paid	(58.04)	(15.64)	(73.68)
Other non cash adjustments	-	-	-
Net Debt as at March 31, 2019	394.84	349.63	744.48

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Annexure VI: Notes to Restated Consolidated Financial Information
(Indian rupees in Million, unless otherwise stated)

50 Segment information

(a) Description of segment and principal activities

The Managing Director/ Chief Executive Officer of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). Custom Moulding Business is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance

(b) Information about geographical areas

(i) Revenue from External Customers

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
India	2,232.65	2,314.41	2,095.09
Outside India	109.17	11.02	5.01
	2,341.81	2,325.43	2,100.10

Revenue from external customer is allocated based on the location of customers.

(ii) Non - Current Assets

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
India	614.96	644.62	639.67
Outside India	-	-	-
	614.96	644.62	639.67

Non-current assets include property, plant and equipment, capital work in progress, intangible assets and capital advances. It is allocated based on the geographic location of the respective assets.

(c) Information about major customers

There is no customer representing more than 10% of the total balance of trade receivables.

Mukesh Trends Life Style Limited
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Annexure VII: Summary Statement of Adjustment to the Audited Financial Statements
(Indian rupees in Million, unless otherwise stated)

Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

1. Reconciliation of total equity

Particulars	Note	(Rs. In million)		
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Total equity (shareholders' funds) under previous GAAP		709.15	478.39	377.33
Adjustments for:				
Measurement of financial assets/liabilities at amortised cost	1	(11.04)	17.16	32.08
Prior Period Expenses	2	(0.60)	0.06	(0.43)
Forex Capitalisation	3	(2.15)	(2.15)	(2.15)
Depreciation	3, 5	(2.08)	(0.91)	0.11
Gratuity Provision as per actuarial valuation report	4	(6.06)	(3.62)	(3.59)
Grant Income Accounting as per Ind AS	5	12.76	1.16	0.00
Share of Profit in Associates		0.00	0.00	0.00
Current Tax Impact on account of restatement/adjustment		10.01	6.80	5.30
Deferred Tax Impact on account of restatement/adjustment		(10.55)	(11.25)	1.86
Total adjustment to equity		(9.71)	7.26	33.18
Total equity under Ind AS		699.45	485.64	410.51

2. Reconciliation of total comprehensive income

Particulars	Note			
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Profit as per previous GAAP		150.12	101.06	50.63
Adjustments:				
Measurement of financial assets/liabilities at amortised cost	1	(28.20)	(15.06)	(9.90)
Prior Period Expenses	2	-	-	-
Forex Capitalisation	3	-	-	(2.15)
Depreciation	3, 5	(1.17)	(1.02)	0.11
Gratuity Provision as per actuarial valuation report	4	(2.44)	(0.60)	(0.57)
Grant Income Accounting as per Ind AS	5	11.07	1.16	-
Share of Profit in Associates			0.03	0.02
Current Tax Impact on account of restatement/adjustment		3.21	1.62	2.64
Deferred Tax Impact on account of restatement/adjustment		0.70	(13.11)	(12.26)
Total effect of transition to Ind AS		(16.84)	(26.98)	(22.11)
Net Profit for the year as per Ind AS		133.28	74.08	28.52
Other Comprehensive Income (Net of Tax)				
Remeasurment gain/(loss) of the defined benefit plans	4	0.18	0.57	(0.35)
Income tax relating to above		(0.05)	(0.12)	0.07
Effect of measuring equity instruments at fair value through OCI		-	-	-
Total comprehensive income under Ind AS		133.16	74.53	28.24

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

Mukesh Trends Life Style Limited
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Annexure VIII: Consolidated Summary Statement of Accounting Ratios
(Indian rupees in Million, unless otherwise stated)

Summary of Accounting Ratios

Ratios	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Restated PAT as per P& L Account	133.28	74.08	28.52
Weighted Average Number of Equity Shares at the end of the Year (Before Bonus Issue)	161,69,020	141,81,406	129,67,831
Bonus Share Effect	53,89,673	47,27,135	43,22,610
Weighted Average Number of Equity Shares at the end of the Year (After Bonus Issue)	215,58,694	189,08,541	172,90,441
Net Worth	699.45	485.64	410.51
Earnings Per Share			
Basic & Diluted	8.24	5.22	2.20
Basic & Diluted (After Bonus Issue)	6.18	3.92	1.65
Return on Net Worth (%)	19.06%	15.25%	6.95%
Net Asset Value Per Share (Rs)	31.15	33.74	28.52
Net Asset Value Per Share (Rs) (After Bonus Issue)	31.15	24.27	20.52
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00

Note

- Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share". As per the requirements of AS 20 "Earnings Per Share", the weighted average number of equity shares considered for calculation of Basic and Diluted Earnings per Share.
- The Ratios have been computed on the basis of the Restated Summary Financial Statements.
- The Ratio have been computed as per the following formulas:

Particulars	Formula
Basic Earnings Per Share (Rs.)	Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders
	Weighted Average Number of Equity Shares Outstanding During Year/Period
Diluted Earnings Per Share (Rs.)	Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders
	Weighted Average Number of Equity Shares Outstanding During Year/Period
Return on Net Worth (%)	Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders
	Net Worth As At The End Of The Year/Period
Net Assets Value Per Share (Rs.)	Net Worth As At The End Of The Year/Period
	No. of shares outstanding at the end of the year/Period

- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.
- Net worth for ratios mentioned represents sum of share capital and reserves and surplus (surplus in the statement of profit and loss).
- The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows.
- Bonus Shares were allotted in the ratio of 1:3 (one bonus equity share for 3 equity shares held) on September 27, 2018. Thereby, EPS and Net Asset Value per share are provided pre bonus issue and post bonus issue.

Mukesh Trends Life Style Limited
(Formerly known as Mukesh Industries Limited)
Annexure IX: Restated Consolidated Statement of Capitalization
(Indian rupees in Million, unless otherwise stated)

Capitalisation Statement as at March 31, 2019

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	349.63	[•]
Long Term Debt (B)	284.31	[•]
Total debts (C)	633.95	[•]
Shareholders' funds		
Equity share capital	224.51	[•]
Reserve and surplus - as restated	474.94	[•]
Total shareholders' funds	699.45	[•]
Long term debt / shareholders funds	0.41	[•]
Total debt / shareholders funds	0.91	[•]

Note

- 1 The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows.
- 2 The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.
- 3 A short term debt represents borrowings due within 12 months from the date of balance sheet
- 4 A long term debt represents borrowings due after 12 months from the date of balance sheet and includes current maturities of long term debts.

- 5 Long Term Debts/Equity has been computed as

<u>Long Term Debts</u>
Total Shareholders' fund
- 6 Total Debts/Equity has been computed as

<u>Total Debts</u>
Total Shareholders' fund

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial position and results of operations for the Fiscals ended March 31, 2019, 2018 and 2017. You should read the following discussion and analysis of our financial position and results of operations in conjunction with our Restated Consolidated Financial Information and the sections entitled "Summary of Financial Information" and "Financial Statements" on pages 56 and 191, respectively. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 24. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled "Forward-Looking Statements" on page 17 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Consolidated Financial Information.

Our Fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular Fiscal year are to the 12-month period ended March 31 of that year.

Significant Factors Affecting Our Results of Operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page 24. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

We highly depend on our raw materials and a few key suppliers who help us procure the same. In the event we are unable to procure adequate amounts of raw materials, at competitive prices our business, results of operations and financial condition may be adversely affected.

Our Company is engaged in the business of manufacturing, processing and printing of woven and knitted fabrics and therefore we are highly dependent on grey fabric, which is the most important component in manufacturing our products. We are dependent on third party suppliers for unprocessed or grey fabric which is the primary raw material used in the manufacture of our products. In the fiscal 2019, we sourced raw materials from 116 suppliers located across India, we are dependent on a few key suppliers for example, our top five suppliers accounted for 30.15%, 40.17% and 32.03% of our expenses towards the purchase of raw materials for the Fiscals 2019, 2018 and 2017, respectively. Thus, if we experience significant increase in demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all.

We depend on a few customers of our woven fabrics, for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key customers may adversely affect our business and results of operations.

Woven fabric constitutes 78.63% of our revenue from operation for the Fiscal 2019, therefore woven fabric customers account form a substantial portion of our sales, and consequently our revenue, and we expect that such customers will continue to represent a substantial portion of our revenue from sale of products in the foreseeable future. The loss of any of our customers may have an adverse effect on our sales and consequently on our business and results of operations.

If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial

condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected

Our industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.

The textile industry in India is fragmented and competitive with several regional brands and retailers present in local markets across the country. The textile market in India has historically been dominated by the unorganized sector. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Any increase in sale of such brands or if preference is given to such brands it may have an adverse impact on our business and results of operations. Some of our competitors may be larger than we are or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market.

Further, our in-house design team creates innovative designs and styles as per the current fashion trends or executes the designs specified by our customers in our in-house design studio therefore, our design are original and based on the skill possessed by our design professionals. In the event, our designs and techniques are leaked or we are not able to protect our trade secrets or are unable to defend them, it might affect our competitiveness in the industry, thereby making our designs common and easily available with our competitors. We cannot assure you that we will be able to maintain the exclusivity of our products and maintain the demand of our products to sustain in the fiercely competitive fabric industry

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

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

- The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards (“**ICDS**”), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.
- the General Anti Avoidance Rules (“**GAAR**”) have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of our financial statements is set out in the notes to the Restated Consolidated Financial Statements included elsewhere in this Draft Red Herring Prospectus.

Corporate information

Mukesh Trends Life Style Limited (formerly Mukesh Industries Limited) ('Company'), having its registered office at National Highway No. 08, Narol Naroda Road, Ahmedabad- 382 443, Gujarat engaged in the business of fabric processing, including bleaching, dyeing, printing and finishing of grey fabric to produce finished knitted and woven fabrics.

The Company pursuant to a special resolution of the Shareholders passed in an extra-ordinary general meeting dated December 17, 2018 changed its name from 'Mukesh Industries Limited' to '*Mukesh Trends Life Style Limited*'. The Restated Consolidated Financial Information have been authorized for issuance by the Company's Board of Directors on August 02, 2019.

Basis of preparation and presentation

A. Basis of Consolidation

The Restated Consolidated Financial Information incorporate the Financial Statements of the Holding Company and entities over which the Holding company has significant influence i.e. Associates Company. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The company accounts investment in Associates Company using equity method. Under the equity method, on initial recognition the investment in an associate is recognized at cost, and the carrying amount is increased or decreased to recognize the company's share of the profit or loss of the associate after the date of acquisition. The company's share of the associate's profit or loss is recognized in the company's profit or loss.

B. Basis of classification of current and non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III, as amended notified under the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

C. Functional and presentation currency

The Restated Financial Information is prepared in Indian Rupees (INR), which is also the Company's functional Currency. Functional Currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity generates and spends cash.

D. Historical Cost Convention

The Restated Financial Information has been prepared under historical cost convention on the accrual basis except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

E. Property, plant and equipment (PPE)

PPE and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of PPE shall be recognised as an asset if, and only if:

- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of PPE is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation on property, plant and equipment

Depreciation on PPE is provided using straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013.

Assets category	Useful Life as per Schedule II (years)
Factory Building	30 years
Plant and machinery	15 years
Electrical Installations	10 years
Mobile	5 years
Computers	6 years
Furniture and fixtures	15 years
Office Equipment	5 years
Vehicles	8 years

Leasehold improvements (if any) are depreciated over the primary lease period of the properties.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

F. Capital Work-in-Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

G. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization impairment losses, if any.

Recognition:

The costs of intangible asset are recognised as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end and adjusted prospectively, if appropriate treating them as changes in accounting estimates. The maintenance expenses on intangible assets with finite lives is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of an asset and satisfies recognition criteria. Intangibles representing Right to use Drainage Line are amortized using the straight line method over their estimated useful lives of 10 years.

Gains/(losses) arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognised.

Assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

H. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 01 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

I. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

J. Borrowing costs

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised upto the period of time that is required to complete and prepare the asset for

its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

K. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

L. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

M. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

As per Ind AS 115, the company apply the five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which we expect to be entitled in exchange for transferring goods or services to a customer.

Sale of goods:

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 45 to 60 days upon delivery. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Sales for the period 1 April to 30 June 2017 in the previous year were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements.

Interest Income

For all debt instruments measured at amortised cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is

included in finance income in the Statement of Profit and Loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

Other

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

N. Income tax

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit or Loss (either in other comprehensive income or in equity).

O. Minimum Alternate Tax (MAT)

Minimum alternate tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

P. Retirement and other employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Provident fund:

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

Gratuity:

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognises termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve

months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absence:

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Q. Segment reporting policies

Operating segments are reported in a manner consistent with the internal reporting done to the Chief Operating Decision Maker. The Company operates in a single operating segment and geographical segment. The board of directors is collectively the company's 'Chief Operating Decision maker' or 'CODM' within the meaning of -Ind AS 108.

R. Asset held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

S. Fair value measurement

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

T. Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit and Loss are recognised immediately in Statement of Profit and Loss.

I. Financial assets

a. Recognition and initial measurement

The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

b. Classification

On initial recognition, a financial asset is classified as measured at; amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 9. A debt instrument is classified as FVOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However,

the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d. Impairment

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial assets that are debt instruments and are measured as at FVTOCI
- (c) Lease receivables under Ind AS 17
- (d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
- (e) Loan commitments which are not measured as at FVTPL

- (f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- (i.) Trade receivables or contract revenue receivables; and
- (ii.) All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (i.) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- (ii.) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- (i.) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- (ii.) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- (iii.) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

e. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

II. Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the [Statement of comprehensive income/Statement of Profit and Loss].

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

d. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in P&L.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.
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e. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

f. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

g. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

h. Evaluation of indicators for impairment of non-financial assets

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets and investments in subsidiaries.

III. Judgments

In the process of applying the Company's accounting policies, the management has made the following significant judgements, which have impact on the amounts recognised in the financial statements:

Contingencies

The Company is subject to certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

IV. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Following are the significant estimate and assumptions which have impact on the amounts recognised in the financial statements:

i. Useful lives of depreciable assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets

ii. Recognition of deferred tax

The extent to which deferred tax asset to be recognized is based on the assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

iii. Recoverability of advance/receivable

At each reporting date, based on the aging of the receivable the management assessed the expected credit losses on the outstanding receivable and advances.

iv. Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future trends salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. Allowance for doubtful debts

The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

vi. Impairment of assets

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

vii. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Changes in Accounting Policies and Disclosures

New and Amended Standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time, but do not have an impact on the Restated Consolidated Financial Information of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 : Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Group adopted Ind AS 115 using the modified retrospective method of adoption.

Ind AS 116 : Leases

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:-

- **Full Retrospective** – Retrospectively, to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- **Modified Retrospective** – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:-

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee's incremental borrowing rate at the date of initial application; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Ind AS 12 : Income Tax

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Appendix C: Uncertainty over Income Tax Treatments

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:-

- **Full Retrospective Approach** – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight; and
- **Modified Retrospective Approach** - Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Ind AS 19 : Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:-

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this Amendment.

Revenue and Expenditure

Revenue: Our total revenue comprises of revenue from operations and other income.

Revenue from Operations: Our revenue from operations comprises of processing of fabric, including bleaching, dyeing, printing and finishing of grey fabric to produce finished knitted and woven fabrics. It specializes in processing of a wide range of fabrics like 100% cotton, polyester, nylon, acrylic, linen, viscose, vortex viscose, cotton elastane, cellulosic fibers, blended fabric, etc. Apart from manufacturing products for direct sale to our customers, to ensure the full utilization of the installed capacity of our manufacturing unit, we are also engaged in manufacturing and carrying out various textile processes for third parties on a job work basis. We generally provide job work services to our customers for processing, dyeing and printing of fabrics. Also our company started exporting our knitted products to countries such as Bangladesh and Sri Lanka, where our fabrics are used as raw materials for manufacturing their finished products

Other Income: Our other income comprises of interest income on bank deposits, gain on foreign exchange fluctuation, interest subsidy received on loans under technology upgradation fund scheme (TUFS), grant on capital asset, profit on sale of shares, insurance claims received, duty drawback and sundry balance written back.

Expenses: Our expenses comprise of cost of material consumed, purchase of traded goods, changes in inventories of finished goods & work-in-progress, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Cost of material consumed: Our cost of material consumed comprises of cost incurred towards purchase of raw material in the form of grey fabric, dyes and chemicals from the market to process, dye and print fabrics and sell them to various retailers, garment manufacturers, brands, textile traders and other textile intermediaries.

Purchase of traded goods: Our expenditure on purchase of traded goods primarily includes purchase of grey cotton fabric to sell in the domestic market due to increased demand.

Change in inventories of Finished Goods & work in progress: Our Change in inventories of Finished goods and work-in-progress represents the net increase or decrease in inventories at the beginning and end of the year for finished goods & work-in-progress.

Employee benefit expenses: Our employee benefit expense consists of salary, wages & bonus, contribution to provident fund, gratuity expenses, director's remuneration and staff welfare expense.

Finance costs: Our finance costs comprises of interest expense on loans taken from banks and cash credit facility from banks for financing our working capital requirements and also interest on unsecured loans from directors. It also includes other finance costs such as bank charges, processing charges, etc.

Depreciation and amortization expenses: Our tangible assets and investment property are depreciated and amortised over the periods corresponding to their estimated useful lives. For details, see "*Financial Statements - Significant Accounting Policies –Property, plant and equipment*" above on page F-10 of this Draft Red Herring Prospectus.

Other expenses: Our other expenses primarily consist of manufacturing expenses and administrative, selling & distribution expenses. Our manufacturing expenses comprise of coal & firewood expenses, packing material consumed, design and engraving expenses, stores & spares consumed, stitching expenses, power & fuel charges, process job charges, inspection fees, labour expenses, freight charges, repairs & maintenance expenses, consultancy charges, building repairs, laboratory testing fee, weighing charges, factory general expenses, pollution control expenses, municipal tax, boiler expenses and service tax on freight. Our Administrative, selling & distribution expenses include office expenses, vehicle expenses, loss on sale of fixed assets, legal & professional expenses, license fees, printing & stationery expenses, rent, rate and taxes, conveyance charges, car petrol expenses, telephone expenses, insurance premium, donation expense, books and periodicals, postage, computer expenses, filling fee, membership fee, general repairs and maintenance charges, electricity expenses, stamp duty expenses, cartage fees, advertisement expense, sales discount, travelling expenses, sales promotion expenses, brokerage and commission, audit fees, rates & taxes, factory license fees, foreign exchange rate difference, auditors remuneration and other CSR expenditure etc. among others.

Our Income Tax Expenses: Elements of our income tax expenses are as follows:

Current tax: Current tax is the amount of tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

Deferred tax: Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Other Comprehensive income/ (loss)

Other Comprehensive income/ (loss): The other comprehensive income/(loss) consists of items that will not be reclassified subsequently to the statement of profit or loss. Our Other Comprehensive income/ (loss) consist of remeasurement of the net defined benefit obligation and income tax relating to such items.

Total Comprehensive income/ (loss)

Total Comprehensive income/ (loss): Total comprehensive income for the year/period consists of profit or loss for the year/period and total other comprehensive income /(loss).

Results of operations

The following table sets forth selected financial data from the Restated Consolidated Financial Statements of profit and loss for the periods indicated, the components of which are also expressed as a percentage of total revenue for the periods indicated:

(₹ in Million)

Particulars	March 31, 2019	% of total revenue	March 31, 2018	% of total revenue	March 31, 2017	% of total revenue
Revenue						
Revenue from Operations	2,341.81	98.97%	2,325.43	98.82%	2,100.10	98.59%
Other Income	24.39	1.03%	27.72	1.18%	30.05	1.41%
Total Revenue	2,366.20	100.00%	2,353.16	100.00%	2,130.15	100.00%
Expenses						
-Cost of material consumed	1,677.16	70.88%	1,729.53	73.50%	1,357.21	63.71%
-Purchase of traded goods	-	-	-	-	361.37	16.96%
-Changes in inventories of work-in-progress	(107.22)	(4.53%)	(58.14)	(2.47%)	(94.44)	(4.43%)
-Employee benefit expenses	84.46	3.57%	73.43	3.12%	64.07	3.01%
OTHER expenses	342.44	14.47%	315.27	13.40%	257.88	12.11%
EBITDA	369.36	15.61%	293.06	12.45%	184.06	8.64%
-Finance Costs	97.36	4.11%	88.90	3.78%	71.47	3.36%
-Depreciation and amortization expenses	74.84	3.16%	81.57	3.47%	83.40	3.92%
-Share of profit from Associate as per Equity method	-	-	0.03	0.00%	0.02	0.00%
Profit before taxation	197.16	8.33%	122.62	5.21%	29.21	1.37%
Tax Expenses						
-Current Tax	46.15	1.95%	27.86	1.18%	5.86	0.28%
-Deferred Tax (Asset)/ Liability	17.73	0.75%	20.68	0.88%	-5.18	-0.24%
Total Tax Expenses	63.88	2.70%	48.54	2.06%	0.69	0.03%
Net Profit/(Loss) after taxation	133.28	5.63%	74.08	3.15%	28.52	1.34%
Other Comprehensive income/ (loss)						
Items that will not be reclassified to profit and loss	(0.18)	0.01%	0.57	0.02%	(0.35)	(0.02%)
-Remeasurement of defined benefit plans	0.05	0.00%	(0.12)	(0.01%)	0.07	0.00%
-Income tax relating to items that will not be reclassified to profit or loss						
Other comprehensive income/(loss)	(0.13)	(0.01%)	0.45	0.02%	(0.28)	(0.01%)
Total comprehensive income/ (loss) for the year	133.16	5.64%	74.53	3.17%	28.24	1.33%

Discussion on the Results of Operations

Fiscal 2019 Compared to Fiscal 2018

Total Revenue

Our total revenue increased by 0.55% to ₹ 2,366.20 million in Fiscal 2019 from ₹ 2,353.16 million in Fiscal 2018 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 0.70% to ₹ 2,341.81 million in Fiscal 2019 from ₹ 2,325.43 million in Fiscal 2018. It was majorly due to increase in manufacturing and carrying out various textile process for third party on job work basis. The company generally provide job work services to our customers for processing, dyeing and printing of fabrics. Our increase in job work income was partially offset by decrease in sale of finished goods to ₹ 1,525.79 million in Fiscal 2019 from ₹ 1,574.28 million in Fiscal 2018. Decrease in our finished goods sales was majorly due to availability of better margins under job work services. Also our total export increased to ₹ 109.17 million in Fiscal 2019 from ₹ 11.02 million in Fiscal 2018. Our total export is 4.66 % of our total revenue from operations for Fiscal 2019 which was 0.47% in Fiscal 2018.

Other income: Our other income decreased by 12.04% to ₹ 24.39 million in Fiscal 2019 from ₹ 27.72 million in Fiscal 2018. This decrease was primarily due to decrease in receipt of insurance claim by ₹ 11.94 million, subsidy receipt by ₹ 1.57 million and Grant income by ₹ 1.02 million. However the decrease was partially offset by increase in profit on sale of shares of associate company, MnA Texlinen private limited by ₹ 6.37 million, increase in duty drawback income by ₹ 3.71 million, gain on foreign exchange fluctuation by ₹ 0.62 million and interest income on fixed deposits with banks by ₹ 0.49 million.

Total Expenses

Our total expenses excluding tax increased by 2.76% to ₹ 2,169.04 million in Fiscal 2019 from ₹ 2,230.57 million in Fiscal 2018, due to the factors described below:

Cost of material consumed

Our cost of material consumed decreased by 3.03% to ₹ 1,677.16 million in Fiscal 2019 from ₹ 1,729.53 million in Fiscal 2018. It was majorly due to decrease in overall cost of our raw material i.e., grey fabric and dyes in Fiscal 2019 as compared to Fiscal 2018. Our cost of material consumed as a percentage of our gross revenue was 71.62 % for the Fiscal 2019 which was 74.37 % for Fiscal 2018. There was an increase in installed capacity of knitted fabrics which is comparatively economical to manufacture and thus impact to decrease in our cost of material consumed.

Changes in inventories of finished goods & work in progress

Our changes in inventories of finished goods & work in progress amounted to ₹ (107.22) million in Fiscal 2019 as against ₹ (58.14) million in Fiscal 2018 mainly due to increase in closing stock of finished goods to cater to the ongoing demand in the domestic and international market.

Employee benefits expense

Our employee benefits expense increased by 15.01% to ₹ 84.46 million in Fiscal 2019 from ₹ 73.43 million in Fiscal 2018. This increase was primarily due to increase in salary, wages & bonus of employees from ₹ 73.85 million in Fiscal 2019 to ₹ 65.73 million in Fiscal 2018, increase in gratuity expenses by ₹ 2.88 million and also increase in staff welfare expenses by ₹ 1.16 million in Fiscal 2019. However this increase was partially offset by decrease in directors remuneration by ₹ 0.67 million and contribution to provident and other funds by ₹ 0.47 million in Fiscal 2019. Increase in salaries, wages and bonus was on account of increase in labour cost due to increased capacity utilization of new product namely knitted fabric.

Other expenses

Our other expenses increased by 8.62% to ₹ 342.44 million in Fiscal 2019 from ₹ 315.27 million in Fiscal 2018. This increase was mainly due to increase in manufacturing expenses by ₹ 27.87 million which was partially offset by decrease in administrative, selling & distribution expenses by ₹ 0.71 million. Increase in manufacturing expenses was majorly due to increase in Job process charges by ₹ 10.25 million which is in line with increase in our job work income, increase in power & fuel expenses by ₹ 8.56 million, Stores & spares charges by ₹ 3.31 million, coal and firewood consumed by ₹ 3.17 million, pollution control expenses by ₹ 2.72 million and repairs & maintenance

expense of ₹ 0.82 million etc. among others which was partially offset by decrease in freight expenses by ₹ 1.27 million and consultancy charges by ₹ 0.72 million among others. Decrease in administrative, selling & distribution expenses was due to decrease in sundry balance written off by ₹ 4.59 million, sales promotion expenses by ₹ 1.62 million, general repairs & maintenance by ₹ 1.55 million and rates & taxes by ₹ 0.47 million among others. Decrease in administrative expenses was partially offset by increase in export carriage & freight expense by ₹ 1.93 million, cartage expense by ₹ 1.26 million, filling fees by ₹ 0.88 million and insurance premium by ₹ 0.87 million etc. among others.

EBITDA

Our EBITDA increased by 26.04% from ₹ 293.06 million in Fiscal 2018 to ₹ 369.36 million in Fiscal 2019. Increase in EBITDA was attributed due to overall increase in our capacity utilization and also increase in profitability margins of the company.

Finance costs

Our finance costs increased by 9.51% to ₹ 97.36 million in Fiscal 2019 from ₹ 88.90 million in Fiscal 2018. The increase was mainly due to increase in interest cost on borrowing by ₹ 9.68 million which was partially offset by decrease in other bank charges by ₹ 1.23 million. The increase in interest on borrowings was mainly because of increase in working capital facility from banks. Decrease in our bank charges was on account of shifting our lead bank which leads to lower finance charges.

Depreciation and amortization expense

Our depreciation and amortisation expense decreased by 8.25% to ₹ 74.84 million in Fiscal 2019 from ₹ 81.57 million in Fiscal 2018. Decrease in depreciation was on account of disposal of plant & machinery of ₹ 26.31 million in Fiscal 2018.

Share of net profit from Associate Entity

Our profit from Associate entity was NIL in Fiscal 2019 as compared to ₹ 0.03 million in Fiscal 2018 due to sale of shares of our associate MnA Texlinen private limited in April 2018.

Profit before tax

Our restated Profit before tax increased by 60.80% to ₹ 197.16 million in Fiscal 2019 from ₹ 122.62 million in Fiscal 2018, due to the reasons mentioned above.

Tax expenses:

Current tax: We recorded a current tax expense of ₹ 46.15 million in Fiscal 2019 as compared to ₹ 27.86 million in Fiscal 2018.

Deferred tax: We recorded a deferred tax expense of ₹ 17.73 million for Fiscal 2019 as compared to a deferred tax expenses of ₹ 20.68 million for Fiscal 2018.

Profit after tax for the year, as Restated

Due to the factors mentioned above, our Profit after tax increased by 79.92 % from ₹ 133.28 million in Fiscal 2019 to ₹ 74.08 million in Fiscal 2018.

Other Comprehensive Income

We recorded a total other comprehensive income of ₹ (0.13) million in Fiscal 2019 as compared to a total other comprehensive income of ₹ 0.45 million in Fiscal 2018. This was primarily due to re-measurement of the net defined benefit obligation and income tax on such items.

Total Comprehensive Profit for the year

As a result of the factors outlined above, our total comprehensive profit for the year increased by 78.67% from ₹ 133.16 million in Fiscal 2019 to ₹ 74.53 million in Fiscal 2018.

Fiscal 2018 compared to Fiscal 2017

Total Revenue

Our total revenue increased by 10.47% to ₹ 2,353.16 million in Fiscal 2018 from ₹ 2,130.15 million in Fiscal 2017 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 10.73% to ₹ 2,325.43 million in Fiscal 2018 from ₹ 2,100.10 million in Fiscal 2017. The increase in revenue from operations was mainly due to increase in sale of our manufactured goods by ₹ 441.70 million to ₹ 1574.28 million in Fiscal 2018 from ₹ 1132.58 million in Fiscal 2017. Also our revenue from job work income increase by ₹ 149.87 million to ₹ 751.15 million in Fiscal 2018 from ₹ 601.28 million in Fiscal 2017. However the sales from trading activities discontinued in Fiscal 2018 due to better margins under manufacturing activities due to which our increase in revenue was partially set off by decrease in trading sales by 366.24 million in Fiscal 2018. Our company started exporting its goods from the Fiscal 2017. Our company's total export in the Fiscal 2018 was ₹ 11.02 million which accounted for 0.47% of our total revenue from operations as compared to ₹ 5.01 million in Fiscal 2017 which accounted for 0.24% of our total revenue from operations.

Other income: Our other income decreased by 7.73% to ₹ 27.72 million in Fiscal 2018 from ₹ 30.05 million in Fiscal 2017. This decrease was primarily due to decrease in interest subsidy by ₹ 14.61 million, sundry balances written off by ₹ 0.42 million, duty drawback by ₹ 0.28 million and interest income on term deposits by ₹ 0.11 million. However the same was partially offset by increase in insurance claim received by ₹ 11.94 million and grant income by ₹ 1.16 million. Interest subsidy is accounted on receipt basis and thus the receipt of subsidy from government was comparatively low in Fiscal 2018 as compared to Fiscal 2017.

Total Expenses

Our total expenses excluding tax increased by 6.17% to ₹ 2,230.57 million in Fiscal 2018 from ₹ 2,100.96 million in Fiscal 2017, due to the factors described below:

Cost of material consumed

Our cost of material goods increased by 27.43% to ₹ 1,729.53 million in Fiscal 2018 from ₹ 1,357.21 million in Fiscal 2017. Our cost of material consumed constitutes 74.37 % of our gross revenue from manufacturing and job work income for the Fiscal 2018 which was 78.28 % for Fiscal 2017. The increase in our cost of material consumed was directly linked with increase in sale of manufactured goods.

Purchase of traded goods

Our purchase of traded goods was Nil in Fiscal 2018 which was ₹ 361.37 million in Fiscal 2017. Our company shifted from trading to manufacturing because of better margins. Our purchase of traded goods constitutes 98.67% of our sale of traded goods for the Fiscal 2017.

Changes in inventories of finished goods & work in progress

Our changes in inventories of finished goods & work in progress amounted to ₹ (58.14) million in Fiscal 2018 as against ₹ (94.44) million in Fiscal 2017. The decrease in closing stock was on account of decrease in inventory of finished goods at the end of the Fiscal 2018 as compared to Fiscal 2017.

Employee benefits expense

Our employee benefits expense increased by 14.62% to ₹ 73.43 million in Fiscal 2018 from ₹ 64.07 million in Fiscal 2017. This increase was primarily due to increase in salary, wages & bonus of employees to ₹ 65.73 million in Fiscal 2018 from ₹ 57.59 million in Fiscal 2017. Further there was also increase in staff welfare expenses by ₹ 0.68 million and contribution to provident funds by ₹ 0.66 million. However the increase was partially offset by decrease in gratuity fund to ₹ 0.80 million in Fiscal 2018 which was ₹ 0.92 million in Fiscal 2017. Increase in salaries was on account of increase in the number of employees from 189 in Fiscal 2017 to 221 in Fiscal 2018.

Other expenses

Our other expenses increased by 22.25% to ₹ 315.27 million in Fiscal 2018 from ₹ 257.88 million in Fiscal 2017. This increase was primarily due to increase in manufacturing expenses by ₹ 44.20 million and administrative, selling & distribution expenses by ₹ 13.18 million. Increase in our manufacturing activities was on account of increase in coal and firewood consumption by ₹ 25.01 million, process job charges by Rs. 11.22 million, power & fuel expense by Rs. 10.89 million, pollution control expenses by ₹ 3.13 million and freight charges by Rs. 1.00 million etc. among others. However the increase in our manufacturing expenses was partially offset by decrease in consultancy charges by Rs. 4.15 million and stores & spares consumed by ₹ 1.07 million etc. among others. Increase

in our administrative, selling & distribution expenses was primarily due to increase in sundry balances written off by ₹ 4.91 million, sales promotion expenses by ₹ 4.08 million, general repairs & maintenance expense by ₹ 1.55 million, cartage expenses by ₹ 1.14 million, insurance premium by ₹ 1.14 million, travelling expenses by ₹ 0.94 million and legal & professional fees by ₹ 0.87 million among others. However the increase was partially offset by decrease in loss on exchange rate difference by ₹ 1.96 million and loss on sale of fixed assets by ₹ 0.72 million among others. Increase in coal & firewood consumed, packing material consumed, design & engraving expenses and stores & spares consumed was in line with increase in overall revenue from manufacturing activities. Increase in Sales promotion was on account of expenditure on promoting our business at international level majorly Bangladesh and Sri Lanka.

EBITDA

Our EBITDA increased by 59.22% to ₹ 293.06 million in Fiscal 2018 from ₹ 184.06 million in Fiscal 2017. Increase in EBITA margins was attributed due to increase in business capacity for knitted fabrics and shifting of focus from trading to manufacturing activities which resulted into better margins.

Finance costs

Our finance costs increased by 24.39% to ₹ 88.90 million in Fiscal 2018 from ₹ 71.47 million in Fiscal 2017. Increase in finance costs was mainly due to increase in interest expenses on borrowings from ₹ 63.87 million in Fiscal 2017 to ₹ 79.79 million in Fiscal 2018. Increase in interest expense on borrowings was due to higher utilization of working capital facility from the banks during the Fiscal 2018. There was also increase in other bank charges and other borrowing cost by ₹ 1.51 million.

Depreciation and amortization expense

Our depreciation expense decreased by 2.19% to ₹ 81.57 million in Fiscal 2018 from ₹ 83.40 million in Fiscal 2017. Our company use to charge depreciation on plant & machinery based on double shift basis till Fiscal 2017 but from Fiscal 2018 our company shifted its approach of charging depreciation to single shift basis on the block of machinery which does not run full time and rest on double shift basis which led to decrease in our depreciation expense.

Share of net profit from Associate Entity

Our profit from Associate entity was ₹ 0.03 million in Fiscal 2018 as compared to ₹ 0.02 million in Fiscal 2017 due to increase in overall business activity of our associate MnA texlinen private limited in Fiscal 2018.

Profit before tax

Our restated Profit before tax increased by 319.98% to ₹ 122.59 million in Fiscal 2018 from ₹ 29.19 million in Fiscal 2017, due to the reasons mentioned above.

Tax expenses:

Current tax: We recorded an increase in current tax of 375.16% from ₹ 5.86 million in Fiscal 2017 to ₹ 27.86 million in Fiscal 2018 due to increase in profits for current Fiscal year.

Deferred tax: We recorded a deferred tax liability of ₹ 20.68 million for Fiscal 2018 as compared to a deferred tax credit of ₹ 5.18 million for Fiscal 2017.

Profit after tax for the year, as Restated

Due to the factors mentioned above, our profit after tax increased by 159.71% from ₹ 28.52 million in Fiscal 2017 to ₹ 74.08 million in Fiscal 2018.

Other Comprehensive Income

Our other comprehensive income of ₹ 0.45 million in Fiscal 2018 as compared to a total other comprehensive income of ₹ (0.28) million in Fiscal 2017. This was primarily due to gain on re-measurement of defined benefit plan and income tax on such items.

Total Comprehensive Income for the year

As a result of the factors outlined above, our total comprehensive income for the year increased by 163.88% from ₹ 28.24 million in Fiscal 2017 to ₹ 74.53 million in Fiscal 2018.

Liquidity and Capital Resources

Over the past three years, we have been able to finance our working capital requirements through cash generated from our operations, bank loans and facilities. We have relied on cash from internal resources, Issue of shares and loans from banks and others to finance the working capital requirement and expansion of our business and operations. We believe that after taking into account the IPO Proceeds, expected cash to be generated from our business and operations and the proceeds from our bank loans, we have sufficient working capital for our present requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this Draft Red Herring Prospectus.

The table below summarises our cash flows from our Restated Consolidated Financial Information of cash flows for the Fiscals 2019, 2018 and 2017:

<i>(In ₹ million)</i>			
Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Net cash (used in)/ generated from operating activities	125.11	40.64	127.38
Net cash generated from/ (used) in investing activities	(33.50)	(84.29)	(183.91)
Net cash (used in)/generated from financing activities	(92.31)	(2.06)	90.26
Net (decrease)/increase in cash and cash equivalents	(0.70)	(45.71)	33.72
Cash and Cash Equivalents at the beginning of the year/ period	5.92	51.63	17.91
Cash and Cash Equivalents at the end of the year/ period	5.22	5.92	51.63

Operating Activities

Fiscal 2019

Our net cash flow from operating activities was ₹ 125.11 million in Fiscal 2019 as a result of total cash generated from operations of ₹ 154.59 million which was offset by payment of income tax paid of ₹ 29.47 million. Our operating profit before working capital changes was ₹ 360.93 million in Fiscal 2019, which was primarily adjusted by decrease in trade payable of ₹ 64.45 million, increase in other current assets of ₹ 54.26 million, decrease in non-financial liability of ₹ 40.60 million, increase in inventory of ₹ 28.07 million, increase in trade receivable of ₹ 19.42 million, increase in financial asset and non-current asset of ₹ 2.61 million, increase in provisions of ₹ 2.44 million and increase in other current liability of ₹ 0.64 million.

Fiscal 2018

Our net cash flow from operating activities was ₹ 40.64 million in Fiscal 2018 as a result of total cash generated from operations of ₹ 49.15 million which was offset by payment of income tax paid of ₹ 8.50 million. Our operating profit before working capital changes was ₹ 293.13 million in Fiscal 2018, which was primarily adjusted by increase in inventory of ₹ 159.12 million, increase in trade receivable of ₹ 61.35 million, decrease in trade payable of ₹ 17.55 million, increase in other financial asset of ₹ 13.83 million, increase in non-financial liability of ₹ 12.26 million, increase in other current assets of ₹ 2.03 million, decrease in provisions of ₹ 1.54 million, decrease in other current liability of ₹ 0.44 million and increase in financial asset and non-current asset of ₹ 0.38 million.

Fiscal 2017

Our net cash flow from operating activities was ₹ 127.38 million in Fiscal 2017 as a result of total cash generated from operations of ₹ 135.68 million which was offset by payment of income tax paid of ₹ 8.31 million. Our operating profit before working capital changes was ₹ 191.41 million in Fiscal 2017, which was primarily adjusted by increase in trade payables of ₹ 159.46 million, increase in trade receivable by ₹ 82.68 million, increase in inventory by ₹ 62.93 million, decrease in non-financial liability by ₹ 33.00 million, decrease in other current liabilities by ₹ 28.93 million, increase in other current assets by ₹ 8.59 million, increase in provisions of ₹ 0.94 million and decrease in financial asset and non-current asset of ₹ 0.01 million.

Investing Activities

Fiscal 2019

Net cash used in investing activities was ₹ 33.50 million in Fiscal 2019. This was primarily on account of purchase

of property, plant & equipment of ₹ 46.31 million. This amount was partly offset by income from sale of investment of ₹ 7.74 million, sale of property, plant & equipment of ₹ 3.23 million and interest received on bank deposits of ₹ 1.84 million.

Fiscal 2018

Net cash used in investing activities was ₹ 84.29 million in Fiscal 2018. This was primarily on account of purchase of property, plant & equipment of ₹ 113.23 million, purchase of investment of ₹ 0.17 million. This amount was partly offset by sale of property, plant & equipment of ₹ 26.86 million and interest received on bank deposits of ₹ 2.25 million.

Fiscal 2017

Net cash used in investing activities was ₹ 183.91 million in Fiscal 2017. This was primarily on account of purchase of property, plant and equipment's of ₹ 185.78 million and purchase of investments of ₹ 0.37 million. This amount was partly offset by sale of property, plant & equipment of ₹ 1.83 million and interest received on bank deposits of ₹ 0.41 million.

Financing Activities

Fiscal 2019

Net cash used in financing activities in Fiscal 2019 was ₹ 92.31 million which primarily consisted of repayment of long term borrowings of ₹ 119.24 million and payment of finance cost of ₹ 73.68 million. This was partially offset by proceeds from equity infusion of ₹ 80.65 million and increase in short term borrowings of ₹ 19.96 million.

Fiscal 2018

Net cash used in financing activities in Fiscal 2018 was ₹ 2.06 million which primarily consisted of repayment of long term borrowings of ₹ 94.62 million and payment of finance cost of ₹ 34.21 million. This was partially offset by proceeds from short term borrowings of ₹ 69.15 million and long term borrowings of ₹ 57.62 million.

Fiscal 2017

Net cash generated from financing activities in Fiscal 2017 was ₹ 90.26 million which primarily consisted of increase in long term borrowings of ₹ 226.06 million and proceeds from equity infusion of ₹ 40.15 million. This was partially offset by repayment of long term borrowings of ₹ 120.90 million, payment of finance cost of ₹ 39.31 million and decrease in short term borrowings of ₹ 15.74 million.

Borrowings

As on March 31, 2019, the total outstanding borrowings of our Company aggregated to ₹ 633.94 million, which includes long-term borrowings of ₹ 224.47 million, short-term borrowings of ₹ 349.63 million and current maturities of long term debt of ₹ 59.84 million.

Long term Borrowings:

	(₹ in million)
Secured Borrowings	March 31, 2019
Term Loans from Banks	125.91
Vehicle Loans from Banks / Financial Institution	6.46
Total	132.37
	(₹ in million)
Unsecured Borrowings	March 31, 2019
From Directors & Relatives	92.10
Total	92.10

Short term Borrowings:

	(₹ in million)
Secured Borrowings	March 31, 2019
Working capital loans from Banks	349.63
Total	349.63

Current maturities of long term debt

(₹ in million)	
Particulars	March 31, 2019
Term Loans	55.13
Vehicle Loans	4.71
Total	59.84

In the event, any of our lenders declare an event of default, this could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition. Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. The agreements with respect to borrowings from banks include restrictive covenants which mandate certain restrictions in terms of our business operations. Further, some of our financing arrangements include covenants to maintain our total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition. For further information, see "*Financial Indebtedness*" and "*Risk Factor No. 43 - Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.*" on page 218 and 41, respectively.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Primarily such transactions include remuneration to directors and KMP, loans taken, rent & interest paid and sale to group companies etc. For further details relating to our Related Party Transactions, see "*Restated Consolidated Financial Information - Annexure VI- Note 42 – List of Related Parties and Transactions during the period/years*" beginning on page F-46 of this Draft Red Herring Prospectus.

Contingent Liabilities

As of March 31, 2019, the claims against the Company not acknowledged as debts as disputed by the Company relating to issues of applicability are given below:

(₹ in million)	
Particulars	March 31, 2019
Outstanding bank guarantees	13.07
Total	13.07

For further information on our contingent liabilities, refer "*Restated Consolidated Financial Information- Annexure VI -Note 36-Contingent Liabilities and Contingent Assets*" on page F-44 of this Draft Red Herring Prospectus.

Commitments

The Company does not have any commitments outstanding as on March 31, 2019.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds. As on March 31, 2019, our indebtedness consists of floating rate interest. Since we do not have any forward contracts to hedge against interest rate risk, any upward fluctuations in interest rates may increase the cost of both existing and new debts.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, to the extent possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

There are no reservations, qualifications and adverse remarks by our statutory auditor for the previous three Fiscals.

Details of Default, if any, including therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

Except as disclosed in “*Financial Statements*” beginning on page 191, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 1, 2016 up to March 31, 2019.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last three Fiscals.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except as described in “*Risk Factors*” beginning on page 24 of this Draft Red Herring Prospectus.

Known Trends or Uncertainties that Have Had or are Expected to Have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Our business has been affected and we expect that it will continue to be affected by the trends identified above in this chapter. Other than as described in the section titled “*Risk Factors*” on page 24 and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known

Other than as described in “*Risk Factors*” and this section, to our knowledge there are no known factors that might

affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three financial years are as explained in the part Fiscal 2019 compared to Fiscal 2018 and Fiscal 2018 compared to Fiscal 2017.

Total Turnover of Each Major Industry Segment in Which the Issuer Operates

Our business is limited to single reportable segment

Competitive Conditions

We expect competitive conditions in our industry to further intensify as new entrants emerge and as existing competitors seek to emulate our business model and offer similar services. For further details, please refer to “*Risk Factors*” and “*Our Business*” beginning on pages 24 and 131, respectively.

Increase in income

Increases in our income are due to the factors described above in “*Management’s Discussion and Analysis of Financial Position and Results of Operations – Significant Factors Affecting Our Results of Operations*” and “*Risk Factors*” beginning on pages 192 and 24, respectively.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on a Single or Few Suppliers or Customers

Our top five and top ten customers contribute to 43.11 % and 55.73 % of our revenue from operations, for the year ended March 31, 2019.

Our top five and top ten suppliers contribute to 30.15 % and 42.67 % of our total material purchase for consumption, for the year ended March 31, 2019.

Seasonality of Business

The nature of business is not seasonal

Significant Developments after March 31, 2019 that May Affect Our Results of Operations

Except as set out in this Draft Red Herring Prospectus, in the opinion of the Board of Directors of our Company and to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

For details, refer chapter titled “*Capital Structure*” beginning on page 70 of the Draft Red Herring prospectus.

Changes in Accounting Policies and Recent Accounting Pronouncements

We have historically prepared our financial statements in accordance with Indian GAAP. As required under applicable law, our Company transitioned from Indian GAAP to Ind AS and for the purposes of the transition to Ind AS, we have followed the guidance prescribed under Ind AS 101 – First Time Adoption of Indian Accounting Standards with April 1, 2017 being the transition date. For information relating to transition from Indian GAAP to Ind AS, see the section titled “*Restated Financial Information - Annexure VI – Notes to Restated Consolidated Financial Information – Note 41- First Time Adoption of Ind AS/ Statement on adjustment to audited standalone financial statements*” on page F-45 of this Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements. As on March 31, 2019, our total outstanding secured borrowing was ₹ 663.78 million and total outstanding unsecured borrowing was ₹ 92.10 million.

Further, pursuant to a special resolution passed in the Annual General Meeting of our Company held on September 30, 2016, the Board of Directors has been authorised to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time (apart from temporary loans obtained or to be obtained by the Company in the ordinary course of business) shall not exceed the sum of ₹ 5,000 million.

SECURED BORROWING

As on March 31, 2019, we have availed secured loan of ₹ 652.61 million, that are outstanding as of date, the details of which are as under:

						(₹ in million)
Sr. No.	Nature of Facilities	HDFC Bank Limited*	Axis Bank Limited**	State Bank of India***	Total	Amount outstanding as on March 31, 2019
1.	Working Capital					
	Cash Credit	205.00	25.00	140.00	370.00	349.63
	Sub Limit: (WCDL)	(205.00)	0.00	Nil	(205.00)	-
	(EPC/ PSCFC/ FBP/ FBD)	(100.00)	0.00	Nil	(100.00)	-
2.	Total Fund Based	205.00	25.00	140.00	370.00	349.63
	Letter of Credit	135.00	10.00	10.00	155.00	121.94
	Bank Guarantee	(50.00)	(5.00)	0.00	(55.00)	-
	LER/CEL	0.00	(4.80)	0.00	(4.80)	-
3.	Total Non-Fund Based	135.00	10.00	10.00	155.00	121.94
4.	Total Working Capital Facilities (Funded + Non-Funded)	340.00	35.00	150.00	525.00	471.57
5.	Term Loan Facilities					
	Term Loan	0.00	126.70	110.70	237.40	181.04
7.	Total Term Loan Facilities	0.00	126.70	110.70	237.40	181.04
8.	Total Credit Facilities (5 + 7)	340.00	161.70	260.70	762.40	652.61

Note: The loan has been availed from the consortium of HDFC Bank Limited, Axis Bank Limited and State Bank of India, where HDFC Bank Limited is the lead bank. The working Capital facilities have been extended by all the banks, whereas the term loan facility is extended by Axis bank Limited and State Bank of India Limited.

**HDFC Bank Limited has sanctioned the abovementioned facilities vide its sanction letter dated June 05, 2018.*

***Axis Bank Limited has sanctioned the abovementioned facilities vide its sanction letter dated June 07, 2018.*

****State Bank of India Limited has sanctioned the abovementioned facilities vide its sanction letter dated April 15, 2018.*

Principal terms of borrowings availed by the Company:

a. Interest:

The interest rate charged by the banks forming a part of the consortium differs and the details of the same have been provided below:

- 1) *Working Capital Facilities:* The interest rate charged for working capital facilities is floating in nature, the rate charged by Axis Bank Limited is 2.55% p.a. above three months marginal cost of fund based lending rates ("MCLR") by State Bank of India Limited is 2.75% p.a. above MCLR and by HDFC Bank Limited is dependent

upon the mutual agreement between the parties at the time of disbursement.

- 2) **Term Loan Facility:** The interest rate charged for the term loan facility is floating in nature, the rate charged by Axis Bank Limited is 2.55% above one year MCLR and by State Bank of India is 3.00% p.a. above MCLR.
- b. Tenor:** The tenor of the working capital facilities ranges from six months to three (03) years and of the term loan is twelve (12) years.
- c. Security Details of the above mentioned borrowings:**
 - 1) First *pari-passu* charge on the whole of the present and future current assets of the Company be brought into or upon or be stored or be in or about of the Company's factory at Survey No. 391, 392, 393, 394, 395 and 399 on N.H. No. 8, Opp. Reliance Petrol Pump and BRTS Bus Stand, Naroda Narol Road, Narol, Ahmedabad in the State of Gujarat or wherever else the same may be or be held by any party to the order or disposition of the Company or in the Course of transit or on High Seas or on order or delivery, howsoever and where so ever in the possession of the Company
 - 2) First *pari-passu* charge on the whole of movable plant and machinery, machine spares, tools and accessories and other movable of the Company, both present and future, lying or stored in or about the Company's factory, godown and structures at Survey No. 391, 392, 393, 394, 395 and 399 on N.H. No. 8, Opp. Reliance Petrol Pump and BBRTS Bus Stand, Naroda-Narol Road, Narol, Ahmedabad in the State of Gujarat.
 - 3) First *pari-passu* charge by way of equitable mortgage on:
 - Immovable Property in the name of the Company consisting of factory, land, buildings situated on land bearing survey number 391/p to 395/p, 399/p total admeasuring about 12342 sq. yards situated at Mouje, Isanpur, District, Ahmedabad and sub-district of Ahmedabad- 5 (Narol).
 - Immovable property in the name of M/s Mukesh Enterprise consisting of factory, land, buildings situated on land bearing survey number 391/p total admeasuring about 1675 sq. yards situated at Mouje, Isanpur, District, Ahmedabad and Sub-District Ahmedabad- 5, Narol.
- d. Personal Guarantee:** Personal Guarantee has been provided by our Chairman and Managing Director Deokinandan Gopiram Agarwal, our Promoter, Whole-time Director and Chief Executive Officer Mukesh Agarwal and our Non-Executive Director Sulochnadevi Agarwal. Our Group Entity Mukesh Enterprise has also extended a guarantee towards the repayment of the loan.
- e. Repayment:** The term loans availed by our Company are typically repayable in monthly instalments and the working capital facilities are typically repayable on demand.
- f. Restrictive Covenants under the Secured Loans:**

Our Company shall not without the prior consent of the bank:

- dissolve or reconstitute the unit without obtaining prior approval in writing from the bank. Post - facto approval of reconstitution/ dissolution will not be accorded nor the existing guarantors shall be released if the dissolution/ reconstitution is effected without prior approval in writing;
- implement any scheme of expansion/ modernization/ diversification/ renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved;
- invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies); normal trade credit or security deposits in the normal course of business or advances to employees can, however be extended;
- enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits apart from the arrangement indicated in the funds flow statements submitted to the Bank from time to time and approved by the Bank;

- declare dividends for any year out of the profits relating to that year or of the previous years. It is however necessary to ensure first that provisions are made and that no repayment obligations remain unmet at the time of the making request for Bank's approval for the declaration of dividend;
- effect any drastic change in the management setup;
- create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons;
- sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the Bank;
- undertake any trading activity other than the sale of products arising out of its manufacturing operation;
- open any account with any other bank. If already opened, the details thereof are to be given immediately and a confirmation to this effect to the Bank;
- effect any change in the capital structure where the shareholding of the existing promoters gets diluted below current level or leads to dilution in the controlling stake for any reason (whichever is lower) without permission of the bank for which 60 days prior notice shall be required;
- pledge the promoter's share in the borrowing entity to any bank/ financial institution/ NBFC;
- undertake any new project, implement any scheme or expansion or acquire fixed assets except those indicated in the funds flow statement submitted to the bank from time to time and approved by the bank;
- issue any guarantee or letter of comfort in the nature of guarantee on behalf any company (including group companies);
- enter into any contractual obligation of a long-term nature (i.e. 2 years or more) which in the reasonable assessment of the bank is an unrelated activity and is detrimental to their lender's interest;
- permit any transfer of the controlling interest or make any drastic change in the management set-up including resignation of promoter directors (including KMP);
- Repay monies brought in by the promoters/ directors/ principal shareholders and their friends and relatives by way of deposits/ loans/ advances. Further the rate of interest, if any, payable on such deposits/ loans/ advances should be lower than the rate of interest charged by the bank on its term loan and payment of such interest will be subject to regular repayment of installments under term loans granted/ deferred payment guarantees executed by the bank or other repayment obligations, if any due from the Company;
- opening of current account with another bank or bank which is not a member of consortium/MBA;
- payment of commission to the guarantor for guaranteeing the credit facilities sanctioned by the Bank;
- repay any principal or interest on any loans availed from the shareholders/ directors/partners/ proprietors/coparceners/ relatives, friends or any other affiliates;
- make any repayment of loans/deposits and/or discharge other liabilities except as stated in the funds flow statement approved by the bank;
- change the statutory auditors of the Company;
- make any restricted payments other than as permitted;
- wind up/liquidate its affair;
- agree/authorise to settle any litigations/arbitrations having a material adverse effect;
- change the general nature of its business or undertake any expansion or invest in any other entity;
- effect any change in accounting methods or policies;
- make any amendments to its constitutional documents;
- avail any loan; and /or stand as surety or guarantor for any third party liability or obligation; and/or provide any loan or advances to any third party;
- encumber its assets;
- dispose its assets other than as permitted by bank in writing;
- utilise the facility sanctioned for any purpose other than the end use as permitted;
- change its financial year end from date it has currently adopted;
- enter into an arrangement whereby its business/operations are managed or controlled directly or indirectly by any other person;
- company during the tenure of the bank's credit facility will not without the prior permission in writing undertake any further capex except being funded by company's own resources;
- diversify into non-core areas, viz. business other than the current business and
- effect any dividend payout / capital withdrawal in case of delays in debt servicing or breach of financial covenants.

g. Events of Default: In terms of borrowing arrangements for the facilities availed by us, the occurrence of any of

the following, among others, constitute an event of default:

- 1) default in payment of any amount due (including principal and interest);
- 2) default in payment of any amount to any person when due or any person demands repayment of dues ahead of its agreed repayment terms or a moratorium is declared in respect of any indebtedness of the Company;
- 3) default in performing any of its obligations under this agreement or any of the financing documents or breaches any of the terms or conditions of the agreement or any other financing documents;
- 4) default under any other agreement between the obligors and the bank (excluding the Financing Documents) or between obligors and any third party;
- 5) notice/action in relation to actual or threatened liquidation/dissolution/bankruptcy/insolvency/ceasing to carry on business of any obligor (voluntary or involuntary);
- 6) change or threat to change the general nature of scope of the business of any obligor;
- 7) information provided by any obligor is incorrect or untrue;
- 8) failure by any obligors to create and perfect security as stipulated;
- 9) failure to create security/have priority as stipulated or ceases to be in full force and effect;
- 10) occurrence of any event which is or is likely to be prejudicial to or impairs or imperils or jeopardizes or depreciates any security;
- 11) depreciation in the value of the security entitling the bank to call for further security and failure to provide such additional/alternate security;
- 12) occurrence of any material adverse effect;
- 13) the borrower and/ or any security provider fails to create the security as provided herein in accordance with the terms of this agreement
- 14) appointment of a receiver in respect of any assets of the obligors;
- 15) any attachment, distress, execution or other process against any obligor, or third party enforcement of security created in favour of bank;
- 16) if the Facility is utilised for any purpose other than the purpose for which it is sanctioned;
- 17) any change in the control the obligors without the prior consent of the bank and
- 18) Commencement of any litigation/arbitration against the obligors having material adverse effect.

h. Consequences of default: In terms of our borrowing arrangements for the facilities availed by us, upon the occurrence of events of default, our lenders shall have the right to forthwith:

- 1) declare outstanding amounts immediately due and payable;
- 2) cancel the undrawn commitments under the Facility;
- 3) suspend any withdrawal under the Facility;
- 4) enforce the Security;
- 5) exercise any other rights under the Financing Documents/applicable law;
- 6) to review/restructure the management and board of our Company;
- 7) to appoint one (1) nominee director on the board of our Company;
- 8) to appoint (1) observer on the board of our Company;
- 9) convert the facility (or any part thereof) into equity share capital of our Company and
- 10) Appoint any Chartered Accountants /Cost Accountants, as auditors, for carrying out any specific assignments or as concurrent or internal auditors, or for conducting a special audit of our Company.

VEHICLE LOAN

Our Company has availed the following vehicle loans from certain institutions, the details of which are as under:

Lender	Loan Amount (₹ in million)	Amount outstanding as on March 31, 2019 (₹ in million)	Rate of Interest (% p.a.)	Repayment Schedule	Security
Axis Bank Limited*	7.49	5.83	8.00	Payable in 48 equated monthly installments	Mercedes Benz model number GLC 43
Volkswagon Finance	7.50	2.54	9.07	Payable in 48 equated monthly installments	Audi Q7 3.0 TDI Quattro

Lender	Loan Amount (₹ in million)	Amount outstanding as on March 31, 2019 (₹ in million)	Rate of Interest (% p.a.)	Repayment Schedule	Security
Private Limited*					
HDFC Bank Limited	2.80	2.80	9.00	Payable in 37 equated monthly installments	Honda CVT CR-V-2.0

UNSECURED BORROWINGS

Our Company has availed the following unsecured loans from our Group Companies, the details of which are set out below:

		(₹ in million)
Name of the lender	Amount outstanding as on March 31, 2019	
M/s. Mukesh Enterprise		34.18
M/s. Bharati Synthetics		23.80
M/s. Nandan Textile		19.85
M/s. Sulochana Textile		14.27
Total Unsecured Loans		92.10

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoter in the last five financial years, including any outstanding action; or (v) Material Litigation (as defined below); involving our Company, Directors, Promoter and Material Group Companies.

*Our Board, in its meeting held on June 25, 2019, determined that outstanding legal proceedings involving the Company, its Directors, Promoter and Material Group Companies: (a) where the aggregate amount involved, in such individual litigation exceeds 1% of the profit after tax of our Company, as per last audited financial statements on a consolidated basis i.e. ₹ 1.50 million; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of the profit after tax of the Company as per the last audited financial statements on a consolidated basis, if similar litigations put together collectively exceed 1% of the profit after tax of the Company, on a consolidated basis, or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation (“**Material Litigation**”).*

*Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding 10% of the Company’s trade payables for the last audited financial statements on a consolidated basis i.e. ₹ 40.45 million, as material dues for the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on June 25, 2019. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“**MSME**”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

Except as stated in this section, there is no outstanding litigation involving our Group Companies, which will have a material impact on our Company.

All terms defined in a particular litigation are for that particular litigation only.

1. LITIGATION INVOLVING OUR COMPANY

i. Litigation against our Company

1. Criminal Proceedings

Nil

2. Actions taken by Statutory/Regulatory Authorities

An order dated December 27, 2016 was passed by the Deputy Director, Employee State Insurance Corporation (“**ESIC**”) (hereinafter referred to as the “**Order**”) directing our Company to pay an amount of ₹ 19, 832 along with interest of 8 % per annum under Section 68 of the Employee State Insurance Act, 1948 (“**Act**”) pursuant to which recovery certificate dated July 26, 2017 was issued for the recovery of the said amount. The Order was passed in relation to recovery of amount paid by ESIC to an employee of our Company towards temporary disablement benefit for injuries suffered during an accident, which took place in our manufacturing premises. Our Company has filed an ESI Application bearing number 68 of 2017 before the Employees Insurance Court (“**Court**”) at Ahmedabad challenging the Order on the grounds that firstly, appointment of the said employee was done through a contract with M/s. Shiv Shakti Enterprise and the declaration form as required under the Act could not be filed at the time of his appointment as he did not hold a valid UID card and was subsequently filed along with an accident form post occurrence of the accident. Therefore, the declaration form is invalid and no contribution can be demanded from our Company on the basis of the said form. Secondly, Deputy Director does not hold sufficient power under the Act to pass the said Order and therefore the Order was issued in excess of the

power granted to the Deputy Director. Our Company through this application has prayed the Court to cancel the impugned Order and hold the same to be void and illegal and against the provisions of the Act and direct that no recovery procedure shall be initiated for a sum of ₹ 0.019 million along with interest of 8% per annum. The Regional Director ESIC has filed a written statement before the Court alleging that our Company with the intention to invade the payment of contribution towards the appointment of the injured employee had knowingly neglected the registration of the said employee and has tried to shift the liability on the shoulders of ESIC. Moreover, in addition to this our Company has also been accused of not registering the appointment of 15 other employees under the Act and therefore committing a violation of Regulation 12 of the ESI (General) Regulations, 1950. The Regional Director has prayed the Court to dismiss the application made by our Company, vacate the stay granted *vide* an interim order dated August 22, 2017 and direct our Company to pay an amount of ₹ 20,377 which included temporary disablement benefit, interest and costs. The application is pending before the Court.

3. Tax Proceedings

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

(₹ in million)		
Particulars	Number of cases	Amount involved
Indirect Tax		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax	02	0.16*
Total	02	0.16*

*To the extent quantifiable

4. Other Material Litigations

- a) Yogesh Ramanabhai Shah (the “**Applicant**”) has filed an application bearing number 176 of 2008 before the Labour Court, Ahmedabad (the “**Court**”) under Sections 18 and 19 of the Bombay Industrial Relations Act, 1946 (the “**Act**”) (such application, the “**Application**”) against our Company, our Chairman and Managing Director Devkinandan Gopiram Agarwal, our Promoter and Whole-time Director, Mukesh Devkinandan Agarwal and our Non-Executive Director, Sulochnadevi Devkinandan Agarwal (the “**Respondents**”). The Applicant has filed this Application alleging that the Respondent Company abruptly and unlawfully terminated his services on April 01, 2008, without any cause or reason and without initiating an enquiry against him or paying him his rightful dues as required under the provisions of the Act and Industrial Disputes Act, 1957. The Applicant further states that, he had sent a notice dated September 20, 2008 to the Respondent Company under Section 42(4) of the Act, requiring it to reinstate his services, to which he did not receive any reply from the Respondent Company. The Applicant under Application has prayed the Hon’ble Court *inter alia* to (i) declare the act of Respondent of his removal from services without initiating action under the provisions of the Act as illegal, unreasonable, inappropriate, unjust, self will, oppressive, irresponsible, victimizing by unfair labour practice and violating the provisions of the Act and the Bombay Industrial Relations (Gujarat) Rules, 1961, non-applicable and against the principles of natural justice and direct the Respondents to make payment of the Applicant’s entire salary from April 01, 2008 till the time he is reinstated as per the provisions of Sections 18 and 19 of the Act, (ii) declare the Application as an industrial complaint in case the Respondent Company does not reinstate his services and in that case also direct the Respondent to pay a sum of ₹ 35,000 per month to the Applicant as per the provisions of Section 119 of the Act; (iii) direct the Respondents jointly/severally/personally to pay an amount of ₹ 3,21,000 towards the expenditure incurred by the Applicant in accordance with Section 86(c)(1) of the Act. The Respondents have filed a reply to the Application made by the Applicant, denying all the allegations levied against them and stating that the Applicant had voluntary resigned from his service on December 20, 2008 and any lawful amount which was due to him was paid in full and an acknowledgment dated December 21, 2008 was also issued by the Applicant. The Respondent has prayed the Hon’ble court to declare the Application frivolous and liable to be dismissed. Further, the Respondent has made an application dated September 16, 2015 to the Hon’ble Court requesting it to withdraw the right of oral evidence of the Applicant as he has continued to absent himself for a long time and has therefore

not appeared for submission of evidence. The application is presently pending before the Court.

- b) Our Company has filed two *suo-moto* applications dated September 26, 2019, with the Registrar of Companies, Gujarat at Ahmedabad under Sections 383A, 269 & Section 81(1A) of the Companies Act, 1956 and Sections 203 and 149 of the Companies Act, 2013 (“**Compounding Application**”) in relation to non-compliances committed by our Company in relation to:
- Non-appointment of a whole-time company secretary under the provisions of Section 383 A of the Companies Act, 1946 and Section 203 of the Companies Act, 2013, for the period starting January 30, 1993 until October 24, 2018;
 - Non-appointment of a Manager/Managing Director/Whole time Director under the provisions of Section 269 of the Companies Act, 1956 for the period starting 2009 until 2013;
 - Non-appointment of independent directors in terms of the provisions of Section 149 of the Companies Act, 2013, for the period starting January 31, 2015 until December 23, 2018.
 - Failure to keep the application money received pursuant to preferential allotments of 400,000 shares of ₹ 10 each and 1,500,000 shares of ₹10 each made by our Company in a separate bank account and use the said monies in terms of the provisions of Section 81(1A) of the Companies Act, 1956 and the proviso to Rule 4 of the Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011.

The Compounding Applications were made in view of lapse of the Company in complying with the relevant provisions of the Companies Act, 1956 and Companies Act, 2013. The matter is currently pending before the Registrar of Companies, Gujarat at Ahmedabad.

ii. Litigation by our Company

1. Criminal Proceedings

Our Company through Uttam Kumar Dave has filed criminal cases bearing number 257, 259 and 260 of 2014 before the court of Metropolitan Magistrate at Ahmedabad against M/s. Abhi Garment and its owner Sabu Alex Christian, (the “**Accused**”) under Section 138 of the Negotiable Instruments Act, 1881. The Accused had purchased cloth from our Company on credit for an amount of ₹ 0.503 million. The total amount due from the Accused aggregates to ₹ 0.503 million plus an annual interest at the rate of 18% on such amount. When our Company demanded the Accused to make payment for the goods purchased, the following cheques were issued by the Accused in favor of our Company, the details of which have been provided below:

S. No.	Date of the Cheque	Cheque Number	Amount (in ₹)
1.	January 06, 2014	921801	50,000
2.	January 04, 2014	921800	50,000
3.	January 02, 2014	921799	50,000
4.	December 31, 2013	921797	14,738
5.	January 08, 2014	921802	45,125
6.	December 29, 2013	921796	33,950
7.	December 27, 2013	921795	40,000
8.	December 25, 2013	921794	43,951
9.	January 20, 2014	921781	54,231
10.	January 10, 2014	921803	40,600
11.	December 23, 2013	921792	50,000
12.	December 21, 2013	921791	16,895

The abovementioned cheques were dishonoured and returned to our Company with the remark “*funds insufficient*” pursuant to which our Company issued a demand notice dated January 31, 2014 to the Accused for the payment of an amount of ₹0.503 million together with an interest at the rate of 18% per annum. The Accused failed to reply to the said notice neither did the Accused pay the amount claimed by our Company. Subsequently, our Company

filed the aforesaid complaint alleging that the Accused had issued false and bogus cheques with no intension to make the payment for the goods purchased and thus, have committed an offence under Section 138 of the Negotiable Instruments Act, 1881. Our Company, through this complaint has prayed that (i) process should be initiated and summons shall be issued against the Accused under Section 138 of the Negotiable Instruments Act, 1881 and (ii) proper punishment and penalty should be imposed on the Accused. The case is presently pending before the Metropolitan Magistrate, Ahmedabad for admission of evidence of the prosecution.

2. *Civil and other Material Litigations*

Nil

2. LITIGATION INVOLVING OUR PROMOTER

Cases filed against our Promoter

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Promoter, specifying the number of cases pending and the total amount involved:

<i>(₹ in million)</i>		
Particulars	Number of cases	Amount involved
<i>Indirect Tax</i>		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
<i>Direct Tax</i>	02	0.02*
Total	02	0.02*

*To the extent quantifiable

4. *Other Material Litigations*

For details of the case filed against our Promoter, please refer to the abovementioned heading “*Litigations against our Company- Other Material Litigations*”.

Cases filed by our Promoter

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals

As on date of this Draft Red Herring Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last five Fiscals including any outstanding action.

3. LITIGATION INVOLVING OUR DIRECTORS

Cases filed against our Directors

1. Criminal Proceedings

Nil

2. Actions taken by Statutory/Regulatory Authorities

Nil

3. Tax Proceedings

Below are the details of pending tax cases involving our Promoter, specifying the number of cases pending and the total amount involved:

a) Devkinandan Gopiram Agarwal

(in ₹)

Particulars	Number of cases	Amount involved
Indirect Tax		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax	01	02*
Total	01	02*

*To the extent quantifiable

b) Mukesh Devkinandan Agarwal

(₹ in million)

Particulars	Number of cases	Amount involved
Indirect Tax		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax	02	0.02*
Total	02	0.02*

*To the extent quantifiable

c) Sulochnadevi Devkinandan Agarwal

(₹ in million)

Particulars	Number of cases	Amount involved
Indirect Tax		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax	02	0.56*
Total	02	0.56*

**To the extent quantifiable*

d) *Mukesh Chinubhai Shah*

<i>(₹ in million)</i>		
Particulars	Number of cases	Amount involved
<i>Indirect Tax</i>		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
<i>Direct Tax</i>	01	0.003*
Total	01	0.003*

**To the extent quantifiable*

As on date of this Draft Red Herring Prospectus, there are no pending litigations against two of our Independent Directors, Naraindas Dharamdas Wadhwani and Navinchandra Natverlal Patel.

4. *Other Material Litigations*

For details of the case filed against our Chairman and Managing Director, Whole-time Director and Non-Executive Director please refer to the abovementioned heading “*Litigations against our Company- Other Material Litigations*”.

Cases filed by our Directors

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

4. LITIGATION INVOLVING OUR SUBSIDIARY

As on the date of filing of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

5. LITIGATION INVOLVING OUR GROUP ENTITIES

Cases filed against our Group Entities

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Promoter, specifying the number of cases pending and the total amount involved:

a) *MnA Texlinen Private Limited*

(₹)

Particulars	Number of cases	Amount involved
Indirect Tax		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax	01	840*
Total	01	840*

**To the extent quantifiable*

b) *MSD Polymers Private Limited*

(₹)

Particulars	Number of cases	Amount involved
Indirect Tax		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax	01	2,200*
Total	01	2,200*

**To the extent quantifiable*

As on date of this Draft Red Herring Prospectus, there are no pending litigations against Bharati Trading Enterprises Private Limited.

4. *Other Material Litigations*

Nil

Cases filed by our Group Entities

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

6. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy dated June 25, 2019, our Company has no material creditors, as on date of this Draft Red Herring Prospectus.

As on date of this Draft Red Herring Prospectus, our Company has no amount payable or outstanding towards small-scale undertakings. Details of amounts outstanding and other creditors is as follows:

(₹ in million)

Particulars	No. of Creditors	Amount
Outstanding dues to small scale undertakings	-	-
Outstanding dues to other creditors	110	404.56
Total outstanding dues	110	404.56

Complete details of outstanding dues to our creditors as on March 31, 2019 are available at the website of our Company, www.mtll.in. Information provided on the website of our Company is not a part of this Draft Red

Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.mtll.in, would be doing so at their own risk. For further details, refer to the section titled "*Financial Information*" on page 191 of this Draft Red Herring Prospectus.

7. MATERIAL DEVELOPMENT SINCE MARCH 31, 2019.

There have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 192 of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, please refer the chapter “Key Industrial Regulations and Policies” on page 150 of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business:

I. Issue related Approvals

For the approvals and authorizations obtained by our Company in relation to the Issue, see “*Other Regulatory and Statutory Disclosures – Authority for the Issue*” on page 236 of this Draft Red Herring Prospectus.

II. Approvals from the Stock Exchanges

- a) Our Company has received an in-principle approval from the NSE dated [●] for listing of Equity Shares issued pursuant to the Issue.
- b) Our Company has received an in-principle approval from the BSE dated [●] for listing of Equity Shares issued pursuant to the Issue.
- c) Our Company’s ISIN is INE05HH01018.

III. General Approvals

- a) Certificate of Incorporation dated July 30, 1990 under the Companies Act, 1956 issued by Registrar of Companies, Gujarat.
- b) Certificate of Incorporation dated March 09, 1994 under the Companies Act, 1956 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli, consequent upon change of name to “*Mukesh Fabrics Limited*” on conversion to public limited company.
- c) Certificate of Incorporation dated April 07, 1995 under the Companies Act, 1956 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli, consequent upon change of name to “*Mukesh Industries Limited*”.
- d) Certificate of Incorporation dated December 31, 2018 under the Companies Act, 2013 issued by Registrar of Companies, Gujarat at Ahmedabad, consequent upon change of name to “*Mukesh Trends Life Style Limited*”.
- e) Certificate of registration dated November 09, 2009 issued under the Employee State Insurance Act, 1948 bearing registration number 37-00-014505-000-0199 by the Assistant Director, ESIC, Ahmedabad.
- f) Form no. 5A dated May 06, 2016 issued for allotment of code number GJVAT0024110000 issued by the Regional Provident Fund Commissioner, Ahmedabad and letter dated April 03, 2019 issued by Assistant Provident Fund Commissioner, Vatwa for change of name of our Company to Mukesh Trends Life Style Limited under the Employee Provident Fund Scheme, 1952.
- g) Industrial Entrepreneurs Memorandum dated July 17, 2017 filed for registration bearing entrepreneurs memorandum number 1090/SIA/IMO/2014 issued by Research Officer, Department of Industrial Policy & Promotion, Ministry of Commerce and Industry.

- h) Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 dated September 25, 2018 bearing registration number AHD/2018/CLRA/245 issued by Assistant Labour Commissioner, Deputy Labour Commissioner Office, Ahmedabad.
- i) Certificate of Importer-Exporter Code dated April 08, 2019 bearing IEC number 0893008915 issued by Additional Director General of Foreign Trade, Ministry of Commerce and Industry.

IV. Tax Related Approvals

- a) Our Company's Permanent Account Number dated January 24, 2019 issued by the Income Tax Department is AABCM0500F.
- b) Our Company's Tax Deduction and Collection Number dated February 21, 2019 issued by the Income Tax Department is AHMM01350G.
- c) Registration certificate of Goods and Services Tax bearing registration number 24AABCM0500F1ZC dated March 30, 2019 issued by the Government of India.
- d) Profession Tax Payer Registration Certificate (Ahmedabad) bearing registration number PRC010322000231 dated April 30, 2019 issued by the Assistant Manager (south zone), under the Gujarat State on Profession, Trade, Calling and Employment Act, 1976.
- e) Profession Tax Payer Enrollment Certificate (Ahmedabad) bearing registration number PEC010322002561 dated April 30, 2019 issued by the Assistant Manager (south zone), under the Gujarat State on Profession, Trade, Calling and Employment Act, 1976.

V. Business Related Approvals

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below.

Sr. No.	Type of License/Approval	Issuing Authority	Reference Registration / License No.	Date of Issue/Renewal	Valid up to
1.	License to work a factory	Deputy Director, Industrial Safety and Health, Ahmedabad	6951/13999/1991 License Number: 26511	February 25, 2019	December 31, 2019
2.	Provisional Consent Order issued for setting up of an industrial plant/activities	Member Secretary, Gujarat Pollution Control Board	CTE-85701 PCB Id: 12659	February 07, 2017 ^s	April 30, 2022
3.	Consolidated Consent and Authorisation for the use of outlet for the discharge of trade effluent and emission due to operation of industrial plant	Environmental Engineer, Gujarat Pollution Control Board	AWH-57909	October 22, 2013	July 07, 2018 [#]
4.	License to keep cloth process or process house	Deputy Health Officer (south zone), Health License Department, Ahmedabad Municipal Corporation	50	April 30, 2019 with effect from April 01, 2019	March 31, 2020
5.	License to keep acid	Deputy Health Officer (south zone), Health License	02	April 30, 2019 with effect from April 01, 2019	March 1, 2020

Sr. No.	Type of License/Approval	Issuing Authority	Reference Registration / License No.	Date of Issue/Renewal	Valid up to
		Department, Ahmedabad Municipal Corporation			
6.	License to keep caustic lye	Deputy Health Officer (south zone), Health License Department, Ahmedabad Municipal Corporation	04	April 30, 2019 with effect from April 01, 2019	March 31, 2020
7.	License for bleaching	Deputy Health Officer (south zone), Health License Department, Ahmedabad Municipal Corporation	03	April 30, 2019 with effect from April 01, 2019	March 31, 2020
8.	License to keep hydrogen peroxide	Deputy Health Officer (south zone), Health License Department, Ahmedabad Municipal Corporation	05	April 30, 2019 with effect from April 01, 2019	March 31, 2020
9.	Certificate for use of a boiler	Director of Boilers, Ahmedabad	GT-3907	January 29, 2019	November 12, 2019
10.	Membership Certificate of Ecocare Infrastructures Private Limited for treatment, storage and disposal of hazardous solid waste.	Managing Director, Ecocare Infrastructures Private Limited	ECIPL-406	April 19, 2017	April 18, 2020
11.	Membership Certificate of Narol Textile Infrastructure & Enviro Management to collect and convey 1.9 million litres/day of partially treated waste water.	Narol Textile Infrastructure & Enviro Management	Nil	January 25, 2019	-
12.	Certificate of eligibility for exemption from payment of electricity duty for an additional unit of the industrial undertaking*	Collector of Electricity Duty, Gandhinagar	F/EX/AIU/A'Bad/118-9-2016/3893	February 08, 2017 with effect from July 28, 2016	July 10, 2021
13.	Self Sealing Permission	Superintendent (Exports), Customs, ICD- Khodiyar, Gandhinagar	VIII/48-01/ICD/Exp/18	December 22, 2018	December 21, 2019
14.	Stability Certificate	Kaushik M. Shah, consulting engineering bearing license number GUJ/DISH/CPT/A/0205/2014	17/K/7/13	July 13, 2017	Five years from the date of issue
15.	Registration cum membership certificate of the Synthetic & Rayon Textiles Export Promotion Council	Additional Director, the Synthetic & Rayon Textiles Export Promotion Council	10718560	April 10, 2019	March 31, 2020

\$The date of grant of the provisional consent order for setting up of an industrial plant/ activities is May 01, 2017.

*The additional industrial undertaking is situated at National Highway no. 08 at Narol, Ahmedabad- 382 405.

#Renewal application has been made by our Company and is pending before the relevant authority.

VI. Quality Related Approvals


Our Company has received the following quality certifications for our quality management, details of which are given below:

Sr. No.	Type of License/Approval	Issuing Authority	Reference Registration License No.	Date of Issue/Renewal	Valid up to
1.	Certificate granting authorisation according to STANDARD 100 by OEKO-TEX® to use the STANDARD 100 by OEKO-TEX® mark	Director of laboratories	7827CIT	March 27, 2019	December 31, 2019
2.	Membership certificate issued by LIVA Accredited Partner Forum certifying technical competency, infrastructure and quality management system for LIVA based fabrics	Chief Marketing Officer, LIVA Accredited Partner Forum	-	July 2019	July 2020
3.	Better Cotton Initiative	BCI Supply Chain, Better Cotton Initiative	-	August 02, 2019	August 01, 2020

VII. Intellectual Property Related Approvals

a) Trademark:

Our Company owns the following trademark:

Sr. No.	Description	Registration Number	Valid up to
1.	MTLL with logo 	4079239	February 06, 2029

b) Patent:

Our Company has entered into a license agreement dated March 18, 2019 with Devkinandan Gopiram Agarwal, the inventor and patent applicant of the invention titled 'Machine for dyeing indigo dyes and vat dyes on woven fabrics' for the use of the said invention on the payment of an annual royalty of ₹ 01/- (rupee one) per annum, for a period of one (01) years starting from March 01, 2019 to February 28, 2020.

The details of the patent assigned by Devkinandan Gopiram Agarwal to our Company under the Patents Act, 1970 is given below:

Description	Patent No.	Date of Grant	Date of Application	Term
Machine for dyeing indigo dyes and vat dyes on woven fabrics	235483	July 06, 2009	September 24, 2005	20 years from the date of application

VIII. Licenses/ Approvals for which applications have been made and are pending:

Our company has made following applications requesting for renewed certificates/approvals:

- Application dated November 30, 2018 bearing PCB Id. 12659 and inward number 146513 has been made to the Member Secretary, Gujarat Pollution Control Board, Gandhinagar for renewal of the Consolidated Consent and Authorisation.
- Application dated February 26, 2019 has been made to the Environment Manager, Gujarat Pollution Control Board, Gandhinagar for change of name of our Company from Mukesh Industries Limited to Mukesh Trends Life Style Limited on the consolidated consent and authorisation.

IX. Licenses / approvals which have expired and for which renewal applications have not been made by our Company.

Nil

X. Licenses / Approvals which are required but not yet applied for:

- 1) Our Company is required to apply for the following licenses for change of its name from Mukesh Industries Limited to Mukesh Trends Life Style Limited, but has not yet applied for:
 - a) Contract Labour registration issued by Assistant Labour Commissioner, Deputy Labour Commissioner Office, Ahmedabad;
 - b) Membership Certificate of M/s. Ecocare Infrastructures Private Limited issued by Managing Director, Ecocare Infrastructures Private Limited;
 - c) Certificate of eligibility for exemption from payment of electricity duty for an additional unit of the industrial undertaking issued by Collector of Electricity Duty, Gandhinagar;
 - d) Self Sealing Permission issued by Superintendent (Exports), Customs, ICD- Khodiyar, Gandhinagar; and
 - e) Stability Certificate issued by Kaushik M. Shah consulting engineer bearing license number GUJ/DISH/CPT/A/0205/2014.
- 2) Our Company has not availed a Fire NOC for our manufacturing unit.
- 3) Our Company is yet to apply for licenses and approval for our proposed manufacturing unit for knitted fabrics situated at survey no. 1315 and 1316, Radhu, District Kheda- 387 560, Gujarat, India

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

- The Board, pursuant to its resolution dated January 10, 2019, authorised the Issue subject to approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013.
- The Shareholders of our Company have, by a special resolution passed at an EGM held on January 31, 2019, approved and authorized the Issue.
- The Board and IPO Committee have approved this Draft Red Herring Prospectus pursuant to its resolution dated September 27, 2019.
- SEBI observation letter bearing reference no. [●] dated [●].
- In-principle approval for the listing of our Equity Shares from NSE dated [●].
- In-principle approval for the listing of our Equity Shares from BSE dated [●].

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoter, Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Red Herring Prospectus.

None of our Directors are associated with the securities market in any manner. Further, there is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Red Herring Prospectus.

Our Promoter or our Directors have not been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 6(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Financial Information, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of ₹ 150 million, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each); and
- Pursuant to a special resolution of our Shareholders passed in their meeting held on December 17, 2018, the name of our Company was changed to 'Mukesh Trends Life Style Limited' from 'Mukesh Industries Limited'. Subsequent to the change of name of our Company, there was no variation in the activities being undertaken by our Company. For details of changes in the name of our Company, see “History and Certain Corporate Matters” on page 161 of this Draft Red Herring Prospectus.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at and for the last three years ended March 31, 2019, 2018 and 2017 are set forth below:

(₹ in million, unless otherwise stated)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Net tangible assets ¹⁾	734.05	499.59	422.84
Monetary assets ²⁾	19.05	19.75	51.63
Monetary assets, as restated as a % of net tangible assets	2.60%	3.95%	12.21%
Pre-tax Operating profit/ (loss) ³⁾	270.13	183.77	70.61
Net worth ⁴⁾	699.45	485.64	410.51

- 1) Net Tangible Assets has been defined as the sum of all the net assets of the company, excluding intangible assets as defined in Ind AS 38, as applicable, issued by the institute of Chartered Accountants of India, in accordance with regulation 2(1)(gg) of SEBI ICDR Regulations.
- 2) Monetary Assets comprises the sum of current and non-current cash and bank balance.
- 3) Operating Profits has been calculated as profit before tax excluding other income, finance cost and exceptional items.; and
- 4) For the purposes of the above, “net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Our Company confirms that it is in compliance with conditions specified in Regulation 7(1) of the SEBI ICDR Regulations to the extent applicable and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable. The fund requirements set out for the Objects of the Issue are proposed to be met entirely from the Net Proceeds, internal accruals and through existing as well as proposed debt financing. In view of above, we confirm that, with respect to the Objects, our Company has made firm arrangement of finance under Regulation 7 (1)(e) of the SEBI ICDR Regulations, through verifiable means towards 75% of the stated means of finance, excluding the amount proposed to be raised through the Issue.

Our Company confirms that it is not ineligible to make the Issue under Regulation 5 of the SEBI ICDR Regulations to the extent applicable. Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000 failing which, the entire application monies shall be refunded forthwith.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLM, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (“SEBI ICDR REGULATIONS”). THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with by the respective parties at the time of filing of the Red Herring Prospectus and Prospectus with the RoC in terms of Section 32 and 26 of the Companies Act, 2013.

Disclaimer from our Company, our Directors and the BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.mtll.in or the respective websites of our Promoter Group or Group Companies or an affiliate of our Company would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise and the blocking of application amount by RIB bank on receipt of instruction from the Sponsor Bank on account of any error, omission or non-compliance by various parties involved in, or any fault, malfunctioning or break-down in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter, Promoter Group and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoters, Promoter Group and their group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, VCFs, FVCIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), NBFCSIs or trusts under registered applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted non-residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring 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 under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

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

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications shall be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares of our Company. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six (06) Working Days of the Bid/Issue Closing Date.

If our Company does not Allot Equity Shares pursuant to the Issue within six (06) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Consents

Consents in writing of: (a) our Directors, our Promoter, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisor, lenders to our Company, Bankers to our Company and (b) the BRLM, the Syndicate Members, the Public Issue Bank(s), the Escrow Collection Bank(s), Refund Banker, Sponsor Bank and the Registrar to the Issue to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for filing with RoC.

Our Company has received written consent dated August 01, 2019 from our Statutory Auditors, namely, M/s. Abhishek Kumar & Associates, Chartered Accountants for inclusion of their report, dated August 02, 2019 on the Restated Financial Information in this Draft Red Herring Prospectus and to include their name in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated August 02, 2019 in the form and context in which it appears in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Experts

Our Company has received written consent dated August 01, 2019 from our Statutory Auditor, namely, M/s. Abhishek Kumar & Associates, Chartered Accountants to include their name as required in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination report, dated August 02, 2019 on the Restated Financial Information and the Statement of Tax Benefits dated August 02, 2019 and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the above mentioned documents, provided by M/s. Abhishek Kumar & Associates, Chartered Accountants, our Company has not obtained any expert opinions.

Particulars regards previous public or rights issues by our Company during the last five years

Except as disclosed in "*Capital Structure –Notes to the capital structure –Equity Share capital history our Company*" beginning on page 71, our Company has not made any rights issues or any capital issue during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Further, our Company has not made any public issues during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is an initial public offering of the Equity Shares of 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 the Equity Shares since our Company's inception.

Capital issue during the previous three years by listed group companies, subsidiaries and associates of our Company

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have their equity shares listed on any stock exchanges in India or overseas. Further, presently our Company does not have any associate companies or subsidiary companies.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Except as disclosed in "*Capital Structure*" on page 70 of this Draft Red Herring Prospectus, our Company has not made any rights issued during the five years immediately preceding the date of this Draft Red Herring Prospectus. Our Company has met the objects mentioned in the respective offer documents, there was no delay in completion of the rights issue undertaken by our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus. Further, our Company has not undertaken any previous public issue.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

Our Company does not have any subsidiaries or associate companies as on the date of this Draft Red Herring Prospectus.

Price information of past issues handled by Pantomath Capital Advisors Private Limited

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Manorama Industries Limited	64.00	188.00	October 04, 2018	190.20	-2.26% (-0.45%)	5.69% (3.09%)	6.38% (10.53%)
2.	Innovative Ideals and Services (India) Limited	12.26	40.00	October 05, 2018	43.00	215.00% (1.85%)	320.25% (4.41%)	299.75% (13.61%)
3.	Vinny Overseas Limited	10.37	40.00	October 11, 2018	40.50	11.25% (3.43%)	12.25% (5.54%)	5.00% (13.38%)
4.	Shubhlaxmi Jewel Art Limited	6.51	26.00	December 04, 2018	27.10	33.85% (-0.71%)	111.54% (-0.06%)	360.38% (9.69%)
5.	Deccan Health Care Limited	42.12	100.00	December 31, 2018	108.00	28.40% (-1.32%)	7.05% (7.22%)	-10.55% (9.22%)
6.	Surani Steel Tubes Limited	12.92	52.00	February 06, 2019	53.10	-4.81% (-0.04%)	-7.69% (4.84%)	-19.33% (-0.59%)
7.	Ritco Logistics Limited	48.18	73.00	February 07, 2019	77.40	-5.00% (-0.81%)	-3.49% (4.75%)	-8.70% (-0.73%)
8.	Artedz Fabs Limited	8.32	36.00	March 29, 2019	40.00	5.56% (1.12%)	-9.44% (1.92%)	-32.78% (-0.31%)
9.	Par Drugs and Chemicals Limited	8.53	51.00	May 16, 2019	52.90	-6.47% (5.03%)	-7.84% (-2.94%)	Not Applicable
10.	Suich Industries Limited	30.86	75.00	June 13, 2019	68.50	-42.00% (-2.53%)	-61.93% (-6.53%)	Not Applicable

Note – Gensol Engineering Limited has registered its Red Herring Prospectus with Registrar of Companies for Initial Public Offering.

Sources: All share price data is from www.bseindia.com and www.nseindia.com.

Note:-

- 1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index.*
- 2. Prices on BSE/NSE are considered for all of the above calculations.*
- 3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.*
- 4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.*

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
17-18	*30	610.90	-	-	4	10	7	9	-	2	6	12	3	7
18-19	**25#	477.04	-	-	7	2	4	11	1	2	10	3	2	7
19-20	***2\$	39.39	-	1	1	-	-	-	-	-	-	-	-	-

*The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018, February 19, 2018 and March 22, 2018 respectively.

**The scripts of Benara Bearings and Pistons Limited, Soni Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited, Innovators Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited, Accuracy Shipping Limited, Ganga Forging Limited, Ushanti Colour Chem Limited, Manorama Industries Limited, Innovative Ideals and Services (India) Limited, Vinny Overseas Limited, Shubhlaxmi Jewel Art Limited, Deccan Health Care Limited, Surani Steel Tubes Limited, Ritco Logistics Limited and Artez Fabs Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018, April 12, 2018, April 26, 2018, May 11, 2018, May 11, 2018, May 24, 2018, June 4, 2018, June 4, 2018, June 5, 2018, June 6, 2018, June 20, 2018, June 21, 2018, June 22, 2018, July 11, 2018, August 02, 2018, October 04, 2018, October 05, 2018, October 11, 2018, December 04, 2018, December 31, 2018, February 06, 2019 February 07, 2019 and March 29, 2019 respectively.

***The script of Par Drugs and Chemicals Limited and Suich Industries Limited were listed on May 16, 2019 and June 13, 2019 respectively.

\$ The script of Par Drugs and Chemicals Limited and Suich Industries Limited have not completed 180 Days and 180 Days respectively from the date of listing.

As on 30th trading day the closing price of the script Ganga Forging Limited was at par with the issue price. Hence it is not considered for counting the numbers of IPOs trading at discount and premium.

Note: Ambition Mica Limited is a Further Public Offering lead managed by Pantomath Capital Advisors Private Limited in the Financial Year 2017-18 and the same has not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange. Thus, there is no stock market data available for the Equity Shares of our Company.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debentures, warrants, securities premium notes, etc. issued by our Company.

Mechanism for Redressal of Investor Grievances

The agreement amongst the Registrar to the Issue and our Company provides for the retention of records with Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach Registrar to the Issue for redressal of their grievances.

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

All grievances in relation to the Bidding process may be addressed to the Registrar to this Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the Sole or First Bidder, Bid cum Application Form number, UPI ID (if applicable), Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs applying through the UPI Mechanism.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs, Syndicate Members, RTA, CDPs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Anchor Investor, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or Registrar to the Issue or SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be ten (10) 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.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee comprising, Navinchandra Natverlal Patel as the Chairperson, Naraindas Dharmdas Wadhwani, Sulochnadevi Devkinandan Agarwal and Mukesh Devkinandan Agarwal as members. For details of the Stakeholders' Relationship Committee, see the section titled "*Our Management*" on page 164 of this Draft Red Herring Prospectus.

Our Company has also appointed Dashang Manharlal Khatri, the Company Secretary of our Company, as the Compliance Officer for the Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Dashang Manharlal Khatri

Mukesh Trends Life Style Limited

National Highway no. 08,

Narol, Naroda Road, Ahmedabad- 382 443,

Gujarat, India.

Telephone: +91 987 920 5515

E-mail: cs@mtll.in

Website: www.mtll.in

Our Company has not received investor complaints during the period of three years preceding the date of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. None of our Group Companies are listed on any stock exchange in India or abroad.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/ Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

The Issue

The Issue is a fresh issue of Equity Shares by our Company. The Issue-related expenses shall be borne by our Company. For further information on the Issue-related expenses, see “*Objects of the Issue*” on page 82 of the Draft Red Herring Prospectus.

Ranking of the Equity Shares

The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association, the SEBI Listing Regulations and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled “*Description of Equity Shares and Terms of Articles of Association*” on page 274 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines issued by the Government in this regard. Dividends, if any declared by our Company after the date of Allotment, will be payable to the Bidders who have been allotted Equity Shares in this Issue, for the entire year, in accordance with the applicable laws. For further details in relation to dividends, see the sections titled “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 190 and 274, respectively of this Draft Red Herring Prospectus.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and will be advertised in all editions of English national newspaper [●], all editions of Hindi national newspaper [●], and all editions of Gujarati newspaper [●] (Gujarati being the regional language of Ahmedabad where our Registered Office is located), each with wide circulation, at least two (2) Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for purchasing rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any rules and regulations issued by RBI and/ or SEBI; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see the section titled “*Description of Equity Shares and Terms of Articles of Association*” on page 274 of this Draft Red Herring Prospectus.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated February 18, 2019 between NSDL, our Company and the Registrar to the Issue; and
- Tripartite Agreement dated February 11, 2019 between CDSL, our Company and the Registrar to the Issue.

Our Company’s shares bear ISIN no. INE05HH01018.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the

person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai, Maharashtra.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with a fresh issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In the event of failure to make an application for listing by the Company within such period as may be specified by the SEBI from time to time, or non-receipt of the listing permission by the issuer from the stock exchange(s) or withdrawal of the Observation Letter issued by the SEBI, wherever applicable, the securities shall not be eligible for listing and the Company shall be liable to refund the subscription monies, if any, to the respective allottees immediately, along with penal interest for each day of delay at the rate of fifteen per cent per annum from the date of allotment.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSING ON	[●]**

**Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid / Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.*

***Our Company may, in consultation with the BRLM, decide to close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date, in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account or UPI ID linked bank account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company or the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six (6) Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids (other than Bids from Anchor Investors):

Bid / Issue Period (except the Bid / Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid / Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in physical Bid cum Application Form, for a particular Bidder the details of the Bid file received from Stock Exchanges may be taken as final data for purposes of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some

Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bidders may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids will be accepted only during Monday to Friday (excluding any public holiday). Bids by the Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. None of our Company or any member of the Syndicate shall be liable for any failure in (i) uploading or downloading the Bids due to faults in any software/hardware system or otherwise; and (ii) the blocking of application amount by RIBs bank on receipt of instruction from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Issue Period, provided that, the Cap Price shall not be more than 120% of the Floor Price, and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and Cap Price will be revised accordingly.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the Bid cum Application form for a particular Bidder, the details as per the Bid file received from Stock Exchanges shall be taken as the final data for the purpose of Allotment.

In case of revision in the Price Band, or in case of force majeure, banking strike or similar circumstances, which are to be recorded in writing, the Bid/Issue Period shall be extended by at least three (3) additional Working Days after such an event, subject to the Bid/Issue Period not exceeding ten (10) Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

Period of operation of subscription list

See the sub-section titled “*Terms of the Issue – Bid/ Issue Programme*” on page 248 of this Draft Red Herring Prospectus.

Minimum Subscription

As prescribed, the minimum subscription in the Issue shall be 90% of the Issue. If our Company does not receive (i) the minimum subscription of 90% of the Issue on the Bid/Issue Closing Date; and (ii) minimum subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, or if the subscription level falls below 90% after the closure of the Issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares to be listed on such Stock Exchanges, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after the issuer becomes liable to pay the amount, our Company and every Director of our Company who are officers in default, shall pay interest at the rate of 15% per annum.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations.

Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only, the market lot of our Equity Shares will be one therefore, no arrangements for disposal of odd lots are required.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre – Issue Equity Share capital of our Company, Promoter’s minimum contribution and the Anchor Investor lock-in Equity Shares as detailed in “*Capital Structure*” beginning on page 70 of this Draft Red

Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation/ splitting, except as provided in the Articles of Association. For details, see “*Description of Equity Shares and Terms of Articles of Association*” beginning on page 274 of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

Initial public offering of up to 10,000,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹ [●] million. The Issue will constitute [●] % of the post-Issue paid-up Equity Share capital of our Company.

The face value of equity shares is ₹ 10 each.

The Issue is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / allocation ^{*(2)}	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for Allotment/ allocation	Not more than 50% of the Issue size. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to other QIBs.	Not less than 15% of the Issue size or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Issue size or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares may be allocated on a discretionary basis to the Anchor Investors	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see “Issue Procedure” on page 255 of this Draft Red Herring Prospectus.
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares, thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares, thereafter.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares, thereafter.		
Allotment Lot	A minimum [●] Equity Shares and in multiples of one Equity Share, thereafter.		
Mode of Allotment	Compulsorily in dematerialized form		
Trading Lot	One Equity Share		
Who can apply ⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, 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 and systemically important non-banking financial companies (as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations).	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA (excluding for Anchor Investors) Form at the time of submission of the ASBA Form and in case of UPI as an alternate mechanism, Bid amount shall be blocked at the time of confirmation of mandate collection request by applicant. ⁽³⁾		

* Assuming full subscription in the Issue.

(1) Our Company may, in consultation with the BRLM allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs.

(2) Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b) of the SCRR. The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

(3) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. Provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable

by the Anchor Investor Pay-In Date as indicated in the CAN. For details of terms of payment applicable to Anchor Investors, see “Issue Procedure” on page 255 of this Draft Red Herring Prospectus.

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “*Terms of the Issue*” on page 246 of this Draft Red Herring Prospectus.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 notified by SEBI (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the amendments to the SEBI ICDR Regulations and provisions of the Companies Act to the extent applicable to a public issue and any other enactments and regulations. The General Information Document shall also be made available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 as amended and modified by SEBI Circulars (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be Allotted to QIBs on a proportionate basis, provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one -third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion). 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (for RIBs using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity shares rematerialised subsequent to allotment of Equity shares in the IPO.

Phased Implementation of Unified Payments Interface

SEBI had issued a circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the circular, Unified Payments Interface ("UPI") was introduced in a phased manner as a payment mechanism in addition to ASBA for applications by RIBs through Syndicate members, Registered Stock Brokers, Registrar to the Issue and Depository Participants. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the then existing process and existing timeline of T+6 days. The same was to continue for a period of three months or launch of five main board public issues, whichever was later extended by three months till June 30, 2019 vide SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 ("UPI Phase I"). Thereafter, SEBI vide its circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 initiated UPI Phase II with effect from July 01, 2019, wherein application by RIBs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI Mechanism with existing timeline of T+6 days will continue for a further period of three months or launch of further five main board public issues, whichever is later ("UPI Phase II"). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("UPI Phase III"), as may be prescribed by SEBI. This Issue will be under Phase II.

This Issue may be amongst one of the few initial public offerings in which the UPI Mechanism for application by RIB is being permitted, the Company and the BRLM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue. Retail Individual Bidders making application using UPI shall use or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs upon receipt of the Bid cum Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchanges. Applications made by the Retail Individual Bidders using third party bank account or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. Post uploading the Bid details in the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Bidders with the Depositories.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and the Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one (1) day prior to the Bid/Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process including through UPI mode (as applicable), to participate in the Issue. ASBA Bidders must provide bank account details/UPI ID linked with bank account and authorisation by ASBA Bank holder to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made using third party bank accounts or using UPI ID linked with third party bank account are liable to be rejected.

Further, ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLM.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including Eligible NRIs, their sub-accounts (other than subaccounts which are foreign corporates or foreign individuals under the QIB Category), FPIs or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis^	Blue
Anchor Investors (Anchor Investors Application forms will be made available only at the Office of the BRLM)	White

*Excluding electronic Bid cum Application Form

^ Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms from RIIs bidding using the UPI mechanism) to the respective SCSB, where the Bidder has a bank account with ASBA facility, details of which were provided by the Bidder in his respective ASBA Form and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Applications through UPI can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website – www.sebi.gov.in at the following path:

Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI

A list of SCSBs and mobile application, which, as on date of this Draft Red Herring Prospectus are live for applying in public issues using UPI mechanism is available on the SEBI website. The RIBs shall submit applications only through the UPI mechanism, which would be the only permissible mode. Therefore the process of an investor submitting bid cum-application form with any intermediary along with bank account details, and movement of such application forms from intermediaries to SCSBs for blocking of funds, has been discontinued by SEBI vide its circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019.

An investor shall ensure that when applying in this Issue using the UPI mechanism, the name of his Bank should appear in the list of SCSBs which is displayed on the SEBI website indicating the names of those banks which are live on UPI. Further, he shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

Investors whose bank is not live on UPI, may use the other alternate channels available to them viz. submission of application form with SCSB or using the facility of linked online trading, demat and bank account.

An application made using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected. After the implementation of UPI phase III, the RIBs will not have the option of submitting bid-cum application form with any of the intermediaries for blocking of funds and making bids.

Electronic Registration of Bids

- The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the

condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.

- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Participation of Promoter and Promoter Group of our Company, the BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLM or any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), our Promoter and members of our Promoter Group cannot apply in this Issue.

Who can Bid?

In addition to the category of Bidders, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in the Issue under the laws, rules, regulations, guidelines and policies applicable to them.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

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

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries, the BRLM at select locations as specified in the Bid cum Application Form. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Only such applications made by NRIs which are accompanied by payment in free foreign exchange shall be considered for allotment under the reserved category. The NRI who intend to make payments through NRO accounts shall use the form for Resident Indians and shall not use forms meant for reserved category.

Bids by HUFs

Hindu Undivided Families or HUFs, shall apply in the individual name of the Karta. The Bidder/Applicant should specify in the Bid cum Application form, that the Bid being made in the name of the HUF, as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post Issue Equity Share capital. Further, in terms of FEMA, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and the investee company and the investor complying with the applicable reporting requirements. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing aggregate investment limits for an FPI in our Company is 24% of the total paid-up equity share capital of our Company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in ODIs (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised 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 regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure inter alia that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by SEBI registered Venture Capital Funds, Alternate Investment Funds and Foreign Venture Capital Investors

The SEBI FVCI Regulations, as amended and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

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 one-third ($\frac{1}{3}^{\text{rd}}$) 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 Regulation until the existing fund or scheme managed by the fund is wound up. Our Company and BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids 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 Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM reserves the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time -bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (No. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid, without assigning any reason thereof.

Bids by Anchor Investors

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for upto 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the Net QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- i. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.
- ii. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
- iii. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- iv. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
- v. Our Company in consultation with the BRLM may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
 - b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
 - c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.
- vi. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
- vii. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- viii. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- ix. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- x. The BRLM or any associates of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associate of the BRLM or FPIs other than Category III sponsored by the entities which are associate of the BRLM), our Promoters, Promoter Group or any person related to them will not participate in the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters or promoter group of the issuer: (i) rights under a shareholders' agreement or voting agreement entered into with promoters or promoter group of the issuer; or (ii) veto rights; or (iii) right to appoint any nominee director on the board of the issuer. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.

- xi. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- xii. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.
- xiii. For more information, see the General Information Document.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, a certified copy of (i) the certificate of registration issued by the RBI, (ii) a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, must be attached to the Bid-cum Application Form.

Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus. The investment limits for Systemically Important Non-Banking Financial Companies shall be as prescribed by RBI from time to time.

General Instructions

Do's:

1. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws, rules, regulations, guidelines and approvals;
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares issued will be in the dematerialised form only;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the concerned Bidding Centre within the prescribed time;
7. Ensure that parity is maintained across various channels through which applications have been submitted, by using your own bank account or the bank account linked with UPI ID to make applications in this Issue, since applications made using third party bank account or using third party linked bank account are liable for rejection;
8. RIBs Bidding using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Bid cum Application Form;
9. RIBs Bidding shall ensure that the bank, with which such RIB has a bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by the NPCI;
10. An investor shall ensure that when applying in IPO using UPI, the names of his/her Bank, the app and the UPI handle being used for making the application appear in the list of SCSBs displayed on the SEBI website which are live on UPI.
11. Ensure that you request for and receive a stamped Acknowledgement Slip of the ASBA Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the ASBA Form;
12. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
13. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgment Slip;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications wherein PAN is not mentioned will be rejected;
15. Ensure that the Demographic Details are updated, true and correct in all respects;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the name(s) given in the ASBA Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the ASBA Forms (for all Bidders other than RIBs Bidding using the UPI mechanism);
18. Ensure that you tick the correct investor category and the investor status, as applicable, in the ASBA Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust, etc., all relevant documents are submitted;
20. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the DP ID, the Client ID and the PAN in the ASBA Form entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
22. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the ASBA Form and the Red Herring Prospectus;
23. Ensure that while Bidding through a Designated Intermediary that the Bid cum Application Form is submitted to a Designated Intermediary (other than for Anchor Investors and RIBs Bidding through the UPI mechanism) in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
24. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
25. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
26. Ensure that you have correctly signed the authorization/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank via the electronic Mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form;
27. For RIBs bidding using the UPI mechanism, ensure that you approve the request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;
28. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI mandate request and then proceed to authorise the UPI request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI mandate request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
29. RIBs bidding using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Bid cum Application Form; and
30. RIBs bidding using the UPI mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of allotment in a timely manner.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid or revise Bid Amount to a price less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another ASBA Form after you have submitted a Bid to the Designated Intermediary;
4. Do not pay the Bid Amount by cheques and demand drafts or in cash, by money order or by postal order or by stock invest;

5. Do not send ASBA Forms by post. Instead submit the same to a Designated Intermediary;
6. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not submit more than one (1) Bid cum Application Form for each UPI ID in case of RIB bidding through the Designated Intermediary using the UPI Mechanism;
9. Do not submit the Bid using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the list of banks, apps and UPI handle which are live displayed on the SEBI website.
10. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds this Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or maximum amount permissible under the applicable laws or under the terms of the RHP/ Prospectus;
12. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
13. Do not make applications using third party bank accounts or using UPI ID linked with third party bank account;
14. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs bidding through the Designated Intermediaries using the UPI mechanism;
15. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidder using the UPI mechanism;
16. Do not submit the General Index Registration (“GIR”) number instead of the PAN;
17. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA Account;
18. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to this Issue;
19. Do not submit incorrect UPI ID details, if you are a RIB bidding through UPI Mechanism;
20. Do not submit Bids on plain paper or on incomplete or illegible ASBA Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
21. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
22. Do not submit the Bid cum Application Form with third party bank accounts or using UPI ID linked with third party bank account;
23. Do not deliver Bid cum Application Forms after the time prescribed in the Red Herring Prospectus and the Bid cum Application Forms;
24. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account; and
25. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per demographic details provided by the Depository);

26. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidders; and
27. Do not submit Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations. Method of allotment as may be prescribed by SEBI from time to time. Our Company will not make any allotment in excess of the Equity Shares offered through the Issue through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Allotment Procedure and Basis of Allotment

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the Red Herring Prospectus or the Prospectus. No Retail Individual Bidder will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue.

Allotment to RIBs

Bids received from the RIBs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Portion at or above the Issue Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Portion at or above the Issue Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot (“**Maximum RIB Allottees**”).

The Allotment to the RIBs will then be made in the following manner:

1. In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
2. In the event the number of RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

Allotment to NIBs

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

Allotment to QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2018, the Red Herring Prospectus or the Prospectus. Bids received from QIBs Bidding in the QIB Portion (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Portion may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

1. In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs;
2. In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under subscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

Allotment to Anchor Investor (if applicable)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company in consultation with the Book Running Lead Manager, subject to compliance with the following requirements:
 - i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.
- (b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company in consultation with the Book Running Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

- (d) In the event that the Issue Price is higher than the Anchor Investor Issue Price, Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (e) In the event the Issue Price is lower than the Anchor Investor Issue Price, Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

Basis of allotment for QIBs (other than Anchor Investors), NIBs and Reserved Category in case of over-subscribed issue

In the event of the Issue being over-subscribed, our Company, in consultation with the BRLM may finalise the Basis of Allotment with the approval of the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

Designated Date and Allotment of Equity Shares

- (a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

- (b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of Equity Shares to the successful Bidders'/Applicants' Depository Account will be completed within six (6) Working Days of the Bid/Issue Closing Date.

Our Company shall ensure that “at par” facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

Payment into Escrow Account for Anchor Investors

Our Company in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of English national newspaper [●]; (ii) all editions of Hindi national newspaper [●]; and (iii) all editions of Gujarati newspaper [●], each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.

- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investors;
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six (6) Working Days of the Bid/Issue Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoter's contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.
- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time;
- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc other than as disclosed under Regulation 19 of the SEBI ICDR Regulation;
- if our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges shall also be informed promptly;
- if our Company, withdraws the issue at any stage including after closure of bidding, our Company shall be required to file a fresh draft offer document with the Board; and
- our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated FDI Policy Circular of 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DIPP issues an updated circular. The DIPP issued the Standard Operating Procedure (“**SOP**”) for Processing FDI Proposals on June 29, 2017, provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the “**Competent Authority**”) for the grant of post-facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the competent authority, DIPP shall identify the Competent Authority.

As per current foreign investment policies, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and FEMA and transfer does not attract provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with guidelines prescribed by SEBI / RBI. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB and accordingly, the process for FDI and its approval from the Government of India will now be handled by the relevant ministries or departments, in consultation with the DIPP.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. 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 Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this DRHP. Bidders 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 - DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, 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 capitalised/ defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles.

Article No.	Articles	Particulars
1.	Table F Applicable.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to the Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.
CAPITAL		
3.	Authorised Capital.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.
4.	Increase of capital by the Company how carried into effect.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.
5.	New Capital same as existing capital.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6.	Non-Voting Shares.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
7.	Redeemable Preference Shares.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted

Article No.	Articles	Particulars
		shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.
8.	Voting rights of preference shares.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
9.	Provisions to apply on issue of Redeemable Preference Shares.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.</p>
10.	Reduction of capital.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce:</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account.</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
11.	Debentures.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
12.	Issue of Sweat Equity Shares.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.
13.	ESOP.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject

Article No.	Articles	Particulars
		to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.
14.	Buy Back of shares.	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.
15.	Consolidation, Sub-Division And Cancellation.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
16.	Issue of Depository Receipts.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.
17.	Issue of Securities.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.
MODIFICATION OF CLASS RIGHTS		
18. (a)	Modification of rights.	<p>If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>
18. (b)	New Issue of Shares not to affect rights attached to existing shares of that class.	The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
19.	Shares at the disposal of the Directors.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to

Article No.	Articles	Particulars
		the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.
20.	Power to issue shares on preferential basis.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.
21.	Shares should be Numbered progressively and no share to be subdivided.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
22.	Acceptance of Shares.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.
23.	Directors may allot shares as full paid-up	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.
24.	Deposit and call etc. to be a debt payable immediately.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.
25.	Liability of Members.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.
26.	Registration of Shares.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.
RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT		
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Section 39 of the Act.	
28.	Share Certificates	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the

Article No.	Articles	Particulars
		<p>company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>
29.	Issue of new certificates in place of those defaced, lost or destroyed.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>

Article No.	Articles	Particulars
30. (a)	The first named joint holder deemed Sole holder.	If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations
30. (b)	Maximum number of joint holders.	The Company shall not be bound to register more than three persons as the joint holders of any share.
31.	Company not bound to recognise any interest in share other than that of registered holders.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
32.	Installment on shares to be duly paid.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.
UNDERWRITING AND BROKERAGE		
33.	Commission	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
34.	Brokerage	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.
CALLS		
35.	Directors may make calls	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.
36.	Notice of Calls	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
37.	Calls to date from resolution.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.

Article No.	Articles	Particulars
38.	Calls on uniform basis.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
39.	Directors may extend time.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
40.	Calls to carry interest.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
41.	Sums deemed to be calls.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
42.	Proof on trial of suit for money due on shares.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
43.	Judgment, decree, partial payment motto proceed for forfeiture.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.
44.	Payments in Anticipation of calls may carry interest	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay

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		<p>at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>
LIEN		
45.	Company to have Lien on shares.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.
46.	As to enforcing lien by sale.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.
47.	Application of proceeds of sale.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.
FORFEITURE AND SURRENDER OF SHARES		
48.	If call or installment not paid, notice may be given.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall

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		be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.
49.	Terms of notice.	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>
50.	On default of payment, shares to be forfeited.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
51.	Notice of forfeiture to a Member	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.
52.	Forfeited shares to be property of the Company and may be sold etc.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.
53.	Members still liable to pay money owing at time of forfeiture and interest.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.
54.	Effect of forfeiture.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
55.	Evidence of Forfeiture.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
56.	Title of purchaser and allottee of Forfeited shares.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.

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57.	Cancellation of share certificate in respect of forfeited shares.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
58.	Forfeiture may be remitted.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.
59.	Validity of sale	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
60.	Surrender of shares.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.
TRANSFER AND TRANSMISSION OF SHARES		
61.	Execution of the instrument of shares.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.
62.	Transfer Form.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;
63.	Transfer not to be registered except on production of instrument of transfer.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of

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		the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.
64.	Directors may refuse to register transfer.	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register-</p> <p>(a) any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p>
65.	Notice of refusal to be given to transferor and transferee.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.
66.	No fee on transfer.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.
67.	Closure of Register of Members or debenture holder or other security holders.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
68.	Custody of transfer Deeds.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.
69.	Application for transfer of partly paid shares.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
70.	Notice to transferee.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
71.	Recognition of legal representative.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal</p>

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		representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
72.	Titles of Shares of deceased Member	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.
73.	Notice of application when to be given	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.
74.	Registration of persons entitled to share otherwise than by transfer. (transmission clause).	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.
75.	Refusal to register nominee.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
76.	Board may require evidence of transmission.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
77.	Company not liable for disregard of a notice prohibiting registration of transfer.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares

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		notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.
78.	Form of transfer Outside India.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.
79.	No transfer to insolvent etc.	No transfer shall be made to any minor, insolvent or person of unsound mind.
NOMINATION		
80.	Nomination	<ul style="list-style-type: none"> i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.
81.	Transmission of Securities nominee by	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <ul style="list-style-type: none"> i) to be registered himself as holder of the security, as the case may be; or ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made; iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be; iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys</p>

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		payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.
DEMATERIALIZATION OF SHARES		
82.	Dematerialisation of Securities	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.
JOINT HOLDER		
83.	Joint Holders	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.
84.(a)	Joint and several liabilities for all payments in respect of shares.	The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
84.(b)	Title of survivors.	on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;
84.(c)	Receipts of one sufficient.	Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and
84.(d)	Delivery of certificate and giving of notices to first named holders.	only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.
SHARE WARRANTS		
85.	Power to issue share warrants	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
86.	Deposit of share warrants	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>
87.	Privileges and disabilities of the holders of share warrant	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

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		(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
88.	Issue of new share warrant coupons	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
CONVERSION OF SHARES INTO STOCK		
89.	Conversion of shares into stock or reconversion.	The Company may, by ordinary resolution in General Meeting. (a) convert any fully paid-up shares into stock; and (b) re-convert any stock into fully paid-up shares of any denomination.
90.	Transfer of stock.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
91.	Rights of stock holders.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
92.	Regulations.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.
BORROWING POWERS		
93.	Power to borrow.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.
94.	Issue of discount etc. or with special privileges.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
95.	Securing payment or repayment of Moneys borrowed.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board

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		may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.
96.	Bonds, Debentures etc. to be under the control of the Directors.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
97.	Mortgage of uncalled Capital.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
98.	Indemnity may be given.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.
MEETINGS OF MEMBERS		
99.	Distinction between AGM & EGM.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.
100. (a)	Extra-Ordinary General Meeting by Board and by requisition	The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members
100. (b)	When a Director or any two Members may call an Extra-Ordinary General Meeting	If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.
101.	Meeting not to transact business not mentioned in notice.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.
102.	Chairman of General Meeting	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the

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		Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.
103.	Business confined to election of Chairman whilst chair is vacant.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.
104.	Chairman with consent may adjourn meeting.	<ul style="list-style-type: none"> a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
105.	Chairman's casting vote.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.
106.	In what case poll taken without adjournment.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.
107.	Demand for poll not to prevent transaction of other business.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
VOTES OF MEMBERS		
108.	Members in arrears not to vote.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.
109.	Number of votes each member entitled.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
110.	Casting of votes by a member entitled to more than one vote.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

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111.	Vote of member of unsound mind and of minor	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
112.	Postal Ballot	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.
113.	E-Voting	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
114.	Votes of joint members.	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
115.	Votes may be given by proxy or by representative	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles
116.	Representation of a body corporate.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.
117. (a)	Members paying money in advance.	A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.
117. (b)	Members not prohibited if share not held for any specified period.	A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.
118.	Votes in respect of shares of deceased or insolvent members.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.
119.	No votes by proxy on show of hands.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a

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		representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.
120.	Appointment of a Proxy.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
121.	Form of proxy.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
122.	Validity of votes given by proxy notwithstanding death of a member.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.
123.	Time for objections to votes.	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.
124.	Chairperson of the Meeting to be the judge of validity of any vote.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
DIRECTORS		
125.	Number of Directors	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution
126.	Qualification shares.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.
127.	Nominee Directors.	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to</p>

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		<p>them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>
128.	Appointment of alternate Director.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
129.	Additional Director	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.
130.	Directors power to fill casual vacancies.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.
131.	Sitting Fees.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.
132.	Travelling expenses Incurred by Director on Company's business.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
PROCEEDING OF THE BOARD OF DIRECTORS		
133.	Meetings of Directors.	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>
134.	Chairperson	<p>(a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>(b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>

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135.	Questions at Board meeting how decided.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.
136.	Continuing directors may act notwithstanding any vacancy in the Board	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.
137.	Directors may appoint committee.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
138.	Committee Meetings how to be governed.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
139.	Chairperson of Committee Meetings	(a) A committee may elect a Chairperson of its meetings. (b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
140.	Meetings of the Committee	(a) A committee may meet and adjourn as it thinks fit. (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
141.	Acts of Board or Committee shall be valid notwithstanding defect in appointment.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.
RETIREMENT AND ROTATION OF DIRECTORS		
142.	Power to fill casual vacancy	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
POWERS OF THE BOARD		
143.	Powers of the Board	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the

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		Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
144.	Certain powers of the Board	<p>Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say:</p> <ol style="list-style-type: none"> (1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India. (2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy. (3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company. (4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. (5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. (6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit. (7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit. (8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.

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		<p>(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.</p> <p>(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.</p> <p>(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.</p> <p>(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.</p> <p>(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.</p> <p>(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;</p> <p>(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.</p> <p>(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.</p> <p>(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may</p>

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		<p>think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p> <p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p> <p>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p> <p>(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p> <p>(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.</p> <p>(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.</p>

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		<p>(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.</p> <p>(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.</p> <p>(26) To redeem preference shares.</p> <p>(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.</p> <p>(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.</p> <p>(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p> <p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the</p>

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		<p>Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>
MANAGING AND WHOLE-TIME DIRECTORS		
145.	Powers to appoint Managing/ Whole - time Directors.	<p>(a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>(b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>
146.	Remuneration of Managing or Whole-time Director.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.
147.	Powers and duties of Managing Director or Whole-time Director.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p>

Article No.	Articles	Particulars
		<p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER		
148.	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer	<p>(a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>(b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>
THE SEAL		
149.	The seal, its custody and use.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>
150.	Deeds executed. how	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.
DIVIDEND AND RESERVES		
151.	Division of profits.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the

Article No.	Articles	Particulars
		<p>shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>
152.	The company in General Meeting may declare Dividends.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.
153.	Transfer to reserves	<p>(a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>(b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>
154.	Interim Dividend.	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.
155.	Debts may be deducted.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
156.	Capital paid up in advance not to earn dividend.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.
157.	Dividends in proportion to amount paid-up	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
158.	Retention of dividends until completion of transfer under Articles.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.
159.	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.

Article No.	Articles	Particulars
160.	Effect of transfer of shares.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
161.	Dividend to joint holders.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
162.	Dividends how remitted.	<p>(a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>(b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>
163.	Notice of dividend.	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.
164.	No interest on Dividends.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.
CAPITALIZATION		
165.	Capitalization.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>
166.	Fractional Certificates.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p>

Article No.	Articles	Particulars
		<p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>
167.	Inspection of Minutes Books of General Meetings.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>
168.	Inspection of Accounts	<p>(a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>(b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
FOREIGN REGISTER		
169.	Foreign Register.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.
DOCUMENTS AND SERVICE OF NOTICES		
170.	Signing of documents & notices to be served or given.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.
171.	Authentication of documents and proceedings.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.
WINDING UP		
172.	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.	

Article No.	Articles	Particulars
		<p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
INDEMNITY		
173.	Directors' and others right to indemnity.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.
174.	Not responsible for acts of others	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.
SECRECY		
175 (a)	Secrecy	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
175 (b)	Access to property information etc.	No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's

Article No.	Articles	Particulars
		trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

1. Material Contracts for the Issue

- (i) Issue Agreement dated March 18, 2019 entered into between our Company and the BRLM.
- (ii) Registrar Agreement dated March 18, 2019 entered into amongst our Company and the Registrar to the Issue.
- (iii) Service Provider Agreement dated September 14, 2019 entered into between Concept Communication Limited and our Company.
- (iv) Tripartite Agreement dated February 18, 2019 between our Company, NSDL and the Registrar to the Issue
- (v) Tripartite Agreement dated February 11, 2019 between our Company, CDSL and the Registrar to the Issue
- (vi) Escrow and Sponsor Bank Agreement dated [●] amongst our Company the BRLM, Syndicate Member, Escrow Collection Banks, Sponsor Bank and the Registrar to the Issue.
- (vii) Syndicate Agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members.
- (viii) Underwriting Agreement dated [●] amongst our Company and the Underwriters.

2. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Certificate of incorporation dated July 30, 1990.
- (iii) Fresh certificate of incorporation dated March 09, 1994 consequent upon conversion from private company to public company.
- (iv) Fresh certificate of incorporation dated April 07, 1995 consequent upon change of name from Mukesh Fabrics Limited to Mukesh Industries Limited.
- (v) Fresh certificate of incorporation dated December 31, 2018 consequent upon change of name from Mukesh Industries Limited to Mukesh Trends Life Style Limited.
- (vi) Resolution of the Board of Directors dated January 10, 2019 in relation to the Issue.
- (vii) Shareholders' resolution dated January 31, 2019 in relation to the Issue.
- (viii) Resolutions of the IPO Committee and the Board of Directors of the Company dated September 27, 2019, taking on record the Issue and, approving this Draft Red Herring Prospectus.

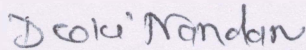
- (ix) The examination reports dated August 02, 2019 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.
- (x) Copies of the annual reports of our Company for the Fiscals 2017, 2018 and 2019.
- (xi) Statement of Tax Benefits dated August 02, 2019 from the Statutory Auditor included in this Draft Red Herring Prospectus.
- (xii) Consent of the Promoter, Directors, the BRLM, Legal Counsel, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
- (xiii) Consent letter dated August 01, 2019 of the Statutory Auditor to include their names as experts in relation to their report dated August 02, 2019 on the Restated Financial Information and the Statement of Tax Benefits dated August 02, 2019 included in this Draft Red Herring Prospectus.
- (xiv) Consent from Care Advisory Research & Training Limited dated September 25, 2019 in relation to the industry report titled "*Research report on Textile Industry*" released in July 2019 and the Techno Economic Viability Report (Appraisal Report) dated September 25, 2019.
- (xv) Consent letter dated September 25, 2019 issued by G.R. Shah and Associates, Company Secretaries in relation to the search report dated September 25, 2019.
- (xvi) Techno-Economic Viability Report dated September 25, 2019 issued by Care Advisory Research and Training Limited for the Object of the Issue.
- (xvii) Due Diligence Certificate dated September 27, 2019 addressed to SEBI from the BRLM.
- (xviii) In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
- (xix) SEBI observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

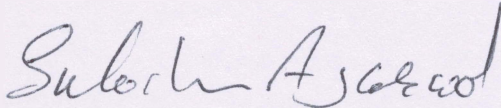
SIGNED BY THE DIRECTORS OF OUR COMPANY



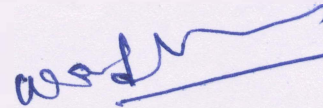
Devkinandan Gopiram Agarwal
(Chairman and Managing Director)



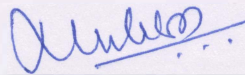
Mukesh Devkinandan Agarwal
(Whole-time Director and Chief Executive Officer)



Sulochnadevi Devkinandan Agarwal
(Non-Executive Director)



Naraindas Dharamdas Wadhvani
(Independent Director)

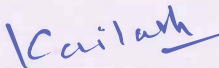


Mukesh Chinubhai Shah
(Independent Director)



Navinchandra Natverlal Patel
(Independent Director)

SIGNED BY OUR CHIEF FINANCIAL OFFICER



Kailash Jamnalal Dudhani
(Chief Financial Officer)

Date: September 27, 2019

Place: Ahmedabad